

BALANCED BUDGET 2007

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

2007/08 – 2009/10 SERVICE PLAN

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Ministry of Forests and Range, contact:

PO BOX 9515
STN PROV GOVT
VICTORIA, BC
V8W 9C2

or visit our website at
<http://www.gov.bc.ca/for>

Office of Housing and Construction Standards, contact:

PO BOX 9844
STN PROV GOVT
VICTORIA, BC
V8W 9T2

or visit our website at
<http://www.housing.gov.bc.ca>

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Message from the Minister and Accountability Statement

Over the next year, the Ministry of Forests and Range will continue to improve the management of the province's forest and range resources. New agreements with First Nations, new safety initiatives for forestry workers, an improved regulatory framework and other initiatives will ensure British Columbians continue to see the highest economic, environmental and social benefits from their forests.

We continue to lead government's efforts in addressing the environmental and economic impacts of the mountain pine beetle. The most recent Mountain Pine Beetle Action Plan contains 59 immediate actions, as well as 13 longer term actions. The Chief Forester's Office will start implementing recommendations from the Future Forests Ecosystem Initiative to adjust forestry legislation, policy and practices in response to rapidly changing forest conditions, including those brought about by the mountain pine beetle epidemic.

Since September 2002, we've signed forestry agreements with over 110 First Nations, and by March 2008, offers to negotiate will be extended to all 176 First Nations that are eligible for Forest and Range Opportunity Agreements. The Ministry of Forests and Range will continue to play a key role in supporting treaty negotiations and fostering a new relationship with First Nations.

The *Forest and Range Practices Act* comes into full effect this year, completing our commitment to a results-based approach to forest management that maintains high environmental standards. By investing \$12 million over three years in a science-based evaluation program, we are improving our ability to monitor and evaluate the effectiveness of forest practices, and support their continuous improvement.

International competitiveness is increasing in the global forest industry. With 80 per cent of B.C.'s forest products being sold in non-Canadian markets, it is essential that we adjust our business practices to remain competitive. We continue to work with industry to meet the challenge. We are enabling B.C. to take advantage of emerging international markets for timber products through the British Columbia Asia Pacific Initiative, a coordinated strategy to maximize the benefits of B.C.'s geographic proximity to Asian markets and the province's rich Asian cultural influence and relationships. This plan includes the Forestry Innovation Investment's Dream Home Canada/China marketing program.

As Minister Responsible for Housing I am proud of the steps we have taken to help B.C.'s most vulnerable citizens access safe, affordable housing.

Addressing homelessness is one of our highest priorities.

We will introduce or expand a number of key programs as we implement Housing Matters BC, our Provincial Housing Strategy to support people with a range of housing needs. We anticipate that our Rental Assistance Program will help an estimated 15,000 to 20,000 low-income, working families with their housing needs.

To help more homeless people find permanent shelter and income assistance, we are building on a successful pilot program of outreach workers, partnering with non-profit organizations. We are also increasing the amount of transitional housing, allowing shelter users to move into more permanent housing and freeing shelter spaces for those in need.

We will also continue to update regulations around planning and building, making the rules consistent throughout the province and ensuring a continued high standard from B.C.'s construction industry. The modernization strategy will improve the safety of buildings with consistent approaches for the design, construction and occupancy of buildings.

The Residential Tenancy Branch continues to implement changes to provide a broader range of dispute resolution services to help landlords and tenants resolve disputes without formal adjudication proceedings. As well, administration is improving to ensure quicker responses to telephone, fax, e-mail and in-person requests for information and services.

The Ministry of Forests and Range 2007/08–2009/10 Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of February 12, 2007 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



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

February 12, 2007

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Ministry Overview

Purpose of Ministry

Forests and Range

Since its establishment in 1912 as the Forests Branch, the Ministry of Forests and Range (also known as the Forest Service) 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 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 competitive forest and range industries. 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 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.

The Ministry pursues its goals for sustainable forest and range resources and benefits in a consultative manner with the public, forest and range industries, and other Crown agencies, while recognizing the unique interests of Aboriginal people. In this way, the Ministry works to earn the public's trust as our staff make the 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.

Office of Housing and Construction Standards

The Office of Housing and Construction Standards (the Office) brings together key areas of government devoted to improving access to safe and stable housing for all British Columbians. The Office is responsible for provincial housing policy, building policy (including the *BC Building Code* and the *BC Fire Code*), safety policy (relating to mechanical products and systems and work practices), and the Residential Tenancy Branch.

In the coming year, the Office will continue work on two major initiatives:

- Implementation of the Provincial Housing Strategy; and
- Modernization of regulatory systems to achieve safety in the design, construction and occupancy of buildings.

Services are delivered directly by the Office or through our service delivery partners, the BC Housing Management Commission and the Homeowner Protection Office. See Appendix 2 for a list of our clients and the services we provide.

Section A: Ministry of Forests and Range

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. These values are converted into socio-economic benefits for the British Columbians who obtain their livelihood and recreation from B.C.'s forests, and for all British Columbians who benefit from the Crown revenue collected.

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.

Our Values

While our vision and mission brings focus and clarity to what we are working towards, our values guide management and staff in their decision-making processes and set the basis for the way we meet our business objectives, the way we work with each other and the way we interact with clients, partners, and others. Our values are:

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 in creating new and better ways to carry out 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. In British Columbia, less than 0.3 per cent of the forest is logged each year. In 2005, the B.C. timber harvest was 83 million cubic metres — about 1.8 per cent higher than the 2004 harvest and about nine per cent higher than the five-year average (see Figure 1). Fluctuations in the annual harvest level are not unusual. In the short term, harvest levels are expected to continue to be higher than historical averages due to the accelerated harvest of beetle-killed wood in the interior of the province.

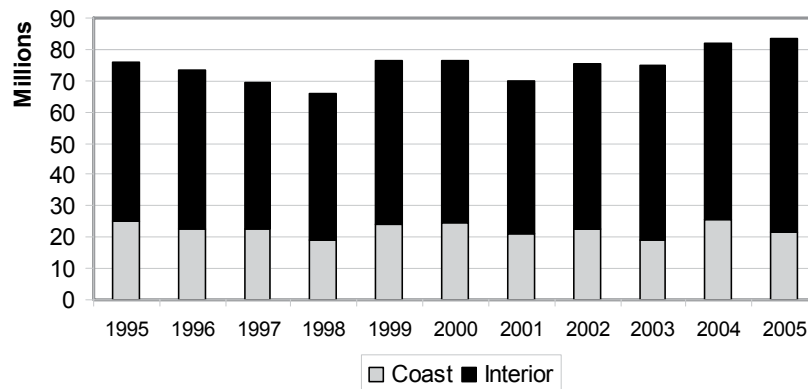


Figure 1: B.C. Coast and Interior Annual Timber Harvest 1995–2005

The mountain pine beetle continues to devastate the mature pine forest in the interior of the province. The Ministry projects that 80 per cent of the merchantable pine in the province’s central and southern interior could be killed by 2013 and more than half that pine could be dead by the summer of 2007. Lodgepole pine is a major feature of many ecosystems, making up more than half the interior’s annual timber harvest, and is critical to the economic, social and cultural well-being of the province of B.C. The Province, the federal government, First Nations and communities are working closely together to effectively mitigate the impacts of the beetle infestation; however, mitigation will be an ongoing process over the next two or perhaps three decades.

Mitigating potential long-term environmental consequences in our forests due to climate change continues to be a key challenge at the provincial, national and international levels. Climate change will significantly affect forest and range ecosystems and the sectors and communities that rely on them. In B.C., climate change could increase forest and range productivity in certain areas of the province. However, it may also result in insect and disease outbreaks, forest-damaging events such as ice storms, floods and droughts, a shorter winter logging season and a longer fire season. It also has implications for rangelands, including wildlife habitat and the spread of invasive plants. In addition to supporting federally- and provincially-led mitigation strategies, the Ministry will be playing an active role by increasing knowledge and awareness of climate change through research and extension, examining reforestation policies to identify species and seed sources adapted to future climate projections, and providing leadership to the forest and range sectors in preparing for the impacts of climate change.

The environmental impacts of climate change on British Columbia rangelands will potentially have both positive and negative impacts. The loss of standing pine forest through direct impact of the beetle and/or associated salvage logging is expected to dramatically increase potential forage supply in the short term for both livestock and wildlife. Encroachment of forest onto grasslands now appears to be reversing in the dry forest grassland, expanding the potential forage supply in the long term. Restricted availability of water for livestock may be a hurdle in some areas, but with the reallocation of resources to manage the range resource, the opportunities for expanding the use of Crown range as a means of mitigating the forest-sector losses is a positive aspect of climate change.

As a result of global, national and local challenges, the ability to sustainably manage British Columbia's forests and range is becoming more complicated, as we move into the future.

Social Trends

World population continues to rise but the rate of natural population increase (births minus deaths) has slowed and the median age of the world's population is rising. In Canada, the population growth rate has surpassed the global average due to high rates of immigration. In British Columbia, partially due to the province's aging population, it is becoming increasingly difficult to attract and retain young skilled people in the forest industry. In addition to finding ways to replace retiring employees with qualified workers, the need to effectively transfer knowledge and expertise from more experienced employees to younger co-workers will continue to increase.

The ranching sector also reports similar difficulties in attracting labour, but business succession is the primary concern as fewer young people are indicating a willingness to take over the family farm or ranch, or take the significant financial risk of investing in a ranch.

Decreasing enrolment in post-secondary forestry programs, which has been in a notable decline for several years, is also complicating the ability to recruit qualified workers into

the forest sector. In addition, the majority of students who pursue an 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. The urgency to address declining enrolment is increasing, especially as the role of forestry professionals, and society's expectations of them, grows. In response, the Ministry is working with other agencies and educational institutions on a recruitment strategy.

The population of British Columbia includes large, culturally diverse and geographically dispersed First Nations populations. Many Aboriginal communities are located in forested areas and have active land claims in place for ownership of land allocated for forestry activity. 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.

To reduce the number of deaths and serious injuries in the forest industry the Ministry of Forests and Range, the Ministry of Labour and Citizens' Services, the BC Forest Safety Council and Worksafe BC are aggressively moving forward on new joint safety initiatives. These include: a review of legislation, regulation and policy to identify gaps and potential improvements from a safety perspective; the development of a Memorandum of Understanding between the Ministry and Worksafe BC; and the development of a SAFE Companies standard by the BC Forest Safety Council, to be piloted with BC Timber Sales. This standard will allow forest sector companies to show, by way of an independent audit, that they meet certain benchmark safety criteria.

Economic Trends

The economic circumstances of the B.C. forest industry are continually changing as a result of many factors including: global competition for market share; the implementation of the Softwood Lumber Agreement between Canada and the U.S.; continued consolidation within the sector; reduced demand and declining commodity prices; the strong value of the Canadian dollar against the US dollar; aging capital investments and low returns on capital.

The economic circumstances in the ranching sector are similarly difficult as the lower US dollar affects the value of Canadian beef exports, thereby putting downward pressure on the price of feeder cattle shipped out of B.C. to Alberta and beyond. Trade restrictions on the export of mature cattle related to the occurrence of BSE¹ in Canada are particularly hard on the cow-calf sector, which is the primary component of the B.C. beef sector making use of Crown rangelands.

World competition in the global forest industry is increasing and returns are tight. Many countries are emerging as potential customers of B.C. forest products (e.g., China, India and Indonesia) while others are becoming strong competitors (e.g., China, Russia, European

¹ Bovine Spongiform Encephalopathy or "mad cow" disease.

countries and Brazil). Given that approximately 80 per cent of the sales by the B.C. forest industry continue to be destined for non-Canadian markets, there will be continuous pressure to maintain and improve the forest sector's competitiveness. This pressure is intensified by the relatively low returns available in the sector. PricewaterhouseCoopers, in their global survey estimates that the average return on capital employed (ROCE) for major forest, paper and packaging companies was 4.5 per cent in 2005. For listed Canadian companies, nearly half of which are based in B.C., the average return on capital employed was 2.5 per cent. These returns are expected to be lower in 2006 given weaker forest product markets.

In September 2006 an agreement was signed between Canada and the U.S. to end the trade dispute over softwood lumber. The agreement took effect on October 12, 2006 and has a term of seven years. As a result of the agreement, B.C. forest products are no longer subject to U.S. countervailing and anti-dumping duties; however, a border measure is imposed when lumber prices fall below \$355 per thousand board feet. Unlike the countervailing and anti-dumping duties, funds collected as a result of the border measure will remain in Canada.

In 2006 lumber prices continued to trend downwards (see Table 1). In 2007 lumber prices are anticipated to remain low as a result of reductions in U.S. lumber consumption due to a decline in housing starts, rising interest rates and higher energy prices. The price of hemlock baby squares, a key coastal lumber product used in the construction of traditional post and beam Japanese houses, remained steady in 2006 (see Table 1). In 2007, average prices for hemlock baby squares are expected to rise slightly to an average price of US\$610 per thousand board feet.

Table 1: Commodity Prices

Product	Unit	Annual Average 2006*	Annual Average 2005	Annual Average 2004
Spruce Pine Fir 2x4	US\$/000 bd. ft.	297	355	392
Hemlock Baby Squares	US\$/000 bd. ft.	583	540	613
Northern Bleached Kraft pulp	US\$/tonne	674	611	615
Newsprint	US\$/tonne	667	608	550

Source: Madison's Canadian Lumber

* Year-to-date average as of December 2006

Pulp and paper prices rose throughout 2006 and are forecast to remain strong through 2007 (see Table 1). Despite the strong prices, the B.C. pulp and paper industry will continue to struggle to remain profitable due to its aging capital, the relatively small size of the industry in comparison to international competitors, competition from different types of pulp, 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.

Throughout 2006 the Canadian dollar was strong against the US dollar peaking at over 91 US cents in May. The 2006 provincial budget forecast an exchange rate of 85.2 US cents for 2007. While this is lower than the May peak, the prediction means that the Canadian dollar is expected to remain strong throughout 2007. The strong Canadian dollar will continue to impact the B.C. forest industry by increasing the relative cost of production in B.C., and reducing B.C. companies' profits as most forest products are sold in US dollars.

Internal Trends and Capacity

A key strength of the Forest Service continues to be dedicated staff with a commitment to the careful and thoughtful management of British Columbia's forests and range resources. The loss of expertise through retirements and the challenge to attract new recruits will continue to impact the Ministry. To address this recruitment issue and other human resource challenges including knowledge transfer, the Ministry is working to implement a comprehensive human resources strategy to better position the Ministry to address the trends affecting our workforce in the short and long term.

A further key strength of the Ministry is improved efficiency of service delivery through adoption of e-business. However, a related challenge is to keep current with technology as demand builds on Ministry systems.

Key Strategic Issues

While recent market-based policy changes and the implementation of results-based approaches have benefited the sector, the mountain pine beetle infestation, struggling coastal and pulp and paper industries, and international market forces all continue to challenge the B.C. forest sector. In 2007/08, the Ministry will continue implementing the policy changes associated with the Forestry Revitalization Plan and the *Forest and Range Practices Act* while working to develop a new relationship with First Nations. The Ministry will also: continue to deal with the impacts of the mountain pine beetle epidemic; implement the Softwood Lumber Agreement; work to improve safety in the forest industry; work closely with First Nations to increase their participation in the forest sector; and ensure that our forest management practices mitigate climate change impacts and fuel-management concerns.

Core Business Areas

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.

1. Protection Against Fire and Pests

The Ministry manages wildfire to protect natural resource inventories and investments in the forest landbase. 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 in 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.

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.

3. 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 a 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.

4. Forest Investment

The Forest Investment Account is a forest-sector investment model, led by Government, established to deliver investments on Crown land through five programs (see Table 2) in an accountable, efficient manner. Investment dollars have been directed to activities on public land that foster sustainable forest management and improve the public forest asset base. Governance of these programs is overseen by the Forest Investment Council and multi-disciplinary boards, councils or steering committees at the program level.

Administration of most Forest Investment Account 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 Forest Investment Account funding;
- provide funds to successful proponents and track project delivery; and
- are responsible for performance and financial auditing.

Table 2 lists the programs with their administrators.

Table 2: Administration, Planning and Reporting Responsibilities for Forest Investment Account Programs

Forest Investment Account Program	Administrator	Plans and Reports
Land Based Investment Program	PricewaterhouseCoopers LLP Federation of B.C. Woodlot Associations	Activity reporting, audit plan and annual report
Tree Improvement Program	Ministry of Forests and Range	Ministry of Forest and Range 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
Forest Science Program	PricewaterhouseCoopers LLP	Forest Science Board strategy and business plan, activity reporting, audit plan and annual report

Forest Investment Account Program	Administrator	Plans and Reports
Market Development Program	Forestry Innovation Investment Ltd.	Forestry Innovation Investment Ltd. Service Plan and Annual Service Plan Report

Forest Investment Account programs that support the Ministry’s sustainable forest resources goal at the provincial level include the Forest Science, Tree Improvement and Crown Land Use Planning programs. This goal is also supported through the Land Based Investment Program at a local level where funding is allocated to tree farm licence holders, woodlot licence holders, community forest agreement holders and certain tenure holders in each timber supply area to support incremental activities on public land in the areas of sustainable forest management planning, enhanced forestry, watershed restoration and resource inventories.

Under the goal of “Sustainable socio-economic benefits from forest and range resources”, the Forest Investment Account programs promote investment in product development and international marketing activities. Forestry Innovation Investment Ltd., a Crown corporation, administers these activities at the provincial level.

5. 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 (under Goal 2); evaluating rangeland health and effectiveness of range practices; restoring degraded rangeland ecosystems (Goal 1); and promoting and fostering rangeland use and management (both goals). The Ministry champions integrated provincial responses or strategies to address serious threats, such as land alienation, 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.

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 depend on a fair pricing system, effective allocation and administration of timber harvesting

<p>Tenures managed by the Ministry of Forests:</p> <ul style="list-style-type: none"> • 34 Tree Farm Licences • 821 Woodlot Licences • 14 Community Forest Agreements • 171 replaceable and 240 non-replaceable Forest Licences • 77 replaceable and 986 non-replaceable Timber Sale Licences • 577 Timber Licences • 10 Pulpwood Licences • 1,701 Forestry Licences to Cut

rights, and a safe and cost-effective road infrastructure to access timber, forest-based communities and recreation areas.

Core business activities to achieve this goal include promoting a competitive forest sector through 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.

7. BC Timber Sales

The BC Timber Sales organization supports B.C.'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. BC Timber Sales publishes a separate Service Plan each year, available at: <http://www.for.gov.bc.ca/bcts/>.

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 on supporting internal management and employees, they also serve industry and the general public.

Information Resource Management Plan

The Ministry's Information Resource Management Plan supports the work of all core business areas. An overview is available on the Ministry website at: <http://www.for.gov.bc.ca/mof/irmoverview/>.

New Relationship

The Government of British Columbia is leading the nation in developing a New Relationship with First Nations and Aboriginal people. Guided by principles of trust, and by recognition and respect of First Nations rights and title, we are building a stronger and healthier relationship between government and Aboriginal people. By working together, we will bring tangible social and economic benefits to Aboriginal people across the province and narrow the gap between Aboriginal people and other British Columbians.

The Ministry of Forests and Range is working to support the New Relationship by supporting the Ministry of Aboriginal Relations and Reconciliation in treaty negotiations. The Ministry also has a key role in assisting First Nations to become active participants in the forest sector, as described under Objective 7 (pages 44 and 45). This is achieved through the negotiation of Forest and Range Opportunity Agreements that provide economic benefits such as revenue sharing and opportunities for tenure and that accommodate aspects of First Nations' rights and title. In addition, the Ministry negotiates agreements to streamline the consultation process and agreements that provide additional economic opportunities for First Nations by providing volumes of beetle-attacked and fire-killed timber.

The ongoing development of policies and programs that involve First Nations in mitigating the impacts of the mountain pine beetle on the environment and First Nation communities continues to be a priority for 2007/08.

Goals, Objectives, Strategies and Results

Overview

This section presents the Ministry's goals, indicates their linkage to government's Five Great Goals and outlines how specific objectives and strategies within the Ministry's eight core business areas are helping to achieve the Ministry's goals, as tracked by performance indicators.

Ministry Goals

The Ministry's first two goals demonstrate the role of the Government of British Columbia in ensuring sustainability of public resources and balancing that with public benefits and economic health. These goals are shared with the public and other agencies, and at times may involve the Ministry engaging in broader discussions with these agencies. The third goal speaks to the organizational health of the Ministry and its ability to achieve the first two goals through effective leadership and a client service orientation.

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 will ensure appropriate forest and range management practices are used to maintain and improve the long-term sustainability and health of the Province's forest and range resources. The Ministry will also ensure incremental investments in the forest resource are effective through the Forest Investment Account.

Goal 2: Sustainable Socio-Economic Benefits from Forest and Range Resources.

Forestry remains a major contributor to B.C.'s current and future economic health, generating substantial revenue to the provincial government and yielding a significant net benefit to the broader public interest. Economic benefits from forest and range resources rely on globally competitive forest and ranching sectors and competitive market pricing. The Ministry leads the response to the socio-economic impacts of the mountain pine beetle epidemic, working with other agencies, and provides public access to forest-based communities, rural residences and recreation areas. In addition, the Ministry recognizes the interests of First Nations in accessing forest and range benefits now and in the future.

Goal 3: Highly Effective, Innovative and Responsive Organization.

The Ministry's vision, mission and value statements reflect our role as steward of the Province's forest resources. Effectiveness in achieving our core goals of ensuring sustainable forest and range resources and sustainable socio-economic benefits for

the people of British Columbia depends upon collaborative relationships with partners across governments, agencies, municipalities and First Nations, as well as our expert and knowledgeable staff who will continue to be innovative, responsive, client focused and results oriented. To this end, the Ministry is focusing on leadership development, being a learning organization and improving organizational safety and wellness.

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," is directly supported by the Ministry's reforestation and restoration initiatives (Forests for Tomorrow and the Forest Investment Account), implementation of performance-based regulation, a fuel management strategy, assessment of forest practices in relation to climate change and the Mountain Pine Beetle Action Plan. This includes 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 Opportunity Agreements. The Ministry also works 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 supports 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 is working to address the socio-economic impacts of the mountain pine beetle infestation on communities. This is done in partnership with other government agencies. In addition, the optimization of Crown forest revenue supports all of the Government's goals.

Cross Ministry Initiatives

Mountain Pine Beetle

Projections indicate the mountain pine beetle infestation could kill 80 per cent of the pine forest in British Columbia by 2013. Pine forests dominate the interior of B.C. and their loss has significant implications for the forest environment, economy and the communities that depend on those forests for sustainability. The B.C. government, through coordination by the Ministry of Forests and Range and the provincial Mountain Pine Beetle Action Plan, is working with a number of ministries to minimize and mitigate negative environmental and socio-economic impacts of the infestation, while recovering the greatest value and protecting public health, safety and infrastructure.

In 2005/06, the federal government provided \$100 million over three years through the Mountain Pine Beetle Emergency Response: Canada-B.C. Implementation Strategy, which supports the Province's five-year Mountain Pine Beetle Action Plan. In addition, the Forests for Tomorrow reforestation program, that began in March 2005, provides funding for rehabilitation and regeneration of forests and ecosystems affected by wildfires and the mountain pine beetle.

Responding to the mountain pine beetle epidemic requires ongoing cross-government co-ordination. Short- and long-term plans are focused on:

- Mitigating the impacts of the infestation on the forest resource, while recovering the greatest value and maintaining and protecting public health, safety and infrastructure. These activities involve working with the federal government, the Province of Alberta, and the B.C. Ministries of Agriculture and Lands, Environment, Aboriginal Relations and Reconciliation, Community Services, Transportation and Health.
- Minimizing the socio-economic impacts of the infestation while encouraging long-term community sustainability. Many of these actions are long term, and will be developed and implemented working with the Ministries of Agriculture and Lands, Economic Development, Environment, Aboriginal Relations and Reconciliation, Energy, Mines and Petroleum Resources, Tourism, Sport and the Arts, Inter-Governmental Relations, and Advanced Education.

Asia Pacific Initiative

The British Columbia Asia Pacific Initiative ensures the province has a coordinated and targeted strategic plan in place that takes full advantage of B.C.'s Pacific Gateway advantages and Asian cultural and language base. The Asia Pacific Initiative defines B.C.'s future role in the Asia Pacific economy and identifies the immediate priority actions that must be taken to further integrate the province into Asian markets.

The Ministry of Forests and Range supports the Ministry of Economic Development in the pursuit of new markets for forest products, through Forestry Innovation Investment Ltd. In close collaboration with Canada Wood Group, Forestry Innovation Investment Ltd. is directly responsible for doing the basic market research to determine where the best potentials

exist to introduce B.C. wood products and North American wood frame technology to China's housing sector. Forestry Innovation Investment Ltd. is also leading the provision of demonstration projects to showcase B.C. wood products and wood construction technologies. In its first two years, Forestry Innovation Investment Ltd.'s wholly-owned subsidiary in Shanghai has built: Dream Home Canada/China; and wood-truss roofs for two older low-rise apartment buildings, of the type in which nearly half of China's population live. In the coming year, Forestry Innovation Investment Ltd. expects to complete: a landscaping demonstration project featuring cedar and pressure-treated wood, and one or more "hybrid" low-rise apartment buildings, with lower floors built of the traditional reinforced concrete and masonry, and upper floors and roofs built to North American wood frame standards.

Through Forestry Innovation Investment Ltd. the Province also invested more than \$200,000 to build demonstration homes in Sumatra. As a result of this investment a Prince George-based firm is now overseeing completion of 267 homes being built in northern Sumatra using pressure-treated structural lumber and plywood from British Columbia, which is shipped to Indonesia and assembled on-site using local construction crews trained by the British Columbia Institute of Technology. It is anticipated that this project will lead to follow-up contracts for several thousand dwellings.

Forestry Innovation Investment Ltd. is also seeking markets for new wood products from beetle-affected wood. Further details about Forestry Innovation Investment Ltd.'s objectives and accomplishments can be found in the Forestry Innovation Investment Ltd. 2007/08 Service Plan.

Regulatory Reform

British Columbia continues to make regulatory reform a priority across government, making it easier for businesses to operate and succeed in British Columbia, while still preserving regulations that protect public health, safety and the environment. A citizen-centred approach to regulatory reform will reduce the number of steps it takes to comply with government requirements or access government programs and services.

The Ministry of Forests and Range supports the Government's Regulatory Reform initiatives by committing to control regulatory burden and improve regulatory quality by:

1. Implementing the regulatory criteria set out in the Regulatory Reform Policy, while targeting a zero per cent net increase in regulation through 2008/09.
2. Reviewing legislation for further regulatory reform opportunities to improve the quality of forestry-related regulation. For example, the Ministry will examine the need to refine legislation to ensure full implementation of both the results-based code (*Forest and Range Practices Act*) and the Forestry Revitalization Plan.
3. Identifying one citizen-centered regulatory reform project that will streamline and/or reduce the number of steps and time taken by individuals and industry to comply with Ministry regulations. The Ministry has identified a continuous improvement project in the Kamloops Forest District that will identify and implement cutting permit approval efficiencies within that district.

Citizen-Centered Service Delivery

Citizen-centred service delivery is a government-wide initiative to coordinate information, programs and services so that they can be presented to citizens in a way that takes their needs into account from beginning to end. The vision is to make it possible for citizens to access the government information and services they need in a simple and timely manner with a phone call, a mouse click or a visit to a service centre, no matter how many programs or ministries are involved in their request.

To ensure a focus on service delivery excellence, a survey of British Columbians is completed by the Ministry every two years to evaluate the opinions and concerns of citizens. The last survey by BC Stats in fall 2006 indicated that 62 per cent of British Columbians believe the Forest Service effectively protects and manages our public forest resources. Although this level of positive response is considered good for a public survey, it is down from the previous two surveys (73 per cent in 2002 and 69 per cent in 2004) and the Ministry is looking to bring this percentage back to the 2004 level over the next two years. The survey is based on five variables: forest fire protection; control of pests and disease; reforestation; environmental protection and regulating forest companies. The results for 2006 indicate that the activities with the largest decreases were environmental protection (12 per cent), reforestation (10 per cent), and control of pests and disease (nine per cent). While some of this drop is likely attributed to impacts from the mountain pine beetle epidemic, the Ministry will be using this information to inform strategic discussions and define expectations.

In addition to serving the public, the Ministry serves a wide variety of clients such as forest and range licensees, First Nations, communities, guider-outfitters, and other government agencies. Over the past few years the Ministry has focused on providing increased e-services for clients to submit required land and tenure information and for revenue billing. Ongoing consultation with clients continues to improve these services.

FrontCounter BC, which began March 31, 2006, involves all the natural resource ministries, and provides one point of contact for the public and clients in all eight major regions in the province. This coordinated initiative should make it easier for the public to find the right land-based information more efficiently.

Performance Plan

The performance plan links each of the Ministry's core business areas to a goal(s) through objectives. The objectives are concise, realistic, measurable, results-oriented statements of what the Ministry achieves on the way to accomplishing its goals. Strategies outline how the objectives will be achieved and provide the link to Ministry business plans and internal performance measures. In some cases, strategies may be related to consistent delivery or improvement of ongoing business functions, or they may be connected to the introduction of new business functions.

Since 2005/06, the Ministry has used an enterprise-wide risk management process to formally identify and assess the risk associated with achieving corporate objectives. This process allows the Ministry to know what controls are in place, when additional controls are needed, and when risk can be tolerated. Risks and controls associated with achieving each objective are summarized briefly in this section.

The performance indicators are intended to report on progress towards achieving the Ministry goals and objectives at the highest possible results-based, public-interest level. These are a mix of high-level outcome indicators that the Ministry does not fully control (associated with goals) and more intermediate outcome measures (linked to objectives).

In 2006/07, the Ministry tracked performance using 11 indicators in addition to nine Mountain Pine Beetle Action Plan measures in an appendix. The mountain pine beetle measures are associated with the Province's commitment to report on the action plan supported by \$100 million in federal funding.

In 2007/08, one indicator has been removed and two new indicators introduced. The nine output measures associated with the Mountain Pine Beetle Action Plan are now being tracked in the Ministry's Internal Service Plan. More information on the action plan, can be obtained at: http://www.for.gov.bc.ca/hfp/mountain_pine_beetle/.

The performance plan section is structured by Ministry goal. For simplification, core business areas are associated with the primary goal they support (dark shading in Table 3). However, since many of the core business areas address more than one of the Ministry's goals, Table 3 shows the secondary links with light shading.

Table 3: Links between Ministry Goals and Core Businesses

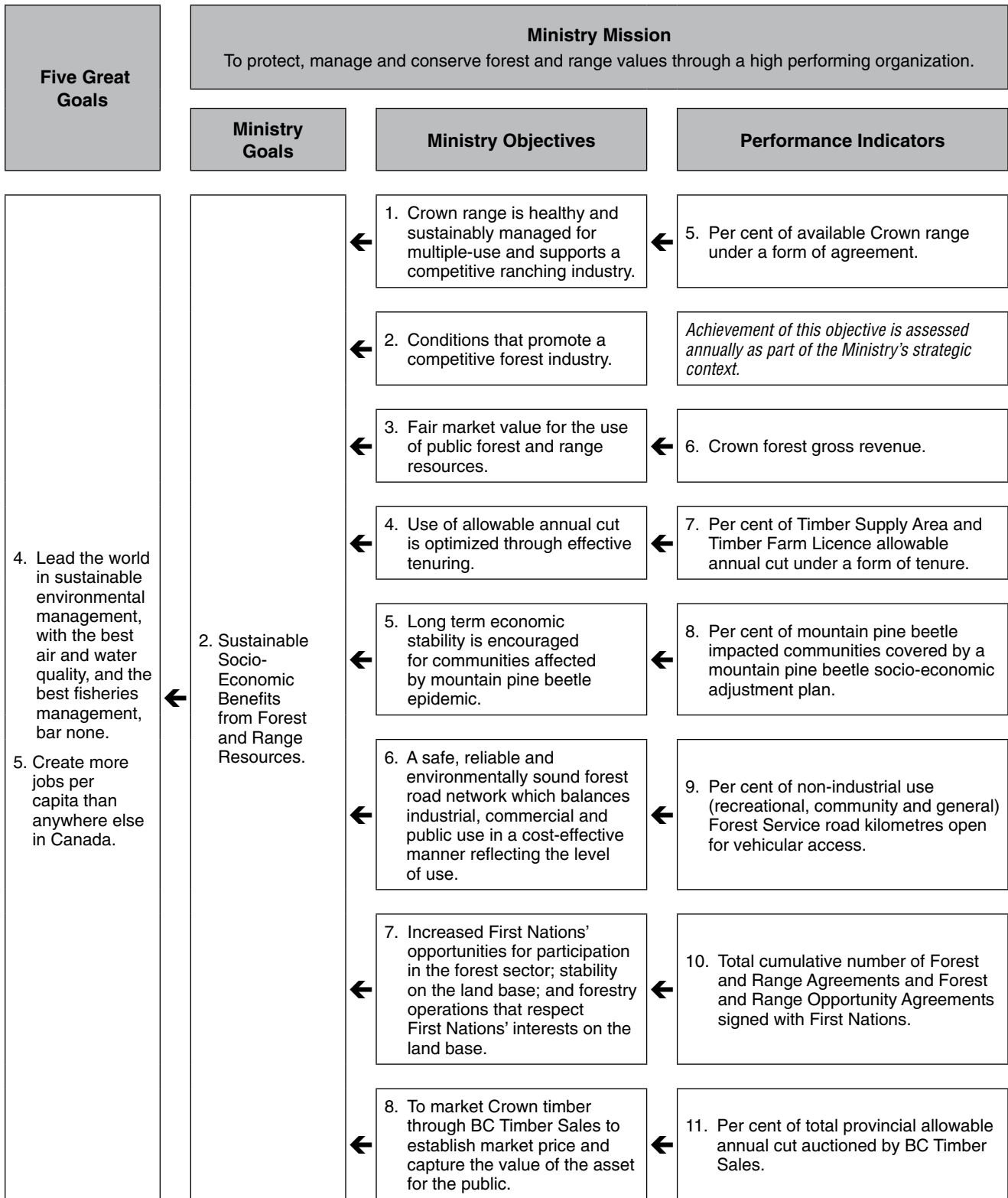
Core Business Areas	Goal 1: Sustainable Forest and Range Resources	Goal 2: Sustainable Socio-Economic Benefits from Forest and Range Resources.	Goal 3: Highly Effective, Innovative and Responsive Organization*
Protection Against Fire and Pests	2 indicators		
Forest Stewardship	1 indicator		
Compliance and Enforcement	1 indicator		
Forest Investment			
Range Stewardship and Grazing		1 indicator	
Pricing and Selling Timber		5 indicators	
BC Timber Sales		1 indicator	
Executive and Support Services			1 indicator

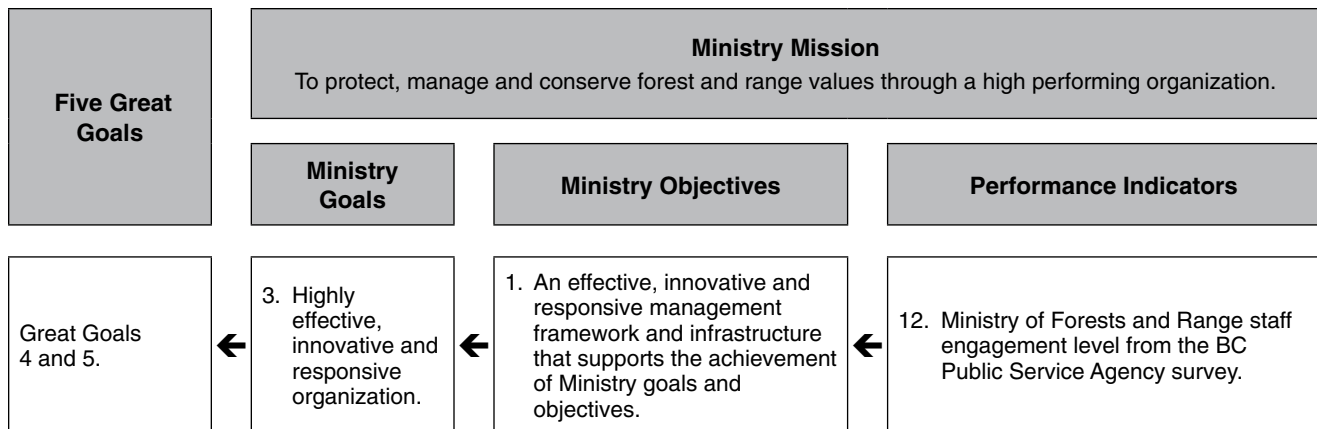
*Effectiveness and innovative practices in all core businesses contribute to Goal 3.

Performance Plan Summary Table

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.		
	Ministry Goals	Ministry Objectives	Performance Indicators
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.	1. Sustainable Forest and Range Resources.	1. Wildfire and forest pests are detected, managed and prevented.	1. Per cent of wildfire contained at <4 hectares (5-year rolling average). 2. Per cent of mountain pine beetle Aggressive Emergency Management Units and Special Management Units that achieve treatment targets.
		2. Exemplary stewardship of forest resources.	3. Ratio of area reforested to area harvested or lost to fire and pest (5-year rolling average).
		3. Compliance is promoted and statutory obligations are enforced.	4. Per cent of forest operator's compliance with statutory requirements that regulate forest practices.
		4. Sustainable forest management of public forests is fostered and improved through Forest Investment Account programs.	<i>Assessment is through performance reports generated by Forest Investment Account third-party administrators.</i>

Ministry of Forests and Range





Goal 1: Sustainable Forest and Range Resources.

This goal is the foundation of all Ministry of Forests and Range functions. B.C.'s forest and range resources will not be available for use now and in the future, if they are not managed sustainably today. In addition, the global definition of sustainability is undergoing constant review and refinement, and this dialogue will no doubt inform the Ministry's strategic planning as it addresses issues like climate change and an effective response to the mountain pine beetle epidemic.

The entire forest sector including forest and range licensees, the public, other agencies and groups all have influence on the achievement of this goal. For this reason, achievement of the goal is best assessed by looking at long-term trends in attributes of forest and range resources, such as forest soil and water capacity, range carrying capacity and timber productivity. Detailed assessments of these attributes are published periodically in the Ministry's State of B.C.'s Forests Report.

The Ministry has focused its contribution to achieving the goal of sustainable forest and range resources in this Service Plan, by setting clear objectives for Ministry activities undertaken in the following core business areas:

Core Business Area: Protection against Fire and Pests.

Objective 1: Wildfire and forest pests are detected, managed and prevented.

This objective reflects the Ministry's intent to protect forest and range resources and investments by minimizing losses and mitigating potential risks to sustainability from wildfire and forest health infestations, including insect pests, diseases and invasive plants.

a) Wildfire

Over the past four years, achievement of this objective has been supported by implementation of recommendations from the internal and external inquiries of the 2003

and 2004 fire seasons. Several key initiatives were implemented including: the addition of two air tankers to the fleet; 100 additional firefighters; and development of a provincial fuel-management strategy. The strategy has provided funding for more than 70 community wildfire protection plans to date and more than 80 fuel management projects initiated to date. As well, British Columbia has taken on 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 strategy has now been endorsed by all territorial, provincial and federal forest ministers.

Achieving this objective for wildfire depends on the severity of hot dry weather, ground fuel accumulations, and availability of trained crews, equipment, air tankers and other resources. Preparedness, in the form of having crews and resources available, is the best way to address the risk of hot, dry weather. Availability of resources depends on partnerships with the federal government, local governments, communities and the forest industry, which the Ministry pursues as a key strategy.

Strategies

1. Ensure fire preparedness and rapid, effective initial attack by continuing to implement the new *Wildfire Act* including streamlined regulations.
2. Continue to renegotiate agreements with utilities and develop new agreements with other sectors to increase cost recovery for fire protection activities.
3. Continue to implement a fuel-management strategy in wildland urban interface areas throughout B.C. by working with the Union of B.C. Municipalities to heighten provincial awareness through the promotion of FireSmart programs and by assisting communities in developing strategies to identify and reduce the threat from wildfires. This includes the First Nations Mountain Pine Beetle Fuel Management Program which ensures Crown provincial land within two kilometres of First Nations communities is assessed and treated where required. The First Nations communities will use the First Nations' Emergency Services Society as their third-party delivery model for this program, as they are already familiar with the First Nations' Emergency Services Society's Community Fire Life Safety Support program offered to First Nations.

Performance Indicator

Per cent of wildfire contained at less than four hectares 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 less than four hectares, damage and costs for fire suppression are kept to a minimum. Recent historical fire levels have burned less than 85,000 hectares per year on average. Data are from the Ministry's Historical Fires Statistics Database.

Performance Indicator	Benchmark	2007/08 Projection	2008/09 Projection	2009/10 Projection
Per cent of wildfire contained at less than four hectares (on a five-year rolling average).	92%	92%	92%	92%

b) Forest Health

The ability of the Ministry to prevent 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 is 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. Early detection and treatment of insect infestations other than mountain pine beetle, including gypsy moth and other defoliators.
2. Implement the Mountain Pine Beetle Action Plan including:
 - maintaining and protecting public health, safety and infrastructure by reducing catastrophic wildfire risk to communities within mountain pine beetle-affected areas;
 - controlling mountain pine beetle infestations to prevent or reduce damage to forests in areas that are susceptible to, but not yet experiencing, epidemic infestations;
 - minimizing or eliminating the potential for infestation spread from Crown forests, including provincial parks, into Alberta, the boreal forest, or other high-value parks and protected areas; and
 - mitigating the impact on provincial parks and protected areas.
3. Monitor and evaluate forest health status and implement best management practices in support of the timber supply review and protection of the 11 resource values under the *Forest and Range Practices Act*.

Performance Indicator

The Mountain Pine Beetle Action Plan’s objective for the Spread Control Program of “Preventing or reducing damage to forests in areas that are susceptible to, but not yet experiencing, epidemic infestations”, is being achieved by:

- identifying where this is possible on the landbase given the most current information on the size and location of beetle infestations; and
- aggressively treating feasible and priority areas where beetle populations are small and scattered with abundant older pine.

The objective of aggressive treatments is to destroy 80 to 100 per cent of the detected mountain pine beetle brood before they fly and attack new trees in order to suppress a growing population down to endemic levels. However, due to the ever-expanding infestation throughout the central interior of B.C., the areas where it is feasible to meet such objectives are very limited. Specific areas of the province that have been assigned suppression targets are designated as Aggressive Emergency Management Units. Designation of areas as either an Aggressive or Containment Emergency Management Unit (described below), allows for expedited harvesting to facilitate the reduction of beetle populations. These units are described on the annually updated Emergency Bark Beetle Management Area map by the Provincial Bark Beetle Coordinator. The most recent version of this map can be viewed at: http://www.for.gov.bc.ca/hfp/mountain_pine_beetle/.

Unit	Purpose of Treatment
Aggressive Emergency Management Unit	Beetle population suppression
Special Management Unit	Beetle spread control
Containment Emergency Management Unit	Targeted beetle spread control and timber recovery
Salvage Zone	Timber recovery

In addition to beetle suppression objectives across the province, the Ministry is engaged with the Province of Alberta and the federal government in efforts to limit the eastern spread of the B.C. outbreak. Mountain pine beetle population projections by scientists at the Canadian Forest Service show there is a significant potential for the beetle to spread into the vast jack pine forests that are common throughout the entire country. Augmenting the Aggressive Emergency Management Units, certain areas along the Alberta-B.C. border have been designated as Special Management Units to indicate where treatment efforts are being made solely for limiting spread vs. population suppression. Minimum treatment targets are lower in these units (50 to 100 per cent), primarily because they are usually more difficult to access. Spread control priorities are highest closest to the Alberta-B.C. border.

The performance indicator for the success of the treatments each year is represented as a percentage of the sum of the area designated as Aggressive Emergency Management Units that met the 80 to 100 per cent treatment target divided by the total Aggressive Emergency Management Unit area. The success of the spread control efforts within the Special Management Units is calculated in the same manner.

Aggressive treatment is achieved by first conducting detailed aerial and ground detection 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. New infestations are managed through targeted conventional and small-block harvesting, felling and burning, use of pheromone baits, or other methods.

Other areas represented on the Emergency Bark Beetle Management Area map are assigned less intensive treatment targets depending on the level of beetle infestation activity and distribution. These areas offer no opportunities to suppress the populations and are called

Containment Emergency Management Units (or Holding Beetle Management Units). The rate of beetle spread is reduced somewhat by conventional, targeted harvesting.

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 estimated size of the Aggressive Emergency Management Units, as currently represented in the Emergency Bark Beetle Management Area map of October 2006, is 11,412,681 hectares.

The estimated size of the Special Management Units is currently 435,828 hectares.

Both of these areas will change annually with the changing assignment of strategies based on the most recent assessment of the capacity for achieving treatment targets.

More information on the extent of the mountain pine beetle and the Government’s plans, can be found at: http://www.for.gov.bc.ca/hfp/mountain_pine_beetle/.

Performance Indicator	2005/06 Actual	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Per cent of area of mountain pine beetle management units that achieve treatment targets:					
• Aggressive Emergency Management Units	69%	80%	100%	100%	100%
• Special Management Units	100%	100%	100%	100%	100%

Core Business Area: *Forest Stewardship.*

Objective 2: *Exemplary stewardship of forest resources.*

Exemplary forest stewardship is the result of the creation of a stewardship culture among professionals and managers involved in forest management. It is identified by integrated resource management, maintaining ecosystem resilience, ensuring all productive areas are reforested and where possible enhancing productivity.

Key results needed to achieve this objective include:

- (a) An effective and efficient policy framework coordinated and integrated across government agencies, with First Nations, industry, communities, non-government organizations and the general public ensures that all components are complete and effectively working together to achieve exemplary stewardship and sustainable forest

management in B.C. Risks to achieving an effective policy framework are managed by the Ministry by working with professional associations, regular discussion with the public and effective consultation with First Nations.

- (b) Timely and informed forest resource management decisions depend on up-to-date and accurate forest resource information and coordinated and cost-effective analysis. This includes: 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 sequestrations; measuring site productivity and predicting the growth and yield resulting from specific activities.
- (c) Best management practices that restore, maintain or enhance forest resources are achieved through improving gene and seed resources, growing improved seedlings, applying natural disturbance ecology principles, reforestation and other silviculture 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 forest resources can be restored or enhanced. Specific funding is allocated from the Forest Stand Management Fund, the South Moresby Forest Replacement Account, the Forest Investment Account, the Forests for Tomorrow Program, and the Mountain Pine Beetle Action Plan.

Strategies

1. Continue to collaboratively evaluate, improve and manage the forest policy framework.
2. Adapt forest stewardship policy and practices to changing social, economic and environmental conditions (e.g., climate change, energy sector development).
3. Apply up-to-date and accurate forest resource information and best research and analysis to inform decision makers, clients and the public.
4. Develop and implement programs to restore, maintain or enhance forest resource values (e.g., the Future Forests Ecosystem Initiative).

Performance Indicator

The ratio of area reforested to area harvested or lost to fire and pest is a high-level indicator of stewardship and restoration of forest resources and ultimately, of sustainable forest productivity. A ratio of 1.0 indicates 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 area with more productive area being harvested or lost to fire and pest than reforested.

The ratio combines all Crown land areas to be reforested. This includes:

- areas under licensee basic silviculture obligations, which track close to 1.0 as a steady state, indicating industry is meeting their basic silviculture obligations; and

- areas where there is no basic silviculture obligation including those resulting from unsalvageable fire and pest losses, and areas of backlog reforestation. These areas are addressed as funding is available through the Forest Investment Account and the Forests for Tomorrow program.

Methodology

The methodology used to calculate targets for this measure in 2007/08 has been updated. This measure now uses net area harvested instead of gross area harvested. Net area does not include roads and landings permanently removed from the productive landbase (as allowed under the *Forest and Range Practices Act*) or uncut reserves established for wildlife or visual objectives (as required under the *Forest and Range Practices Act*). This change is being made to more accurately reflect the area being actively managed and to be consistent with the silviculture indicator used in the Ministry’s State of the Forests Report. Figure 2 compares the ratio using both methodologies, showing that the trend is consistent although the new ratio is higher. The retrospective data has been updated using the new methodology.

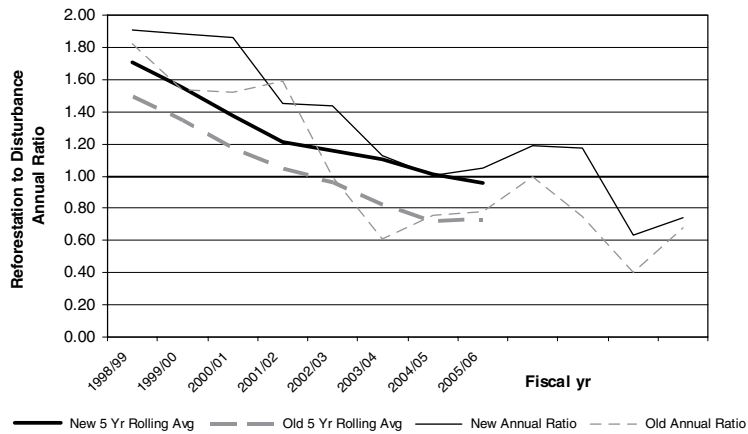


Figure 2: Comparison of old and new ratio methodology

The measure is calculated using the following definitions and data:

- area reforested includes planting or natural regeneration;
- area harvested is the net area harvested, excluding roads, landings, and reserves; and
- area lost to fire and pests 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.

The ratio uses data from the past five years, submitted by licensees and the Ministry, to the Reporting Silviculture Updates and Landstatus Tracking System. Data is submitted, according to legislated requirements, before June 1 each year for the previous year ending March 31. Because the Annual Service Plan Report is published in June of each year, the data available to report is almost one year behind. The detailed information used to calculate the ratio

annually is available from Table 1, Changes in the Not Satisfactorily Restocked Crown Land, posted under the Annual Service Plan Report, Supplementary Financial and Statistical Information, at: <http://www.for.gov.bc.ca/mof/annualreports.htm>.

Projections

The largest component of the indicator is projected to remain close to 1.0, reflecting that licensees will continue to meet their legal basic silviculture obligations. Although harvested areas are expected to temporarily increase through salvage logging of mountain pine beetle-impacted sites, it is expected with the low price of lumber, the new Softwood Lumber Agreement and the reduction in U.S. housing starts, that harvesting and reforestation rates for licensees will remain relatively constant over the next three years.

The area impacted by fire and pest is expected to continue to increase. Silviculture surveys on productive forest areas within the timber harvesting landbase are expected to identify an additional 10,000 hectares a year to be reforested. Planting of 10,000 hectares is expected in 2007/08, and 5,000 hectares in 2008/09. These activities are mitigating the further dropping of the ratio during the mountain pine beetle epidemic, and are expected to begin improving the ratio by 2009/10, subject to ongoing funding.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Ratio of area reforested to net area harvested or lost to fire and pest. (Unsalvageable losses)*	1.01	0.94	0.91	0.86	0.80	0.87

*Based on a five-year rolling average.

Core Business Area: *Compliance and Enforcement.*

Objective 3: *Compliance is promoted and statutory obligations are enforced.*

The implementation of a compliance and enforcement regime for *Forest and Range Practices Act* 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 the 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. Implement a compliance and enforcement regime for *Forest and Range Practices Act* and a compliance and enforcement regime for pricing and revenue.

2. Effective compliance and enforcement staff training and support.
3. Apply quality assurance principles and procedures to verify government's (and in particular BC Timber Sales') compliance with its own statutory obligations, and to verify Ministry compliance with its compliance and enforcement policies and procedures and the law.
4. Utilize principle of continuous improvement on an ongoing basis.
5. Balance forest practice compliance and enforcement requirements with revenue/pricing compliance and enforcement requirements.

Performance Indicator

The per cent of forest and range operators' compliance: This is a measure of how well forest and range operators are complying with the statutory requirements that regulate forest practices. This is an indicator of goal achievement, rather than the objective of the Ministry in promoting and measuring compliance and enforcing obligations. The management decisions of forest and range operators have a key influence on the desired outcome of sustainable forest resources.

Data is from the Ministry's Compliance Information Management System. The rate of compliance has consistently been greater than of 90 per cent, the 2001/02 baseline, for the past nine years.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices.	91.4%	94%	94%	>94%	>94%	>94%

Core Business Area: *Forest Investment.*

Objective 4: *Sustainable forest management of public forests is fostered and improved through Forest Investment Account programs.*

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

Fostering sustainable forest management is pursued through all Forest Investment Account programs. Investment dollars are directed to incremental activities on public land in such areas as research and enhanced forestry. Risks associated with achieving Forest Investment Account 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.

Strategies

1. Develop and implement sound business practices incorporating strong financial controls, a performance management framework, and a monitoring, audit and evaluation program.
2. The advisory body for each Forest Investment program will provide input towards determining direction and guidance for recipients of program funding.

Assessing Performance:

Achievement of Forest Investment Account objectives and strategies is accomplished through program activities carried out by proponents under the coordination of third-party administrators. Assessment of outcomes and outputs is captured through annual 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

<http://www.cortex.ca/fia-fsp/dow-pub.html>

and

<http://www.for.gov.bc.ca/hti/publications/misc/projectreports.htm>.

Goal 2: Sustainable Socio-Economic Benefits from Forest and Range Resources.

Forest and range resources are managed for social and economic benefits for all British Columbians. These benefits include a healthy economy resulting from competitive forest and ranching industries, which in turn generate fair public revenue from the use of Crown forests. Sustainability of these benefits also relies on a sustainable, safe and innovative workforce. Balancing the benefits for the public, First Nations, communities, industry, forest workers and other stakeholders is a complex function of government. While some components of this goal are within the control of the Ministry, other aspects are subject to external influences such as international markets, trade agreements, the level of investment by forest companies, treaty negotiations with First Nations, and forest fire and pest epidemic impacts on the economies of forest-based communities.

Core Business Area: *Range Stewardship and Grazing.*

Objective 1: *Crown range is healthy and sustainably managed for multiple use and supports a competitive ranching industry.*

In 2007/08, this objective focuses on protecting Crown range and optimizing the use of Crown range resources through administration of rights through the *Range Act*, agreements under the *Forest and Range Practices Act*, and the *Land Act*. With the re-establishment of the Range Branch in 2006/07 and the reallocation of resources to the range program,

the Ministry is now poised to fully support expansion of range use to meet government objectives of increasing the size of the beef industry in British Columbia. Funding is allocated to initiate an ecosystem restoration program through pilot projects in the Kootenays and the Cariboo. Funding under the natural range envelope of the Mountain Pine Beetle Action Plan is being used to mitigate the impacts of the loss of natural range barriers and maintain fences impacted by timber and or salvage harvesting. Seeding and other range improvements are components of the Ministry's plans to support the ranching sector.

Increasing stakeholder and public pressures on range resources for multiple uses is a risk to achieving this objective. 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 will facilitate management of this risk.

Strategies

1. Evaluate rangeland health and effectiveness of range management practices.
2. Restore rangeland ecosystems degraded by forest ingrowth, forest encroachment through a grasslands ecosystem restoration initiative.
3. Restore rangeland ecosystems degraded by invasive plants through development of an invasive plant strategy in cooperation with the Ministry of Agriculture and Lands.
4. Increase awareness among stakeholders of rangeland management for multiple uses.
5. Initiate an inventory of range resources and evaluate forage supply in priority areas.
6. Improve efficiency and effectiveness of range tenure administration.

Performance Indicator

Per cent of available Crown range under a form of agreement: This 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. Data are collected from the current records of forest district offices.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Per cent of available Crown range under a form of agreement.	91%	93%	95%	95%	95%	95%

Core Business Area: *Pricing and Selling Timber.*

Objective 2: *Conditions that foster a competitive forest industry.*

A competitive business climate that attracts capital investment and allows the forest sector to maintain and expand its role as the province's leading goods export industry is critical to the well being of communities and provincial revenue.

The Ministry of Forests and Range, as the manager of the provincial Crown forest and regulator, can have an impact on the competitiveness of the forest industry. In addition to the role of land owner and regulator, many government policies (federal, provincial and municipal) such as building and maintaining a strong infrastructure, providing competitive tax regimes, world-leading environmental regulation and excellent education and training all influence the forest sector's ability to grow and compete internationally.

Three areas in which the Ministry can assist in providing conditions that foster a competitive forest sector are: regulation, market access and encouraging innovation.

Strategies

1. **Regulation.** Ministry of Forests and Range policies and actions can directly affect the cost of logs to mills, which is a major determinant in the sector's ability to compete. The implementation of market-based pricing ensures the stumpage system is responsive to market conditions and reflects the value of the resource. The movement to a results-based forest regulation has allowed for efficiencies in forest management. The Ministry will also be diligent in ensuring new regulations, policies and their implementation do not unnecessarily reduce competitiveness.
2. **Market Access.** Maintaining and building access to markets is key to keeping the forest sector competitive. The 2006 Softwood Lumber Agreement will help provide certainty of access to B.C.'s largest lumber market, the United States. The Ministry will work with the federal government to make sure that the operation of the agreement and changes arising from further negotiations and discussions called for in the agreement assist in providing access to the U.S. market. The Ministry will also continue to work with Forestry Innovation Investment Ltd. on market access and acceptance issues to build new markets for B.C. forest products.
3. **Innovation.** While difficult to measure, innovation is key to long-term competitiveness. The Ministry of Forests and Range will work cooperatively with other agencies and the forest industry to develop a shared vision for growth in value-added products, including encouraging a greater synergy between primary and secondary sectors, and supporting innovation through investing in research, development and product development. Finally, innovative thinking will be encouraged across all Ministry business areas in order to find new efficient ways to deliver our programs, provide services to clients, and address future trends in climate change.

Performance Assessment

The Ministry is reviewing approaches to comparing annual delivered wood costs to periodically assess the effectiveness of its policies. Measures of market access are reviewed semi-annually using information external to the Ministry. A summary of these are included with the economic trends in the strategic context section.

Objective 3: *Fair market value for the use of public forest and range resources.*

The Ministry has a legislative responsibility to assert the financial interests of the Government in its forest and range resources in a systematic and equitable manner. The Ministry continually reviews and modifies revenue policies and procedures to ensure that fair value is received.

Strategies

1. Administer the Coast market-based pricing system, which was implemented on February 29, 2004.
2. Administer the Interior market-based pricing system, which was implemented on July 1, 2006.
3. Administer changes to the Interior log grades, which were implemented on April 1, 2006.
4. Administer Ministry timber pricing components as impacted by the Softwood Lumber Agreement between Canada and the U.S., which came into effect on October 12, 2006.

Performance Indicator

Crown forest and range gross revenue represents the value that the public receives from use of its forest and range resources. The total amount of revenue realized by the Ministry and collected by the Government of British Columbia during each fiscal year includes stumpage and other revenues from timber tenures, B.C. Timber Sales, range use and other Ministry non-forestry revenues. The Softwood Lumber Agreement came into effect October 12, 2006 and gross revenue forecasts from this date forward include the “Softwood Lumber Border Tax”.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Crown Forest and Range Gross Revenue (\$billions).	\$1.322 B	\$1.148 B	\$1.212 B	\$1.370 B	\$1.245 B	\$1.277 B

Objective 4: *Use of allowable annual cut is optimized through effective tenuring.*

Forest tenures are used to allocate, manage and monitor forest resource opportunities to meet social, economic and other public forest policy objectives. Allowable annual cut in area-based Tree Farm Licences, Woodlot Licences and Community Forest Agreements is available directly to these license holders. For allowable annual cut apportioned in Timber Supply Areas, a fair and effective tenure system is needed to ensure that volume is made available to clients.

Achieving this objective may be impacted by delays in concluding First Nations consultation processes. The Ministry addresses this risk throughout the First Nations Forest Strategy, which has an objective to increase First Nations participation in the forest sector, and includes negotiation of Forest and Range Opportunities which document an agreed-upon process for consultation and accommodation on forest management decisions.

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 workload needed to administer tenures for the additional volume approved for cutting as part of the mountain pine beetle salvage operations.

Strategies

1. Continue to implement the *Forestry Revitalization Act* including timber reallocation.
2. Effectively issue and administer an increased number of licences to address key initiatives such as harvesting of mountain pine beetle and other damaged timber, timber reallocation to First Nations, Woodlot Licences, Community Forestry Agreements and BC Timber Sales programs, and the transferring of harvest rights.
3. Continue to incorporate continuous improvement principles to ensure tenure administration is as streamlined as possible.
4. Develop a strategy to address anticipated increased client services demands from new tenure holders.

Performance Indicator

Per cent of Timber Supply Area and Tree Farm Licence allowable annual cut under a form of tenure: This indicator is intended to report on the diligence of the Crown in optimizing provincial allowable annual cut under a form of a tenure agreement to make it available for harvesting. It includes allowable annual cut apportioned under Timber Supply Areas and allowable annual cut from Tree Farm Licences, but does not include allowable annual cut from Woodlot Licences, Community Forest Agreements or the BC Timber Sales Program.

Allowable annual cut in Timber Supply Areas and Tree Farm Licences accounts for the majority of the provincial allowable annual cut. Allowable annual cut under Tree Farm

Licences is usually considered fully committed and available for harvesting, in the same way as allowable annual cut under Woodlot Licences and Community Forest Agreements. In 2007/08, however, Tree Farm Licences are included in this measure to reflect the uncommitted allowable annual cut within Tree Farm Licences that has resulted from timber revitalization and that will be redistributed to First Nations and other new small tenures. BC Timber Sales is accountable for and tracks the issuing of tenure agreements for the allowable annual cut apportioned to their program (see the BC Timber Sales indicator on page 46).

The projections reflect:

- the expectation that by 2009/10 the reallocation of the volume taken back from forest licensees (including Tree Farm Licences) under the *Forestry Revitalization Act* will be completed; and
- the increased workload over the next three years needed to administer tenures for the additional volume approved for cutting as part of the mountain pine beetle salvage operations.

Performance Indicator	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Per cent of all Timber Supply Area and Tree Farm Licence allowable annual cut (excluding Woodlot Licences, Community Forest Agreements and BC Timber Sales) under a form of tenure.	Revised measure starting in 2007/08	80%	85%	90%

Objective 5: *Long term economic stability is encouraged for communities affected by the mountain pine beetle epidemic.*

This objective reflects the Ministry’s intent to recover the greatest value from dead stands impacted by mountain pine beetle through ensuring that market access and manufacturing problems are not the limiting factor to a successful long-term salvage program, and to encourage long-term economic sustainability for communities affected.

This objective is supported by the development and implementation of strategic regional socio-economic adjustment plans for forest-dependent communities within mountain pine beetle-affected areas. Implementation of this objective is achieved through the coordinated efforts of the Ministry of Forests and Range and other ministries guided by Community Diversification and Stability actions under the Mountain Pine Beetle Action Plan.

Strategies

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

3. Support development of socio-economic adjustment planning including exploring possibilities for economic diversification, economic pre-feasibility analysis on opportunities, investment recruitment, business retention, community marketing and general economic research.

Performance Indicator

The best measure of this objective would be one that relates the economic impact of the mountain pine beetle to a region and/or a community, and then shows an economic recovery attributable to socio-economic adjustment planning. This would measure the effectiveness of government in supporting communities impacted by the mountain pine beetle epidemic. Given the many different approaches to measuring socio-economic impacts, and the potential difficulties of attributing planning actions on the economic data, the Ministry is still exploring the best way to measure these impacts. In the short term, a target to measure the development of the socio-economic adjustment plans was introduced in 2006/07 as shown below.

Socio-economic plans are expected to be completed by 2009/10 to cover all impacted communities. The number of impacted local governments (estimated at 34) and First Nations communities (estimated at 70) anticipated to be covered under these plans will change as the epidemic unfolds and therefore the projections will continue to evolve.

Performance Indicator	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Per cent of mountain pine beetle impacted communities covered by a mountain pine beetle socioeconomic adjustment plan.	0	15%	56%	100%

Objective 6: *A safe, reliable and environmentally sound forest road network which balances industrial, commercial and public use in a cost effective manner reflecting the level of use.*

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 Forest Service road bridges, and deactivating Forest Service roads no longer required.

Achieving this objective is largely influenced by the level of funding available 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, when not addressed in the short term, the costs of mitigating environmental damage and re-establishing access are higher

over time. The Ministry received additional funding in 2004/05 and 2005/06 to address bridge replacement and this mitigated aspects of this risk in the immediate term. However, continued deterioration of Forest Service road non-industrial bridges over the long term will continue to impact the Ministry's performance in this area. Regardless, programs, policy and legislation will continue to be reviewed in 2007/08 for changes that will mitigate these impacts and/or reduce Ministry costs and risks.

Strategies

1. Develop, in cooperation with the Ministry of Energy, Mines and Petroleum Resources, legislation to consolidate road construction, road use, maintenance and deactivation standards between all resource users and agencies.
2. Support and participate in BC Forest Safety Council's "On the Road Safety and Action Plan" to encourage safe drivers, safe trucks, safe resource roads and safe highways in the Forest Sector.
3. Rationalize the provincial road network (Forest Service roads and public roads/highways) between the Ministry of Forests and Range and the Ministry of Transportation.
4. Balance the industrial, commercial and public use of the forest road network in a cost-effective manner reflecting the level of use — this may include deactivation and transfer to other agencies, organizations and ministries.
5. Assess and, where funding is available, incorporate the increases to the Forest Service road network resulting from timber re-allocation, wildfire and mountain pine beetle.
6. Improve access infrastructure related in allowable annual cut uplift areas due to the mountain pine beetle infestation.

Performance Indicator

Per cent of non-industrial (community, recreational and general) use Forest Service road kilometres open for vehicular access: This measure has been slightly reworded for clarity in 2007/08. It is a measure of the reliability of the non-industrial Forest Service road network which serves communities and recreation areas as well as rural residences and commercial operations. This non-industrial network represents approximately 11,790 kilometres (community use 1,360 km, recreation use 3,145 and general use 7,285 km). Kilometres that are open for vehicular access, are those that are not closed for safety or environmental reasons (includes non-industrial bridge removal or closure).

The surface conditions on these roads may vary because the maintenance activities depend on the type of non-industrial use Forest Service road. General use Forest Service roads have only a wilderness level of maintenance which provides for maintenance due to environmental or safety-related issues but does not guarantee motor vehicle access. Community-use and recreation-use Forest Service roads also have a wilderness level of maintenance, but they also have access-related surface and structural maintenance.

Industrial-use Forest Service roads are maintained by industrial users under road-use permits, and other industrial-use forest roads are maintained under road permits and special use permits. Roads assigned to BC Timber Sales are excluded. Information is reported by each district.

Declining projections reflect an anticipated increase in kilometres of road that the Ministry is responsible to maintain due to reallocation under the *Forestry Revitalization Act*. Increased funding will mitigate this downward trend over the next three years.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Per cent of non-industrial (community, recreational and general) use Forest Service road kilometres open for vehicular access.	New measure in 2005/06	100%	>94%	>90%	>86%	>83%

Objective 7: *Increased First Nations’ opportunities for participation in the forest sector; stability on the land base; and forestry operations that respect First Nations’ interests on the land base.*

This objective supports the Ministry’s intent to provide leadership, negotiation skills, advice and guidance and overall coordination with respect to forest and range activities 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. The Ministry of Forests and Range 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 while developing relationships.
2. Negotiate agreements with First Nations:
 - the First Nations Forest Strategy offers First Nations access to economic forest and range benefits through Forest and Range Opportunity Agreements. The initial implementation and funding for this program is completing in 2006/07. However, the Ministry will be working with the Ministry of Aboriginal Relations and Reconciliation, under the New Relationship framework, to carry this program forward and to begin replacing existing Forest and Range Agreements that expire in 2006/07; and
 - increase First Nations’ participation in the forest sector through direct award tenures.

3. Support for priority treaty tables.
4. Support the Ministry of Aboriginal Relations and Reconciliation in the development of the New Relationship.

Performance Indicator

Total number of Forest and Range Agreements and Forest and Range Opportunity

Agreements: These agreements provide a period of stability for forest and range resource development. They include the provision of economic benefits to First Nations in the form of tenure and revenue sharing. The time required to conclude negotiations is variable. Offers to negotiate agreements will be made to all 176 eligible First Nations by the end of fiscal 2006/07. The data is tracked internally to the Ministry.

In 2006/07, agreements signed in previous years will require replacement. The Ministry will be internally tracking the replacement agreements as well as non-Forest and Range Opportunity Agreements.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Total number (cumulative) of Forest and Range Agreements and Forest and Range Opportunity Agreements signed with First Nations. ¹	47	76	106 (published target 90)	130	159	159

¹ Some agreement offers include more than one First Nation in the offer. The number of eligible First Nations to be offered agreements is 176. Although offers are made to all eligible First Nations, it is anticipated that not all offers will be accepted and agreements signed. A more accurate estimate of agreements expected to be signed cannot be determined.

Core Business Area: BC Timber Sales.

In 2006, the BC Competition Council presented to the Premier the reports from its Forest Industry Advisory Committees and made a number of recommendations to the Premier, including one regarding delivery models for BC Timber Sales. As a result, a structural review of BC Timber Sales was undertaken to determine how the organization's structure can most effectively support its mandate and to recommend any needed changes to either the BC Timber Sales structure or delivery model.

The completed review confirms the mandate of the BC Timber Sales organization and provides clear direction on what is required for the organization to become more effective and efficient.

The report recommends that BC Timber Sales:

- remain within the Ministry, subject to implementation of several recommendations;
- take the steps required to attain the degree of separation necessary within the Ministry structure to ensure its unique business needs are met;

- immediately review its strategic goals to ensure clarity of intent and hierarchy;
- clarify the linkage between BC Timber Sales data and the Market Pricing System;
- develop an action plan to continue building performance; and
- develop specific performance measures to evaluate the success of these changes.

The recommendations acknowledge the clear expectation of the forest industry that the organization not be diverted from its intent as established in the Forestry Revitalization Plan. The review also recognizes the significant benefits from the strong relationship between BC Timber Sales and the rest of the Ministry, and that this is critical to the Ministry's collective success.

Successful implementation of the recommendations will ensure BC Timber Sales continues to be an innovative organization which takes a results oriented, market based approach at provincial and local levels.

Details of BC Timber Sales' goals, objectives, performance measures and strategies are available in the 2007/08 BC Timber Sales Service Plan available on the Ministry's website at: <http://www.for.gov.bc.ca/bcts/>.

Objective 8: *To market Crown timber through BC Timber Sales to establish market price and capture the value of the asset for the public.*

Strategies

1. Implement the recommendations of the BC Timber Sales Structural Review.
2. Achieve BC Timber Sales goals and objectives through safe and sound forest management practices.
3. Be high performing with skilled, motivated and proud people.
4. Provide a credible reference point for costs and pricing of timber harvested from public land in B.C.
5. Make available a supply of timber to the forest industry, through open and competitive timber auctions, within the parameters of strategies 2 and 4.
6. Generate net revenue for the province, within the parameters of strategies 2, 4 and 5.

Performance Indicator

Per cent of total allowable annual cut auctioned by BC Timber Sales is the per cent of the total provincial annual timber volume available that was auctioned by BC Timber Sales during the year. This is a key indicator of the program's success marketing Crown timber to establish market price and capture the value of the asset for the public. As a key component in establishing market pricing in 2002/03, the Government of British Columbia set the objective for 20 per cent of provincial allowable annual cut to be auctioned through BC Timber Sales. The *Forestry Revitalization Act* was introduced in part to facilitate the

increased timber volume required by BC Timber Sales to achieve this objective. The data is from internal tracking and the Ministry's apportionment system.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Forecast	2007/08 Projection	2008/09 Projection	2009/10 Projection
Per cent of total allowable annual cut auctioned by BC Timber Sales.	14%	18%	17%	20%	20%	20%

Goal 3: *Highly effective, innovative and responsive organization.*

The third goal of the Ministry is to create a high-performing organization that will support the achievement of all of the Ministry's goals and objectives. This goal is achieved through innovative leadership and management, support to the organization through effective corporate governance, promotion of a diverse, innovative and productive workforce and provision of efficient management functions and client services, and innovative practices in all core businesses.

While achievement of this goal is largely in control of the Ministry of Forests' leadership, it is influenced by government staffing policies; labour relations and the pool of skilled labour available as well as the workplace challenges related to achieving the Ministry's other two goals.

Core Business Area: *Executive and Support Services.*

Objective 1: *Effective, innovative and responsive management 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. Update and align the Ministry's Road Ahead initiative with government's human resources plan and the Ministry's business needs in order to fully engage employees. Specifically:
 - developing a management fundamentals program to include coaching, mentoring, employee performance and other core management skills;
 - developing a Ministry recruitment and retention strategy; and
 - continuing to build a learning organization by building capacity within the Ministry through education, experience, application of continuous improvement practices

and by applying a percentage of the Ministry’s budget to create development opportunities for staff.

2. Build corporate processes to develop policy and legislation to maximize business effectiveness.
3. Simplify and realign the performance framework to improve ownership and accountability for performance measures and targets.
4. Strategically partner with other ministries/organizations on shared/corporate issues/ initiatives to allow the Forest Service to maximize the use of internal resources.
5. Develop and/or enhance the systems that will most benefit the Ministry and external clients by prioritizing the system requirements against corporate priorities to maximize the use of human and financial resources.
6. Continue to work with legal services and enhance education of staff in best practices to mitigate risk.
7. Improved corporate services support to the organization including:
 - increased levels of financial training and implementation of key improvements to financial systems and processes to improve financial management; and
 - education of staff in best practices to create a privacy and information access conscious culture and to manage facilities, vehicles and other key assets to ensure the Ministry receives the best value for money and strategically positions the Ministry for the longer term.

Performance Indicator

Ministry of Forests and Range staff engagement level: This is a new indicator introduced in 2007/08 using data available from the 2006 BC Public Service Agency Work Environment Survey that indicates that the Ministry’s current engagement level is 63 per cent. The BC Public Service Agency definition is that employees are engaged when they are satisfied with their job, satisfied with their organization, and committed to the BC Public Service.

To improve the engagement level over the next three years, Ministry leaders will focus on strategies that will support/enhance the building blocks of engagement, which are: empowerment; vision; mission; goals; recognition; pay and benefits; staffing practices; stress and workload; physical environment and tools; teamwork; professional development; and respectful work environment.

Performance Indicator	2006/07 Actual	2007/08 Projection	2008/09 Projection	2009/10 Projection
Ministry of Forests and Range staff engagement level from the BC Public Service Agency survey.	63%	> 63%	> than previous year	> than previous year

Resource Summary

Core Business Areas	2006/07 Restated Estimates ¹	2007/08 Estimates	2008/09 Plan	2009/10 Plan
Operating Expenses (\$000)				
Protection Against Fire and Pests	122,961	124,502	126,118	127,413
Forest Stewardship	99,615	70,298	104,341	104,952
Compliance and Enforcement	27,892	28,478	28,955	29,386
Forest Investment	121,528	121,698	121,800	121,891
Range Stewardship and Grazing	6,845	6,830	6,907	6,979
Pricing and Selling Timber	142,607	140,482	143,396	144,618
Executive and Support Services	53,107	53,592	54,555	55,426
BC Timber Sales	169,100	184,200	196,400	215,300
Total	743,655	730,080	782,472	805,965
Full-time Equivalents (Direct FTEs)				
Protection Against Fire and Pests	718	810	805	805
Forest Stewardship	414	401	391	391
Compliance and Enforcement	292	292	292	292
Forest Investment	62	62	62	62
Range Stewardship and Grazing	49	65	63	63
Pricing and Selling Timber	831	836	850	850
Executive and Support Services	583	583	572	572
BC Timber Sales	610	649	660	670
Total	3,559	3,698	3,695	3,705

Ministry of Forests and Range

Core Business Areas	2006/07 Restated Estimates ¹	2007/08 Estimates	2008/09 Plan	2009/10 Plan
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Protection Against Fire and Pests	2,478	5,897	5,897	5,897
Forest Stewardship	3,782	3,369	2,882	2,882
Compliance and Enforcement	1,548	1,548	1,548	1,548
Forest Investment	0	0	0	0
Range Stewardship and Grazing	6	7	7	7
Pricing and Selling Timber	4,476	4,179	3,864	3,864
Executive and Support Services	6,561	5,671	5,672	5,672
BC Timber Sales	801	801	801	801
Total	19,652	21,472	20,671	20,671
Other Financing Transactions (\$000)				
BC Timber Sales				
Disbursements	56,800	50,200	39,000	20,100

¹ Amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the 2007/08 *Estimates*.

Explanations and Comments

Ministry of Forests and Range estimates for 2007/08 are **\$730.08 million**. 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 and the South Moresby Forest Replacement Account). The South Moresby Forest Replacement Account expenditures are under the oversight of a joint federal-provincial management committee. Forest Investment expenditures are overseen by a Forest Investment Council.

Ministry Goal	Core Business Areas	Funding Source (Vote or Special Account)
Sustainable Forest and Range Resources.	<ul style="list-style-type: none"> • Protection Against Fire and Pests 	<ul style="list-style-type: none"> • Direct Fire Vote • Ministry Operations Vote
	<ul style="list-style-type: none"> • Forest Stewardship 	<ul style="list-style-type: none"> • Ministry Operations Vote • Forest Stand Management Fund (special account) • South Moresby Forest Replacement Account (special account)
	<ul style="list-style-type: none"> • Compliance and Enforcement 	<ul style="list-style-type: none"> • Ministry Operations Vote
	<ul style="list-style-type: none"> • Forest Investment 	
Sustainable Socio-Economic Benefits From Forest and Range Resources.	<ul style="list-style-type: none"> • Range Stewardship and Grazing 	<ul style="list-style-type: none"> • Ministry Operations Vote
	<ul style="list-style-type: none"> • Pricing and Selling Timber 	
	<ul style="list-style-type: none"> • BC Timber Sales 	<ul style="list-style-type: none"> • BC Timber Sales (special account)
Highly Effective Innovative and Responsive Organization.	<ul style="list-style-type: none"> • Executive and Support Services 	<ul style="list-style-type: none"> • Ministry Operations Vote

The Mountain Pine Beetle Action Plan is supported by:

- Provincial funding that began in 2004/05 and will continue to address the increased tenure administration associated with an increased allowable annual cut and the salvage of the timber.
- Federal funding from the Mountain Pine Beetle Emergency Response: Canada-B.C. Implementation Strategy of \$100 million for 2005/06 to 2007/08.

Provincial and federal funding is part of the Protection against Fire and Pests, Forest Stewardship, Range Stewardship and Grazing, Pricing and Selling Timber and Executive and Support Services core businesses.

Funding for the Forests for Tomorrow initiative to address reforestation of areas impacted by wildfire and mountain pine beetle, began in 2004/05 and increases annually until 2008/09. It is included in the Forest Stewardship core business.

Section B: Office of Housing and Construction Standards

Vision, Mission and Values

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 building needs of British Columbians by:

- Promoting a range of housing choices;
- developing Citizen-centred regulations and ensuring their application;
- providing information regarding rights and responsibilities; and
- providing mechanisms for resolving disputes.

Values

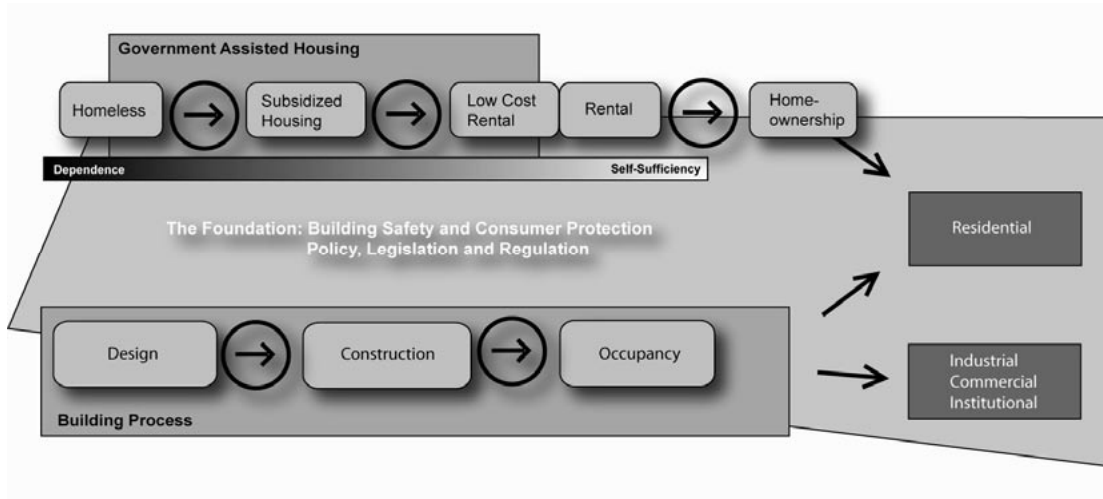
The Office of Housing and Construction Standards is guided by the following values:

- Appropriate housing is the foundation on which to build a healthy life and a sustainable community;
- accountability to the citizens of British Columbia is achieved through innovation and excellence in our work;
- strong working relationships are built on trust and confidence developed through open communication and shared understanding;
- the well being of our clients and stakeholders is optimized by integrating services and partnerships;
- our clients' interests are best served by resolving conflict proactively and in a neutral way; and
- we value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity.

Strategic Context

Planning Context and Key Strategic Issues

The housing needs of British Columbians can be viewed as a continuum. The continuum spans low to high-income, homelessness to home ownership, dependence to self-sufficiency. Government housing assistance is strategically designed to promote movement towards self-sufficiency and homeownership.



The Office contributes to consumer protection and the safety and stability of our housing through the *BC Building Code*, the *BC Fire Code*, the *Safety Standards Act*, the *Homeowner Protection Act*, the *Shelter Aid for Elderly Renters Act* and the *Residential Tenancy Act*.

Most British Columbians are housed successfully in B.C.'s private housing market. According to BC Stats, approximately 36 per cent of B.C. households are renters and 64 per cent are homeowners. Even with the rising cost of renting and homeownership, approximately 85 per cent of households in B.C. are adequately housed. For the remaining 15 per cent, access to affordable, safe and adequate housing is a significant challenge.

In 2006, the Province released *Housing Matters BC: A Housing Strategy for British Columbia*. This document outlines a comprehensive housing strategy that builds on the government's commitment to focus housing resources for those most in need. It is an innovative, practical and achievable plan for improving the safety, stability and range of housing choices for all British Columbians.

Another key strategic issue is the need for change in the regulation of building construction. The current building safety regulatory system needs to respond effectively to the pressures of rapid technological change, a major construction boom and increased liability.

To respond to the need for change, the Office has initiated the Modernization Strategy, a multi-year review of the building safety regulatory system. The strategy is a collaborative initiative with industry and local governments, and will result in:

- Policy and legislation that maintains or enhances safety, health and accessibility in the design, construction and occupancy of buildings; and
- a building regulatory system that is effective and responsive to the changing needs of developers, builders, designers, building and safety trades, and other system participants.

The Modernization Strategy is being implemented through five interdependent projects:

- Information Management and System Performance;
- Liability and Risk;
- Competency;
- Consistent Code Application; and
- Consistent Code Compliance and Enforcement Processes.

Work on the strategy's five projects will proceed during the next two years.

Through building design, we can use our land more effectively and create more liveable, sustainable communities. Increased densities can help to reduce building costs and create positive benefits for our environment. Mixed use communities offer people the opportunity to bike or walk to work. By building healthier, less costly communities, we can improve our ability to provide more affordable housing options.

Housing Trends and Responses

British Columbia's current building boom, coupled with an aging workforce, is resulting in a shortage of skilled labour in the housing and construction sectors. In combination with the increase in land value, this impacts on the cost of construction. These trends, coupled with rapidly changing technology and liability exposure concerns, are creating major pressures that ultimately affect housing affordability.

Housing in some areas of B.C. is the most expensive in the country, and the gap between what people are earning and the cost of housing continues to grow.² Greater Vancouver continues to have the highest prices and worst affordability index in Canada, with most housing types (particularly single family detached homes) out of reach for median

² September 2006 RBC Financial Group's Housing Affordability Index. A high index means it is difficult to afford a house. In the fourth quarter of 2006, the affordability index for Vancouver was approximately 69.7 for a standard two storey home, which means that home ownership costs, including mortgage payments, utilities and property taxes take up 69.7 per cent of a typical household's pre-tax income (a median household income).

income earners. A family's household income needs to be over \$120,000 to qualify for a conventional mortgage on a two-storey home in Vancouver.³ This is almost 2.5 times more than the current median household income of almost \$55,000.

Very few new rental units are being built in the private market. Canada Mortgage and Housing Corporation reports that in the major urban centres of British Columbia, where the majority of the population lives, only 495 purpose-built rental housing units were constructed in 2005. Most of this new housing construction does not fall into the affordable housing category.

Government has taken a number of actions to improve affordability, such as personal income tax reductions, property tax deferral and the First Time Home Buyers' Property Transfer Tax Exemption. Starting October 2006, government is providing \$40 million annually toward a new Rental Assistance Program for working families. An estimated 15,000 to 20,000 households will receive direct financial assistance to help offset the high costs of rental accommodation.

Despite increased spending on transitional and supportive housing, the number of homeless has almost doubled in several urban areas. The Greater Vancouver Regional District reported that homelessness counts increased from 1,049 in 2002 to 2,112 in 2005. In Kelowna, homelessness counts increased from 160 in the spring of 2003 to 420 in the fall of 2005. Families and the "working poor" now make up a visible part of the homeless population.

Government is addressing absolute homelessness⁴ through the Emergency Shelter Program administered by BC Housing. In addition, transitional housing is being created to provide better opportunities for shelter users to move to more permanent, supportive housing.

The Office is also working with not-for-profit organizations to expand the province-wide homeless outreach program. Outreach workers help homeless individuals address their immediate physical and safety needs such as food, warm clothing and housing. They also work in close collaboration with emergency shelter and housing providers, to identify and provide options for longer term housing assistance including referrals to subsidized housing, private market rentals or supported living environments.

³ A conventional mortgage means that the homebuyer(s) have a down payment of at least 25 per cent of the purchase price of the home. This usually allows the buyers to obtain a lower rate of interest on the mortgage. This is different from a high ratio mortgage, which means the buyer puts less than 25 per cent of the purchase price as a down payment.

⁴ Absolute homelessness describes individuals and families who are living in public spaces without legal claim (e.g., on the streets), a homeless shelter, a public facility or service (e.g., hospital) and cannot return to a stable residence. This definition also applies to an individual who is financially, sexually or emotionally exploited to maintain his or her shelter.

In 2006, B.C. completed a devolution agreement⁵ with the federal government, transferring responsibility for the administration of federal social housing to the province. The Province is now able to re-align and re-develop available social housing to achieve provincial objectives and to deliver housing programs more effectively and at a lower overall cost. This agreement presents an opportunity to harmonize programs and to reduce the administrative burden for non-profit housing societies and housing cooperatives that own and manage subsidized housing developments. It also enables the Province to deliver housing programs more effectively and at a lower cost.

Government is also working with municipalities on housing and planning tools that recognize and encourage secondary suites, increased densities and housing affordability. The Office of Housing and Construction Standards is also working together with local governments, other ministries, the private sector, and non-profit agencies to provide housing options for British Columbians with special housing needs.

Demographic Trends and Responses

British Columbia's Aboriginal populations are growing more quickly than other demographic groups with 73 per cent living off-reserve. Over the last decade, the government has provided funding to Aboriginal housing societies to build approximately 500 new units of safe, affordable housing. This housing need is significantly higher in comparison to non-Aboriginal people in British Columbia. For government's response to this issue, please refer to the New Relationship section of the Service Plan on page 61.

To ensure that Aboriginal peoples living off reserve have safe, adequate and affordable housing delivered in a culturally sensitive manner, the Province is transferring the management of 2,600 housing units to the Aboriginal Housing Management Association. As part of the New Relationship and the Transformative Change Accord signed with First Nations and the federal government, the Province is committed to measures that will help close the social and economic gap between Aboriginal and non-Aboriginal peoples in British Columbia. The Office, in collaboration with the Ministry of Aboriginal Relations and Reconciliation, the Leadership Council and other Aboriginal partners, is developing a ten-year strategy to address the significant housing needs of Aboriginal peoples in this province.

British Columbia's population continues to age. The number of senior-led households is expected to increase by over 60 per cent from 246,000 in 2001 to 397,418 by 2021.⁶ Demographic trends point to a growing seniors' population with fixed incomes and a need for housing supports. Seniors are predicted to make up 23.5 per cent of B.C.'s population in 2031, compared to 13.2 per cent in 2001.

⁵ This devolution agreement entitled "The Canada/B.C. Social Housing Agreement" transfers administration of social housing resources from the Government of Canada.

⁶ Source: BC Stats, Ministry of Labour and Citizens' Services.

For low income seniors, the province provides rental subsidies through the SAFER⁷ program and is committed to increasing funding for this program as the number of seniors in B.C. increases. The SAFER program provides direct cash assistance to seniors, age 60 or over, renting in the private market who have low to moderate incomes and pay more than 30 per cent of their gross income on rent.

The Economy and Technological Advances

Regulatory reform is a global trend that is shaping how government interacts with the construction industry and other building and safety stakeholders. British Columbia continues to introduce objectives-based⁸ and risk-assessed regulatory approaches⁹ for safety technologies. These approaches have been shown to encourage economic growth while maintaining safety standards in the design, construction and occupancy of buildings. The 2006 *BC Building Code* was adopted in an objective-based code format, so that each building code provision is now directly linked to the objectives of the code. In this way, code users are provided with additional information that assists them in meeting the objectives of safety, health, and accessibility for people with disabilities, and the structural protection of buildings. Stating the rationale behind each provision also allows for greater innovation and flexibility.

The need to support economic competitiveness has prompted jurisdictions across Canada and the world to work with industry in harmonizing¹⁰ safety regulation while promoting research, development and marketing of new technologies. The Office plays an active role on key national committees including the National Public Safety Advisory Committee and Standards Council of Canada and National Research Council Committees that are working to adopt harmonized standards across Canada. Harmonized standards allow international, provincial and territorial regulators to jointly focus on a single, standard development process and to coordinate consideration and public review of proposed changes. Harmonized standards also result in a more uniform national regulatory regime, which enables designers, contractors and builders to move more freely between jurisdictions and helps to address the shortage of skilled labour.

⁷ Shelter Aid For Elderly Renters.

⁸ An objective-based regulatory approach focuses on what needs to be achieved rather than how it is to be achieved. This provides the opportunity for stakeholders in a competitive environment to consider technological advances for achieving the safety goal.

⁹ A risk assessed regulatory approach involves an inspection process in which information collected from incident/accident reports and previous inspections is used to determine where inspection activities should be focused. This enables limited inspection resources to be directed to the activities that pose the highest risk.

¹⁰ In this context, harmonization means B.C. regulations on the design, construction and occupancy of buildings that are the same as regulations on the same issues in other provinces and territories. British Columbia continues to have a handful of unique regulations that are designed to support the particular social, economic or governance conditions in the Province of B.C.

Core Business Areas

The core businesses for the Office of Housing and Construction Standards provide leadership in addressing housing and homelessness issues. The Office also provides the administration of the regulatory framework that supports building safety and landlord and tenant responsibilities. The Office has four Core Business Areas:

1. Housing

The Housing Policy Branch delivers strategic planning, policy and legislative development, and program evaluation services. Delivery of these strategic services require the Branch to develop and maintain relationships with other levels of government, industry and non-profit sectors. The responsibilities influence the programs delivered by the BC Housing Management Commission, the Provincial Rental Housing Corporation, and other ministries. The Housing Policy Branch manages a wide range of housing issues including, but not limited to, market and non-market housing, the housing and building industry, and the housing needs of special populations such as youth, persons with disabilities, seniors, Aboriginal people, and the homeless population through inter-related policies and programs developed and coordinated across the Province of British Columbia.

2. Building Policy

The Building Policy Branch provides policy advice concerning British Columbia's building regulatory system to improve building safety in the province and to manage existing and emerging technical and building policy issues. The Branch is responsible for the *BC Building Code* and the *BC Fire Code*, and Branch activity focuses on the development and maintenance of building regulations and the framework in which building regulations exist. The Office also supports the BC Building Code Appeal Board.

Over the coming year, the Office will continue with an initiative to modernize the system that supports building design, construction and occupancy safety.

3. Safety Policy

The Safety Policy and Research Branch provides policy and regulatory advice in the areas of electrical, gas, elevating devices, boiler and pressure vessel products and systems, ski lifts, and amusement rides. As well, this Branch manages administrative agreements with delegated authorities under the *Safety Standards Act*.

The Safety Policy and Research Branch also provides support and guidance to the Homeowner Protection Office in its efforts to improve the quality of residential construction and increase homeowner protection in British Columbia. The Government is considering important amendments to the *Homeowner Protection Act* in the spring 2007 legislative session for implementation by the Homeowner Protection Office in September 2007. The changes would strengthen consumer protection provisions in the Act and enhance

research into the building sciences, consumer education and training to raise the level of professionalism in the building sector.

4. Residential Tenancy

Approximately 36 per cent of households in B.C. rent their homes. The Residential Tenancy Branch promotes 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 Branch also assists landlords and tenants to resolve concerns by providing dispute resolution services, including adjudication. The Branch has offices in Burnaby, Victoria and Kelowna, and provides services through Government Agents in other B.C. communities.

Clients contact the Branch approximately 224,000 times per year by telephone, fax, e-mail or by an in person visit to one of its three offices. In addition, the Residential Tenancy Branch conducts approximately 30,000 dispute resolution proceedings annually. With such a high demand, the Residential Tenancy Branch must provide efficient, cost-effective services. It must also ensure that times for completing dispute resolution proceedings are within time limits set by legislation. Landlords and tenants need convenient access to high quality services responsive to their needs.

The Residential Tenancy Branch, now has the capacity to provide a broader spectrum of dispute resolution services than was previously available under the formal and adversarial arbitration process. The public will have access to alternate dispute resolution methods such as intervention, facilitation and use of settlement agreements.

Legislative Framework

The Office has responsibility for the following legislation:

- *Building Officials' Association Act*
- *Commercial Tenancy Act*
- *Community Charter* (Part of) s. 9 (1) (d)
- *Fire Services Act* (Part of) s. 47 (2) (g) (h) [*BC Fire Code*]
- *Homeowner Protection Act*
- *Local Government Act* (Part of) s. 692, 693 [*BC Building Code*]
- *Manufactured Home Park Tenancy Act*
- *Ministry of Lands, Parks and Housing Act* (s. 5, 8.1 and 10)
- *Rent Distress Act*
- *Residential Tenancy Act*
- *Safety Standards Act*
- *Safety Authority Act*
- *Shelter Aid for Elderly Renters Act*

Information Resource Management Plan

The Office of Housing and Construction Standard's Information Resource Management Plan aligns with the Office's business objectives. An overview is available on the Office's website at: <http://www.housing.gov.bc.ca/planning>.

New Relationship

The Government of British Columbia is leading the nation in developing a New Relationship with First Nations and Aboriginal peoples. Guided by principles of trust, and by recognition and respect of First Nations' rights and title, we are building a stronger and healthier relationship between government and Aboriginal peoples. The Office of Housing and Construction Standards is engaging with First Nations and Aboriginal peoples to hear what their priorities are and provide them with decision making opportunities affecting housing conditions in their communities.

A key part of acting on the New Relationship is implementing the Transformative Change Accord, of which housing is an integral part. The Accord is a tripartite agreement signed by Canada, B.C. and First Nations leaders which commits to closing the social and economic gap between Aboriginal Peoples and other British Columbians. The Office is advancing the New Relationship with First Nations and Aboriginal communities by supporting capacity development in the area of housing, including building maintenance, management and standards, as well as training and employment in the field of housing construction. In addition, to ensure that Aboriginal peoples living off reserve have safe, adequate and affordable housing delivered in a culturally sensitive manner, the Province is transferring the management of 2,600 housing units to the Aboriginal Housing Management Association.

In collaboration with the Ministry of Aboriginal Relations and Reconciliation, the Leadership Council and other Aboriginal partners, the Office will facilitate the development of a 10-year Aboriginal housing strategy to close the gap in housing between Aboriginal and non-Aboriginal peoples in British Columbia. The strategy will address the housing continuum from Aboriginal homelessness to homeownership, as well as capacity within Aboriginal communities and partner organizations to manage all aspects of the Aboriginal housing stock.

Goals, Objectives, Strategies and Results

Overview

In the 2005/06 Strategic Plan, government identified Five Great Goals for the decade ahead. The goals are to:

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.

Ministry Goals

Office of Housing and Construction Standards Goals are:

1. Safety in the design, construction and occupancy of buildings.
2. Housing and support services targeted to those most in need.
3. Low and moderate income households have an expanded range of housing options.
4. Balanced landlord and tenant rights and responsibilities.

Linkage to the Five Great Goals

The goals, objectives, strategies and results of Office of Housing and Construction Standards initiatives support government's third Great Goal by establishing a solid foundation for healthy living and supports for persons with disabilities, special needs and seniors.

To help build the best system of support in Canada for persons with disabilities, special needs, children at risk and seniors, the Office is:

- Implementing *Housing Matters BC: A Housing Strategy for British Columbia*, the Provincial Housing Strategy, including:
 - delivering on the province's commitments on housing for British Columbians with low-income and/or special needs;
 - delivering a new rental allowance program for low-income working families;
 - re-aligning the devolved federal housing stock with provincial housing objectives;

- implementing tenant support programs so that people with special housing needs are appropriately placed in subsidized housing and linked to the necessary support services;
- implementing phase two of Independent Living BC, to increase independence of seniors with health concerns;
- improving the integration of emergency shelters and transitional housing; and
- expanding the homeless outreach program.
- Continuing to deliver transitional housing under the Premier’s Task Force on Homelessness, Mental Illness and Addictions;
- Promoting accessibility for persons with disabilities through *BC Building Code* provisions that apply to new construction;
- Implementing amendments to the *Residential Tenancy Act* to extend consumer protection to seniors and persons with disabilities in assisted and supported living rental accommodation; and providing specialized dispute resolution services to help them resolve disputes with their landlords.

Cross Ministry Initiatives

Through the provision of emergency shelters, subsidized housing, residential tenancy services, and building safety regulation, the Office contributes to many cross ministry initiatives and themes. In addition to supporting the New Relationship initiative as described above, the Office also contributes to the following cross ministry initiatives:

- **StrongStart BC:** StrongStart BC supports the healthy development and early learning of children (birth to six). Priorities for the early years include early diagnosis for hearing, sight and dental problems; booster seat awareness; informing parents of the link between early childhood physical education and skill development; new “Strong Start Centres” for early childhood education; and language and cultural opportunities for Aboriginal children. The Office contributes to StrongStart BC by building and supporting the capacity of vulnerable families to achieve self-sufficiency through stable housing.
- **Crystal Meth Strategy:** Government’s Crystal Meth Strategy, led by the Ministry of Public Safety and Solicitor General, targets the use and production of Crystal Meth through an integrated framework that strengthens partnerships amongst communities, service providers and law enforcement agencies. The Crystal Meth Secretariat was established in 2005 to support new and continuing initiatives based on prevention, treatment and enforcement. Housing provides the foundation from which mental health and addiction services can be provided. In addition to supporting other families and individuals with special housing needs, the policies and programs developed by the Office assist in promoting self-sufficiency for persons with Crystal Meth addiction.
- **The 2010 Olympic and Paralympic Winter Games:** All provincial ministries, agencies and Crowns have been working together to ensure every available opportunity to develop sustainable economic legacies are explored and pursued so that businesses and

communities in British Columbia receive benefit from the Games. The Inner-city Inclusive Olympics Housing Task Group has been formed to address housing issues leading up to the 2010 Olympic and Paralympic Winter Games in Vancouver. This group is working to protect rental housing stock, to increase options for temporary accommodations, to ensure people are not made homeless, displaced or evicted as a result of the Olympics, and to provide an Olympic affordable housing legacy. The Office is participating in the Task Group, which is chaired by BC Housing.

Regulatory Reform

British Columbia continues to make regulatory reform a priority across government, making it easier for businesses to operate and succeed in British Columbia, while still preserving regulations that protect public health, safety and the environment. A citizen-centred approach to regulatory reform will reduce the number of steps it takes to comply with government requirements or access government programs and services.

The Office of Housing and Construction Standards will support regulatory reform by:

- Controlling the regulatory burden and improving regulatory quality through the Modernization Strategy;
- meeting with the regulatory criteria set out in Government's Regulatory Reform Policy; and
- working with the rest of the Ministry of Forests and Range to achieve a zero per cent increase in regulation through 2008/09.

The Office's regulatory reform initiatives are designed to ensure that its regulatory regime supports strong, safe and healthy communities. These initiatives began with the introduction of the *Safety Standards Act* and Regulations in 2004. The migration towards modern, harmonized and objective-based regulation continues with the 2006 publication of the new editions of the *BC Building Code* and *BC Fire Code*. For the first time, the documents include the rationale behind each provision. As code users gain familiarity with this new format, the Office will monitor the impact of this approach.

Citizen-Centred Service Delivery

Citizen-centred service delivery is a government-wide initiative to coordinate information, programs and services so that they can be presented to citizens in a way that takes their needs into account from beginning to end. The vision is to make it possible for citizens to access the government information and services they need in a simple and timely manner with a phone call, a mouse click or a visit to a service centre, no matter how many programs or ministries are involved in their request.

The Office of Housing and Construction Standards provides services indirectly through its funded agencies (e.g., BC Housing) and directly through the Residential Tenancy Branch. Improvements are continuing in the Residential Tenancy Branch to provide better and more efficient services to citizens.

With respect to the services provided directly by the Office, the Residential Tenancy Branch Case Management System is fully implemented, including a feature that allows clients to apply and pay for dispute resolution proceedings online. Dispute resolution processes and procedures are being restructured to reduce wait times and help resolve disputes quicker. Changes to legislation have enabled Residential Tenancy Branch to provide a broader range of dispute resolution services to help landlords and tenants resolve disputes without formal adjudication proceedings. Residential Tenancy Branch administration is improving to ensure quicker responses to telephone, fax, e-mail and in-person requests for information and services. People needing information after office hours can contact the Branch's 24 hour recorded information line. Residential Tenancy Branch publications are being revised and updated, and a full complement of information materials is available on the Branch's website.

In 2007/08, a comprehensive range of information and dispute resolution services will be available to meet the needs of these landlords and tenants.

The Office will continue to strive to improve the delivery of services to all of its clients.

Performance Plan

Performance Plan Summary Table

Great Goal 3	Office of Housing and Construction Standards			
	Office Goals	Office Objectives	Performance Measures/Indicators	
Build the best system of support in Canada for persons with disabilities, special needs, children at risk, and seniors.	1. Safety in the design, construction and occupancy of buildings.	1.1 Relevant and responsive codes, standards and regulatory systems in place.	1.1.1 Successful completion of consultation with stakeholders on the Modernization Strategy.	
		1.2 B.C. homeowners are protected.	1.2.1. Home warranty claims within industry norms.	
		2. Housing and support services targeted to those most in need.	2.1 Individuals in need have access to emergency shelter.	2.1.1. Percentage of nights where shelters at full capacity.
			2.2 Housing and support services targeted to priority groups, including seniors.	2.2.1. Percentage of assisted clients belonging to priority groups.
				2.2.2. Number of units/beds created or adapted for priority clients.
			3. Low and moderate income households with an expanded range of housing options.	3.1 Low income households have access to affordable housing.
	3.2 Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.	3.2.1. Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.		
		4.1 Landlord and tenant disputes are avoided or resolved in a timely manner.		4.1.1. Percentage of residential tenancy arbitrations scheduled to take place within six weeks.
	4. Balanced landlord and tenant rights and responsibilities.			

Goals, Objectives and Performance Measures

Goal 1: Safety in the design, construction and occupancy of buildings.

Core Business Areas: *Building Policy and Safety Policy.*

Objective 1.1: *Relevant and responsive codes, standards and regulatory systems in place.*

The Office of Housing and Construction Standards is responsible for supporting government in the adoption of various codes and standards, as well as the system by which building safety is achieved.

Strategies

Strategies focus around the Modernization Strategy, the initiative to review the system to achieve safety in the design, construction and occupancy of buildings. Safety is achieved through the application of good building practices and appropriate codes and standards.

Codes and standards have recently been updated with the adoption of the 2006 *BC Building Code* and 2006 *BC Fire Code*.¹¹ For the first time, these documents have been published in an objectives-based code format. Each building code provision is now directly linked to the objectives of the code, and code users are provided with additional information that assists them in meeting the objectives of safety, health, accessibility for persons with disabilities and structural protection of buildings.

The BC Safety Authority has been delegated authority to administer safety programs for electrical, gas, boiler and pressure vessel, amusement rides, elevating devices and aerial tramways under the *Safety Standards Act*. Through an administrative agreement with the BC Safety Authority, the Province has established safety outcomes and a means to measure the achievement of these outcomes through an annual “State of Safety” Report. Over time this report will analyze statistical trends in accidents, incidents and injuries by sector. The collection and analysis of consistent and comprehensive data is key to implementing programs that will improve safety. In addition, ten local governments¹² have been delegated authority under the Act to administer safety for electrical and/or gas services in those jurisdictions.

¹¹ The *BC Building Code* and *BC Fire Code* are adopted by Minister’s Order as a regulation to the *Local Government Act* and *Fire Services Act*.

¹² The cities of Burnaby, Kelowna, North Vancouver, Richmond, Surrey, Vancouver, Victoria and the Districts of Maple Ridge, North Vancouver and West Vancouver.

As the Modernization Strategy proceeds, success depends on the continuing involvement of local government representatives, industry and other stakeholders. The Strategy provides multiple opportunities for input, through:

- Participation in working groups focused on code application and enforcement;
- two major consultation workshops that bring many stakeholders together to build and test ideas for moving forward; and
- broad consultation after options are developed.

Recommendations will be made when consultation is completed.

Objective 1.2: B.C. Homeowners are Protected.

The Homeowner Protection Office, which reports to the Minister Responsible for Housing, requires residential builders to be licensed and monitors the performance of the mandatory third party home warranty insurance system for new home construction and building envelope renovations.

Strategies

The key strategy in support of this objective is to monitor the number and type of claims made under the mandatory home warranty insurance program. The relative quality of new home construction can be determined by the number of claims under the program. The relative safety can be determined by the incidence of claims relating to structural defects and water penetration. This information is important to ongoing research and education activities by the Homeowner Protection Office to improve the quality of residential construction.

Performance Measure

Performance Measure	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Home warranty claims within industry norms.*	4 per cent or less homes with claims	3 per cent or less with claims	3 per cent or less with claims	3 per cent or less with claims

*Data Source: Homeowner Protection Office

1.2.1. Home warranty claims within industry norms: This measure gauges the relative quality of construction through the number of warranty claims as a percentage of homes covered by mandatory warranty insurance. This information is collected by a homeowner satisfaction survey. This measure will continue to develop as summary claims information is obtained from warranty providers. The incidence of home warranty claims in British Columbia, Ontario and Alberta is compared in the *Homeowner Protection Office Annual Service Plan Report*.

Goal 2: *Housing and support services targeted to those most in need.*

Core Business Area: *Housing Policy.*

Objective 2.1: *Individuals in need have access to emergency shelter or permanent housing.*

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.¹³ The IBI Group estimates that the societal cost of homelessness in Canada is approximately \$1.4 billion per year.¹⁴ The greatest expenditures are in health care, criminal justice, social services and shelters. Ensuring that populations with special housing needs have access to secure housing and support services at an early stage reduces the demand and costs on institutional and emergency support systems.

Strategies

Strategies to meet this objective include building new transitional and supportive housing with integrated support services for the homeless, and providing outreach teams to work with the homeless.

Performance Measure

Performance Measure	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Percentage of nights where shelters at full occupancy.*	44 per cent	50 per cent	50 per cent	50 per cent

*Data source: BC Housing

¹³ 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

¹⁴ IBI Group. 2003. "Societal Cost of Homelessness". Prepared for the Edmonton Joint Planning Committee on Housing and the Calgary Homelessness Foundation.

2.1.1. Percentage of nights where shelters are at full capacity: Emergency shelters are an important point of access for moving a homeless 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 more than 1,200 shelter beds funded under the Province’s Emergency Shelter Program. Data from 2006/07 indicates that shelters were full, on average, 44 nights in 100. Shelters at full occupancy less than 50 per cent of the time ensure there is a reasonable balance between availability of beds and the effective use of government funds. BC Housing is working with shelters to identify processes and strategies that allow the province to estimate seasonal fluctuations in order to help people move from shelters to permanent housing, and better utilize beds during periods of high and low vacancy.

Objective 2.2: *Housing and support services targeted to priority groups.*

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, seniors with special needs, 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 to providing health and other social supports. 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.¹⁵

Strategies

Among the strategies to meet this objective are the completion of the devolution agreement and the harmonization of federal and provincial policies for social housing. Strategies also include continuing to build new units, conversion of existing subsidized housing or provision of rent supplements for low income households with special needs, including Phase II of the Independent Living BC program.

Performance Measures

Performance Measures*	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Percentage of assisted clients belonging to priority groups.*	80 per cent	86 per cent	88 per cent	88 per cent
Number of units/beds created or adapted for priority areas.*	1,997 units/ beds created 400 adapted	550 adapted 841 created	700 adapted 1,114 created	850 adapted 350 created

*Data source: BC Housing.

¹⁵ 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

2.2.1. Percentage of assisted clients belonging to priority groups: Recognizing the difference that access to housing makes in the lives of vulnerable families and individuals, this measure reports the effectiveness of our current practices in allocating resources to those most in need. In keeping with the 2006/07 Provincial Housing Strategy, this measure allows us to define our success in ensuring that B.C.'s most vulnerable citizens receive priority for assistance.

2.2.2. Number of units/beds created or adapted for priority clients:¹⁶ The Province is committed to ensuring that B.C.'s most vulnerable citizens receive priority for assistance. Part of this commitment is creating new units/beds on the supportive end of the continuum of housing. For this reason, government has committed significant funding for the creation of new buildings in a cost effective manner through programs such as Independent Living BC (ILBC) and the Provincial Homelessness Initiative (PHI).

This measure reports on BC Housing's success in adding new units for priority groups such as frail seniors, Aboriginal households. Persons with physical and mental disabilities as well as individuals who are homeless, many of whom are dealing with mental illness, addictions and other challenges. As of March 31, 2008, the total service allocation for priority clients, including emergency shelters and housing for the homeless, transitional supported and assisted living, independent social housing and rent assistance in the private market will total 98,500.

Goal 3: *Low and moderate income households have an expanded range of housing options.*

Core Business Area: *Housing Policy.*

Affordable rental housing in the private market is becoming increasingly scarce, particularly in Greater Vancouver and Victoria. The Vancouver Census Metropolitan Area vacancy rate is 0.7 per cent while the equivalent vacancy rate in Greater Victoria is even lower at 0.5 per cent.¹⁷ 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 in spite of the high levels of demand, market rent levels are below the levels required to generate a reasonable return on investment for new construction. On the other hand, investor-owned condominiums and secondary suites in new and existing homes provide opportunities for expanding the supply of available housing.

¹⁶ This measure reports on the number of existing units that have been adapted or re-targeted to serve people with higher priority needs, including women and children fleeing abuse, persons with mental illness of addictions-related challenges and/or other special housing needs.

¹⁷ Canada Mortgage and Housing Corporation's *Rental Market Report – B.C. Highlights* December 2006 Survey.

In October 2006, the Province introduced a new Rental Assistance Program to help improve affordability for approximately 15,000 to 20,000 low income working families already housed in the private rental market. The introduction of this program will also reduce demand for subsidized housing by those households whose only problem is affordability. Eligible households will receive direct financial assistance that can be applied toward rental accommodation that best suits their needs.

Objective 3.1: *Low income households have access to affordable housing.*

Rent assistance programs assist families and individuals who do not have enough income to find housing in the private market.

Strategies

Strategies to meet this objective include:

- Provincial funding for Shelter Aid For Elderly Renters, a rent assistance program targeted to low income seniors;
- shelter allowances for low income households through the Rental Assistance Program, which helps eligible families bridge the gap between what a household can afford to pay and current rental costs; and
- the Provincial Homelessness Initiative, which provides second stage or transitional housing to repeat users of shelters who have multiple barriers to finding and keeping housing.

Performance Measure

Performance Measure*	2006/07 Target	2007/08 Target	2008/09 Target	2009/10 Target
Number of new households assisted through rent assistance programs (new units).*	New Measure	14,390	3,000	2,700

* Rent Assistance programs represent an important element in the government's housing strategy. This measure reports on the number of new households assisted through the Shelter Aid for Elderly Renters Program, the Rental Assistance Program and targeted assistance for those who are homeless.

3.1.1. Number of New Households Assisted through Rent Assistance Programs

(New Units): Rent assistance programs assist families, seniors and individuals who do not have enough income to find housing in the private market. The Province funds a number of rent assistance programs including the Shelter Aid for Elderly Renters program and the Rental Assistance Program.

By the end of 2007/08, it is expected that rent assistance will be provided to more than 33,000 households. The targets reflect the number of new households that are expected to apply for assistance based on historical take-up patterns. The 2007/08 target is substantially

higher due to the introduction of the Rental Assistance Program in October 2006 which included and active communication and outreach strategy which will continue into 2007.

Objective 3.2: *Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.*

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

As part of an educational strategy, the Office works with local governments and industry stakeholders to develop and deliver customized workshops on improving market housing affordability. Since 1996, the Office has surveyed all local governments every three years to measure the use of planning tools that promote housing affordability. The results of the survey are summarized and published, and assist local governments in planning for affordable housing.

Strategies

Strategies to meet this objective include: providing resources, research and expertise on market housing affordability to local governments, and surveying local governments to determine the use of planning tools provided.

Tools, guides and workshops are being developed in partnership with local governments, non-profit housing providers and industry to enhance affordability and increase housing options. Planning guides assist with addressing a number of housing issues, including secondary suite programs, community planning initiatives, design guidelines, financial incentives and land use planning and zoning tools. *The Real Estate Services Act*, introduced in May 2004, allows developers access to purchasers' deposit monies if those monies are appropriately insured. By lowering development costs, it is expected that the consumer will benefit.

Performance Measure

Performance Measure	2006/07 Target	2007/08 Target	2008/09 Target	2009/10 Target
Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.*	75 per cent	N/A*	N/A*	90 per cent

* Data Source: Survey of local governments (completed every three years). Last survey completed 2003/04. 2006/07 survey results were not available at the time the 2007/08–2009/10 Service Plan was published.

3.2.1. Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques: Use of these tools indicates local governments are enhancing their ability to develop and adopt policies and practices that encourage the development and availability of affordable housing options.

Goal 4: *Balanced landlord and tenant rights and responsibilities.*

Core Business Area: *Residential Tenancy Branch.*

Objective 4.1: *Landlord and tenant disputes are avoided or resolved in a timely manner.*

An effective residential tenancy system provides landlords and tenants with timely information about their rights and responsibilities to help them resolve disputes on their own, access to alternate dispute resolution services, and access to adjudication if needed. With improved access to information, the parties are more likely to resolve disputes themselves, reducing demand on the adjudication system.

Strategies

Strategies to meet this objective include improving the quality of information materials; quicker response to requests for information; full implementation of the case management system, including web application for arbitration for major landlords; and restructuring the adjudication process and procedures to reduce wait times.

A program shift to a broader range of dispute resolution services will help landlords and tenants to resolve disputes in a less adversarial manner, promoting good long-term relationships and housing stability.

A new measure will be developed for the 2008/09 Service Plan to assess the Residential Tenancy Branch's success in achieving the objective of increasing the percentage of applications for dispute resolution settled by mutual agreement. This measure will reflect a program shift to assist landlords and tenants resolve disputes without formal adjudication where possible. Methods such as intervention, facilitation and settlement agreements promote better long term relationships between landlords and tenants than adversarial adjudication proceedings.

Performance Measure

Performance Measure	Benchmark	2007/08 Target	2008/09 Target	2009/10 Target
Percentage of residential tenancy adjudications scheduled to take place within six weeks or less of filing.*	92 per cent	92 per cent	93 per cent	94 per cent

*Data Source: Residential Tenancy Branch System

4.1.1 Percentage of residential tenancy adjudications scheduled to take place within six weeks or less of filing: This measure reflects Government's decision to make this more affordable and accessible than the courts. The more quickly disputes are resolved, the better the rental market can function.

Resource Summary

Core Business Areas	2006/07 Restated Estimates ¹	2007/08 Estimates	2008/09 Plan	2009/10 Plan
Operating Expenses (\$000)				
Housing	222,594	339,143	355,866	300,400
Building Policy	948	1,029	1,071	1,124
Safety Policy	814	1,008	1,042	1,085
Residential Tenancy	5,875	6,665	6,968	7,351
Total Housing and Construction Standards.....	230,231	347,845	364,947	309,960
Full-time Equivalents (FTEs)				
Housing	24	24	24	24
Building Policy	11	11	11	11
Safety Policy	9	9	9	9
Residential Tenancy	59	80	80	80
Total	103	124	124	124
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Ongoing Projects	281	281	402	402
Total Housing and Construction Standards.....	281	281	402	402

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2007/08 *Estimates*. Schedule A of the 2007/08 *Estimates*, presents a detailed reconciliation.

Efficiencies

Committed to continuous business improvement, the Office of Housing and Construction Standards strives to develop administrative efficiencies that save money and/or improve service delivery.

One of the Office's priorities has been to develop a comprehensive Human Resource Management Plan that encourages staff to recommend innovative changes to procedure to reduce administration. In addition, new or revised approaches to recruitment, retention and learning provide the Office the opportunity to increase human resource capacity

through the expansion and balancing of knowledge, skills and experience. Steps to increase the engagement level of individual employees will lead to greater performance of the organization as a whole.

In 2006, the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act* were amended. Included in the amendments were changes that enable the Residential Tenancy Branch to offer a broader range of dispute resolution services, thereby saving money by providing clients with the opportunity to resolve their disputes without the need for formal adjudication. As other forms of dispute resolution are less costly, this results in an increased ability on the part of Residential Tenancy Branch to serve the public interest in a more efficient manner. In addition, the amendments allow for the hiring of dispute resolution officers.

Most of the Province's housing programs are administered by BC Housing, a service delivery Crown Agency. BC Housing efficiencies¹⁸ include:

- achieving increased inter-governmental coordination, collaboration and reduced administrative duplication in addressing the issue of homelessness through the Premier's Task Force on Homelessness, Mental Illness and Addictions;
- an enhanced federal-provincial relationship, including the transfer of federally managed social housing to the Provincial Crown for administration by BC Housing, allowing strategic use and lower administrative and operational costs;
- public-private partnerships (P3s) that leverage the responsiveness of non-profit societies, municipalities and others using innovative approaches to local housing challenges;
- harmonizing provincial government strategies, such as emergency shelters and cold/wet weather beds to achieve better access, integration and management;
- reviewing management approaches to look for opportunities such as alternative service delivery, bulk purchasing and strategic investment; and
- employing sustainable practices to reduce consumption of materials and energy costs.

¹⁸ Full details can be found in BC Housing's Service Plan.

Appendices

Appendix 1: Rationale for Changing OHCS Performance Measures

The Office of Housing and Construction Standards has changed several of the performance measure that appeared in the 2005/06 Service Plan. These changes were made for one or more of the following reasons:

1. One time or milestone performance measures have been achieved (e.g., introduction of new legislation);
2. The new performance measures provide for better links between the Office's goals and objectives;
3. The new measures are more representative of the activities of the Office; or
4. The new measures reflect common links with our service delivery partners (e.g., BC Housing).

Appendix 2: OHCS Clients and Services Provided

Aboriginal Peoples — As part of the New Relationship and the Transformative Change Accord signed with First Nations and the federal government, the Province is committed to measures that will help close the social and economic gap between Aboriginal and non-Aboriginal peoples in British Columbia. The Office works with the Ministry of Aboriginal Relations and Reconciliation, the Leadership Council, and the Aboriginal Management Housing Association to develop strategies and programs to address the significant housing needs of Aboriginal peoples in this province.

The Homeless — The Provincial Homelessness Initiative provides a continuum of housing and support services to help people break the cycle of homelessness. The Office provides policy advice and support for the Emergency Shelter Program administered by BC Housing.

The Office is also working with non-profit organizations to implement the province-wide homelessness outreach program.

The Office supports the Rental Assistance Program which provides direct cash assistance to eligible low-income working families with youth under the age of nineteen.

Homeowners and B.C.'s Construction and Building Industry — The Office promotes safety in the design, construction and occupancy of buildings. It does this through stewardship of building regulations (including the *BC Building Code* and *BC Fire Code*) and through governance of aspects of the building safety regulatory system.

The Office administers the safety provisions of the *Safety Standards Act* and Regulations to the BC Safety Authority and some local governments.

Landlords and Tenants — The Residential Tenancy Branch strives to support a balance between landlords and tenants with respect to their rights and responsibilities under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. The Branch provides landlords and tenants with information about their rights and responsibilities, and dispute resolution services, including adjudication.

Local Governments — Some local governments have asked the Province to approve new building regulation in their jurisdictions, in areas such as adaptable housing. In response to these requests, the Office has formed a multi-stakeholder working group for each area of new regulation. The groups will make recommendations that meet the needs of local governments, industry and consumers, while supporting consistent building regulation across B.C.

Seniors — The Office provides policy support for the Shelter Aid for Elderly Renters program which helps make rents affordable for B.C. seniors with low to moderate incomes. This program provides monthly cash payments to subsidize rents for eligible B.C. residents who are age 60 or over.

Vulnerable/Low Income Households — The Office provides policy analysis and advice and works in partnership with all levels of government and stakeholders to address the full housing continuum. A primary focus is ensuring B.C.'s most vulnerable citizens, including frail seniors, people with mental illness or physical disabilities, those with drug and alcohol addictions, women with their children fleeing violence, and the homeless or those at risk of homelessness have improved access to housing assistance.

Appendix 3: Forests and Range Glossary

*A more complete Forests and Range Glossary is accessible at:
<http://www.for.gov.bc.ca/hfd/library/documents/glossary/index.htm>*

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 rangeland 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.

Basic silviculture — Harvesting methods and silviculture operations including seed collecting, site preparation, artificial and natural regeneration, brushing, spacing and stand tending, and other operations that are for the purpose of establishing a free growing crop of trees of a commercially valuable species and are required in a regulation, pre-harvest silviculture prescription or silviculture prescription.

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.

Continuous Improvement — A business or operational approach based upon the philosophy that performance improvement is the responsibility of all staff in an organization and adherence to this approach is ongoing.

Community Forest Agreement (CFA) — A CFA is a type of area-based tenure, which allows a local government, community group or First Nation community to manage harvesting operations as well as other values such as trails and recreation sites, wildlife, water supply and viewsapes, for the benefit of the community.

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.

Forestry Revitalization Plan — Initiated by the Government in 2003 and supported by the *Forestry Revitalization Act*, was designed to open up opportunities in both forest management and wood processing sectors and create a more diversified and innovative forest sector.

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.

Provincial Forest Land-base — Crown land designated by the *Forest Act* (Section 5) as under the direct jurisdiction of the Ministry of Forests. This is generally equivalent to the Crown land area in TFL's, Woodlot Licences, and TSA's (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) — An integrated resource management unit established in accordance with Section 6 of the *Forest Act* and managed for sustainable timber harvest, as determined by an allowable annual cut. TSAs were originally defined by an established pattern of wood flow from management units to the primary timber-using industries. There are currently 37 TSAs in British Columbia.

Tree Farm Licences (TFL) — TFLs are privately managed Sustained Yield Units. TFLs are designed to enable owners of Crown-granted forest lands and old temporary tenures or the timber licences which replace them, to combine these with enough unencumbered Crown land to form self-contained sustained yield management units. These licences commit the licensee to manage the entire area under the general supervision of the Forest Service. Cutting from all lands requires Forest Service approval through the issuance of cutting permits. TFLs should not be confused with Certified Tree Farms under the *Taxation Act*, though some Certified Tree Farm land (Crown-granted) may comprise a part of the TFL. A TFL has a term of 25 years.

Woodlot Licences — An agreement entered into under Part 3, Division 5 of the *Forest Act*. It is similar to a Tree Farm Licence but on a smaller scale, and allows for small-scale forestry to be practised in a described area (Crown and private) on a sustained or perpetual yield basis.

