



MANAGED
FOREST
COUNCIL

Annual Report 2014 / 2015





October 31, 2015

Honourable Steve Thomson
Minister of Forests, Lands & Natural Resource Operations
PO Box 9049, Stn. Prov. Govt.
Victoria, BC V8W 9E2

Dear Minister:

With pleasure, I submit the 2014 / 2015 Annual Report of the **Managed Forest Council**. The report includes a summary of statutory requirements as outlined in Section 10(2) of the *Private Managed Forest Land Act* and commentary on Council and its various activities throughout the year. As required by regulation, the annual report includes data on the number of managed forests, area in the program, number of inspections, and new regulations enacted by Council.

Some highlights of 2014/15:

- **Regulatory change** that came into effect July 1, 2014 to broaden Council's ability to pursue individuals other than the owner (e.g. contractors, employees, or agents) for alleged contraventions of the Act and regulations;
- **Rebranding** including a new working name 'Managed Forest Council' to distinguish Council as the regulator on private managed forest land, effective September 2014;
- **Communication Plan** to build broader awareness and understanding of Council's mandate and programs, including priorities for engaging stakeholders on a more regular basis; and
- **Council Performance Measures** were used for the first time to analyze and report on Council's performance in meeting its corporate goals in the delivery of its mandate.

Yours sincerely,

A handwritten signature in black ink that reads "Rod Davis". The signature is written in a cursive, slightly slanted style.

Rod Davis
Chair

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*Vegetative propagation of
the Yakoun River Golden Spruce on
Vancouver Island managed forest property.*

TABLE of CONTENTS

What We Do	3
The Function of Council	4
2014 / 2015 Council	4
Council Biosketches	5
2014 / 2015 Summary of Council Functions and Activities	6
Program Administration	6
Council 2014 / 2015 Performance Measures	8
Strategic Planning	9
Compliance Reporting	10
Activities Summary	13
Summary of Annual Declarations	14
Annual Activity Level Comparison	15

Protected wetland habitat.



What We Do

The Private Managed Forest Land Council is an independent agency established under the *Private Managed Forest Land Act* (Act). The Act was passed in November 2003 by the provincial government and was fully implemented in August 2004. As of September 2014 the Private Managed Forest Land Council is known by its working name, the Managed Forest Council (Council).

The objective of Council is to encourage forest management practices on Private Managed Forest Land and to administer the Managed Forest Program. This includes the monitoring of forest practices and the protection of key public environmental values as established by regulation on private managed forest land.

Participation in the program is voluntary with 100% of Council yearly activities funded by private land owners.

Key public environmental values are:



Soil conservation: to protect soil productivity.



Water quality: to protect human drinking water.



Fish habitat: to retain sufficient streamside mature trees and understory vegetation both during and after harvesting to protect fish habitat.



Critical wildlife habitat: to facilitate the long-term protection of that habitat.



Reforestation: to promptly regenerate the areas with a healthy commercially valuable stand of trees that are not impeded by vegetative competition.



526 kilometres of road was constructed by private landowners in 2014 / 2015.

The Function of Council

In keeping with its objective Council is responsible for the administration of private managed forest land legislation. This includes four broad functions:

1. Strategic planning, reporting and program administration;
2. Establish and monitor forest practice standards for managed forest land;
3. Enforce standards and perform audits; and
4. Review landowner applications to enter managed forest land class.

This Annual Report covers the period from April 1, 2014 to March 31, 2015. It contains information Council considers relevant to the fulfillment of its objective in the exercise of its powers, performance, duties and functions under the Act.

2014 / 2015 Council

The Council is a partnership comprised of representatives from government and managed forest landowners:

- a chair who is jointly appointed by the four members of Council for a three-year term;
- two owner members elected for a three-year term by the private managed forest landowners; and
- two members appointed by the provincial government.

Council members report annually as to their compliance with the Council's established code of conduct. All council members declared that they have abided by the Code of Conduct as written in Section G of the Council Governance Policy for 2014.

Current Council:

Chair: Rod Davis

Owner Member: Will Pryhitko, MF 38

Owner Member: Blair Robertson, MF 177

Government Appointee: Rod Visser

Government Appointee: Michael Alexander

Executive Director: Phil O'Connor

The Council's objective is to encourage forest management practices on private managed forest land, taking into account the social, environmental and economic benefits of those practices.

Council Biosketches

Rod Davis, *Chair*

Mr. Davis is a consultant with 40 years experience working in fish and wildlife ecosystem conservation, forest and range practices, land use planning, environmental protection, and natural resources inventory and analysis. Prior to being appointed chair in 2012, he served on the Council from 2004 to 2011. He is a registered professional agrologist.

Will Pryhitko, *Owner member*

Mr. Pryhitko started work with the Beaumont Timber Company in 1984. He was appointed the President and Chief Executive officer in 1999 and acted in those positions until his retirement two years ago. He is currently a Director of the Company and sits on its Board. Mr. Pryhitko was involved extensively with various levels of government on a broad range of issues related to private forest land and worked closely with government and forest owners throughout the development of the Private Land Forest Practices Regulation. Mr. Pryhitko has been a Council member since July 2004.

Blair Robertson, *Owner member*

Mr. Robertson was first elected to the Managed Forest Council in 2010. He has been active in private forestry and land management on Vancouver Island since 1990. He is involved in the operation of his family-owned managed forest on southern Vancouver Island. From 1996 to 2004 he was the general manager of the Private Forest Landowners Association. Through his involvement in the Managed Forest Program since its inception he has accumulated substantial experience with local and provincial governments on a variety of resource and land management issues. He has a Bachelor of Commerce in Urban Land Economics and MBA from the University of British Columbia.

Rod Visser, *Government appointee*

Since 2009 Mr. Visser has been the principle of Middle Point Management, specializing in corporate development and negotiations for First Nations in the resource sector. From 2001 to 2005 he was the North Island MLA in the BC Legislature. He was a director of the Truck Loggers Association, the Pacific Salmon Foundation, and the Future of Forestry Task Force established by the City of Campbell River. He has extensive experience in working with First Nations and their relationships with public policy, board governance, and corporate and small business interests.

Michael Alexander, *Government appointee*

Mr. Alexander is a registered professional forester and a certified environmental professional. Since 2008 he has been Principal of Lindsay-Alexander Consulting, a small firm providing environmental management and sustainability services to industry and government. He previously led KPMG's Global Sustainability Group and was President of KPMG Performance Registrar Inc., providing sustainable forest management certification services. Prior to joining KPMG he spent 15 years with Canfor. His responsibilities there included management of corporate environmental issues and management of the company's private managed forest land near Sechelt.

Phil O'Connor, *Executive director*

A registered professional forester in BC for over twenty years, Mr. O'Connor's career has taken him to various locations with both government and the private sector. His government experience includes work as a planning forester on land use issues and timber supply on the central Coast and as regional revenue manager in Williams Lake. In the private sector he has worked as a field forester, as the manager of forestry resources in a coastal woodlands department and as administrative forester responsible for the management of a TFL and private lands. His career has taken him through all facets of the industry, from solid wood, to pulp and paper and the value added sector.

2014 – 2015 SUMMARY OF COUNCIL FUNCTIONS AND ACTIVITIES

Program Administration

What's New?

- **Executive Director:** Phil O'Connor, a registered professional forester, was hired in October of 2013 and officially assumed the executive director position on December 2, 2013. The 2014 / 2015 Annual Report reflects Mr. O'Connor's first full year as Council full time Executive Director.
- **Communication Plan and Re-Branding:** In September 2014 Council adopted the new working name Managed Forest Council and stylized logo to update its image and distinguish itself as the regulator on private managed forest land. These changes along with a revamped communication strategy launched in September 2014 of engaging stakeholders on a more regular basis has had a positive impact of raising Council awareness amongst stakeholders with whom it engages on a regular basis.
- **Council Elections / Appointments:** Will Pryhitko was elected to a new three year term in June 2014. Rod Visser was appointed to a new three year term by the Minister in November 2014.
- **Council Performance Measures:** The 2014 / 2015 Annual Report is the first time Council reports on a series of performance measures established within its 2014 / 2015 Corporate Plan. The performance measures were established to analyze and report on Council's performance in meeting its corporate goals in the delivery of its mandate.
- **Revamped Inspection Program:** Inspections represent a significant component of Council's mandate to monitor forest practices. The Inspection Program was strengthened and made more efficient by focusing data collection on regulatory requirements and by updating the Inspection Form to increase the efficiency of the field visits and reporting.

2014 – 2015 Budget

- Council revenue is from two sources: an annual fee levied on managed forest owners, and retained surplus from the previous fiscal year. Revenue from the annual fee was \$ 504,013. The retained surplus was \$ 131,000.



Owners restocked over 9,100 hectares of land in 2014 / 2015.

- The annual fee levied on managed forest owners is made up of a general administration fee and a fee based on application of a mill rate to the bare land value of the property. Council established the mill rate for the 2014 / 2015 fiscal year at 0.663/\$ 1,000 of Bare Land Value. The general administration fee was \$ 120 for each managed forest. The 2014 / 2015 annual fee represents a 3.8 % increase in revenue from fees over the 2013 fiscal year.
- Council expenses for the 2014 / 2015 fiscal year were \$ 482,014, 2.8 % lower than those for the 2013 fiscal year.
- A Retained Surplus of \$ 155,000 was carried forward into the 2015 / 2016 fiscal year to help fund Council activities in 2015. This represents a reserve of three months, an appropriate surplus to carry forward to help cover unforeseen expenditures should they arise.

2013 – 2014 Financial Audit

- Council has a policy of conducting a financial audit of its financial statements and activities for the previous year. This represents the most comprehensive of audits by an independent third-party auditor and includes the production of an audit report. The audit report for the 2013 / 2014 fiscal year was completed by LL Brougham Inc. and approved by Council at its September 2014 meeting.

Management Commitments for Managed Forests

- Throughout the year Council receives numerous requests to amend management commitments of existing managed forests. The request may be to increase or decrease its size, it may reflect a change in use or it may represent the complete withdrawal of the managed forest from the program. Council has a policy to process these requests in a timely fashion. Council introduced a performance measure into its 2014 / 2015 Corporate Plan to ensure its objective of processing these requests within 30 days is achieved by Council staff.
- Council receives a number of new management commitments from new entrants to the program or from new owners who have purchased existing managed forest. New management commitments are evaluated and approved within timeframes established by Council. Staff work with the land owners to resolve errors or omissions with the submissions. To aid the processing of documents new entrants to the program are required to utilize a new digital management commitment form.



Owners harvested over 5.2 million cubic metres of timber throughout the province in 2014 / 2015.

Council 2014 / 2015 Performance Measures

Performance Measure # 1: Administrative Efficiency

Performance Measure	2014 / 2015 Stretch Target	2014 / 2015 Target	2015 / 2016 Proposed	2016 / 2017 Proposed
# days to process MC applications and amendments	25	30	30	30

Performance Measure # 1: Achieved

Discussion: In 2014 Council office received 18 new Management Commitments and 17 Management Commitment Amendments. Of these new Management Commitments and Amendments 90% were processed and approved by Council within 30 days. The other ten percent took longer than 30 days to process either because of their submission date relative to Council meeting dates, or they required significant revision prior to Council approval.

Performance Measure # 2: Inspections

Performance Measure	2014 / 2015 Stretch Target	2014 / 2015 Target	2015 / 2016 Proposed	2016 / 2017 Proposed
# of inspections	70	60	60	60

Performance Measure # 2: Achieved

Discussion: During spring and early summer of 2014 council staff and contract inspectors completed 69 inspections of managed forests throughout BC. Achievement of this performance measure was 100% and close to its stretch target of 70 inspections for the year. Efficiencies introduced through the use of Council's new inspection form contributed to the achievement of this target.

Performance Measure # 3: Training

Performance Measure	2014 / 2015 Stretch Target	2014 / 2015 Target	2015 / 2016 Proposed	2016 / 2017 Proposed
Training opportunities per person or for the group	2	1	1	1

Performance Measure # 3: Achieved

Discussion: In January of 2015 Council and staff completed a training workshop through the Justice Institute on decision writing skills and oral hearing protocols. Achievement of the performance measure around training was 100%.

Performance Measure # 4: Meeting Attendance

Performance Measure	2014 / 2015 Stretch Target	2014 / 2015 Target	2015 / 2016 Proposed	2016 / 2017 Proposed
Meeting attendance minimum 80%	90%	80%	80%	80%

Performance Measure # 4: Achieved

Discussion: Council is comprised of four members and a chair and meets once a month throughout the year. An 80 % attendance record represents a total of 48 person days. This year Council attendance at monthly meetings represented 57 person days, 15% above the targeted performance measure for 2014, and 5% greater than the stretch target.

Performance Measure # 5: Stakeholder Engagements

Performance Measure	2014 / 2015 Stretch Target	2014 / 2015 Target	2015 / 2016 Proposed	2016 / 2017 Proposed
# of stakeholder engagements	14	10	10	10

Performance Measure # 5: Achieved

Discussion: Increased stakeholder engagement is a key component of Council new communication strategy. For the 2014 fiscal year a performance measure of 10 engagements was established. For 2014 this measure was achieved with a total of 10 engagements with various stakeholders. Engagements included presentation to owners at the Private Forest Landowners AGM, a presentation to the Association of Vancouver Island Coastal Communities (AVICC) at their AGM in Parksville and participation as a member of the Cowichan Valley Regional District Water Task Force in Duncan.

Strategic Planning

Corporate Plan

- Council Strategic Plan was renamed the Council Corporate Plan in 2014 to reflect the establishment of Council as a corporation under Section 4 of the *Private Managed Forest Land Act* in 2004. The Corporate Plan sets out the blueprint for Council’s operations to ensure it meets its strategic direction and specific goals. A series of changes were made to the plan to increase its functionality as a planning tool. Council’s budget, to a large degree, is developed in conjunction with the strategies, timeframes and initiatives outlined within its Corporate Plan.

Regulatory Change

- Discussions were initiated with stakeholders in 2013 on proposed changes to Council’s Private Managed Forest Land Council Regulation, 2007. The proposed changes related to compliance. The 2007 regulation excluded Council ability to pursue contractors, employees or agents of owners when an alleged contravention had occurred. To address this oversight Council proposed changes to the regulation to make it more inclusive to pursue individuals other than the owner for alleged contraventions of the Act and regulations. Changes to the regulation were brought into force on July 1, 2014.



A recently harvested block and associated riparian reserve.

Communication Plan

- In 2013 Council initiated work to update its Communications Plan to reflect concerns identified in a survey of stakeholders. The survey identified two main concerns to Council. The first was that Council's mandate to regulate activities on private managed forest land was poorly understood by its stakeholders. And second, that there was a high degree of confusion between the Council and the Private Forest Landowners Association. To address these concerns Council began work to update its Communications Plan early in 2014. The revised Communications Plan launched in September 2014 includes the adoption of a trade name, the Managed Forest Council, and new stylized logo. Communication planning remains a key strategic initiative for Council as it moves to distinguish itself as the regulator of forest management on private managed forest land.

Compliance Reporting

Inspections

- Each year Council engages a team of independent registered forest professionals to complete inspections of selected managed forests. This year Council staff increased its participation in the field component of the inspection program. These inspections are an important component of the Managed Forest Program and Council's function in monitoring the implementation of forest practices on managed forest land. Of the 69 managed forests inspected in 2014, 20 were in the Interior of the province and 49 were on the Coast. This sample represents approximately 26% of managed forests in the program and was comprised of a series of small, medium and large size properties.
- As well as the regular inspection program, an internal review initiated by Council in 2014 is looking at forest management activities in relation to water quality in a large coastal watershed.
- Inspections are carried out to: assess an owner(s)' management of the properties with respect to the management commitment; assess compliance with the Council Regulation; and to assess an owner(s)' knowledge of managed forest legislation.

During each inspection discussions are held with the owners regarding their recent forest management activities. Owners are provided an opportunity to discuss Council regulation and bring forward questions



Productive alder stand on Coast.

or concerns they have regarding the program. A sample of the owner activities are inspected. The sample may include recent harvesting, an owner's practices with respect to protecting fish habitat, the condition of newly constructed or maintained roads, and the regeneration status of both older and more recent cutblocks.

The 2014 inspection program indicated that overall owners are managing their properties in accordance with their management commitments and the regulatory requirements of the *Private Managed Forest Land Act*. No significant contraventions of Council Regulations were identified through the inspection program. Recommendations were made to some owners suggesting they monitor the status of regenerating cutblocks to ensure they comply with reforestation requirements within the legislated timeframe.

Audits

- In 2012 Council initiated an audit to assess the effectiveness of its regulation in maintaining high standards of practice on private managed forest land. This was the first audit to evaluate the effectiveness of the Council Regulation with respect to the Act.

The audit touched on all aspects of Council responsibilities under the regulation. It included an evaluation of harvesting and road building activities and their relationship to soil conservation. It reviewed forest management activities in relation to the maintenance of water quality and fish habitat in and around creeks and streams. And finally, it reviewed the requirements of owners to restock and reforest their lands within legislative timeframes. The Effectiveness Audit was released on April 29, 2014.

Investigations and Determinations

- Council conducts investigations into various regulatory aspects of the managed forest program. Investigations by Council are initiated in a variety of ways. They may be initiated through a concern or inquiry from the public, a non-compliance issue identified through its inspection program, or from the legally required reporting of landslides or debris flows from an owner of private managed forest land. Council may also initiate an investigation on its own into any area or aspect of the program.
- The Act and regulations place many requirements on owners of private forest land. The Act also establishes several mechanisms that may be used to ensure compliance with the owner's requirements. Four mechanisms exist for Council consideration in making a determination: consent agreements, stop work orders, administrative contravention determinations and offences.



Tree retention in recent cutblock.

- In response to forest management concerns it received from the Forest Practices Board (the Board) in 2013, Council initiated an investigation into activities in the China Creek and Honna River watersheds. Approximately 84% of the private managed forest land in the China Creek watershed and 14% in the Honna River watershed is owned and managed by Island Timberlands. The focus of the study was on forest practices on private managed forest land in relation to water quality. The investigation reviewed all aspects of planning and operational standards in use with the ongoing development of these lands. Council looked specifically at the areas of concern as expressed to it by the Board. The investigation report was released on June 18, 2014. The full report is available for review on our website: www.mfcouncil.ca.
- Investigation # 1204: In the fall of 2013 Council determined an owner had contravened the regulations resulting in the loss of fish habitat. A request for Council to reconsider its original determination was made by the owner late in 2013. In May of 2014 Council released its reconsideration of the matter that upheld its original determination. The matter was subsequently appealed to the Forest Appeals Commission. In November of 2014 the matter was heard by the Commission at a hearing in Nelson. A decision of the Forest Appeals Commission was not available by March 31, 2015.
- Investigation # 1405: Council initiated this investigation in November 2014 based on information it received on elevated levels of turbidity downstream of an owner's harvesting and road construction activities. Based on its investigation report, Council concluded that while the data indicated elevated water turbidity levels downstream, there was no evidence that a material adverse effect on water quality had occurred at the licensed waterworks intake further downstream and, consequently, there was no contravention of the Private Managed Forest Land Council Regulation found. The assessment report is available on Council website.
- During the 2014/15 reporting period, Council received notification of ten debris flows or slides into streams. These owner-reported debris flow/ slide reports are assigned an investigation number and assessed for probable cause. An owner follow-up and proposed mitigation actions are reviewed as part of the initial investigation. Based on Council internal review and its review of owner reports that none of the ten events had negatively impacted fish habitat, no further actions or site visits were scheduled.



*Road maintenance and deactivation
are both assessed through the ongoing
inspection program*

ACTIVITIES SUMMARY

Section 10(2) of the Act requires Council to report on managed forest owner and administrative penalty data. The data for 2014 / 2015 is reported in the following table.

SECTION	DESCRIPTION	STATUS	COMMENT
a)	Number of owners subject to the Act	263 276	As of April 1, 2014 As of March 31, 2015
b)	Number of hectares subject to the Act	821,298 822,081	As of April 1, 2014 As of March 31, 2015
c)	Number of management commitments withdrawn	2	
d)	Number and nature of inspections performed	1 69	Investigation Routine inspections
e)	Number and nature of consent agreements	0	
f)	Amount of penalties collected and owing	\$3,500.00	1 penalty outstanding
g)	Number and nature of remediation orders made	0	
h)	Number and nature of stop work orders made	0	None issued
i)	New regulations enacted by Council	1	Private Managed Forest Land Council Regulation amended to be more inclusive.



Harvesting in the Interior.

SUMMARY OF ANNUAL DECLARATIONS

By May 1 of each year, owners of private managed forest land are required to submit to the Council a declaration of the operations completed in the previous reporting period. The reporting period is January 1 to December 31 for owners on the Coast, and April 1 to March 31 for owners in the Interior. The following table provides a summary of information provided in the owners' 2014 annual declarations.

	Total # Owners	No Activity	Harvest Activity	Destroyed Timber	Road Construction	Road Deactivation	Reforestation	
							Restocked	Successfully Regenerated
Coast	182	139 owners	34 owners 9,915 ha 4,755,190 m ³	2 owners 14.0 ha	23 owners 503.7 km	9 owners 92.7 km	27 owners 7,977 ha	17 owners 6,583 ha
Interior	81	65 owners	15 owners 2,262 ha 475,683 m ³	1 owner 5.1 ha	8 owners 21.9 km	4 owners 25.7 km	11 owners 1,135 ha	5 owners 1,108 ha
TOTAL	263*	204 owners	49 owners 12,177 ha 5,230,873 m ³	3 owners 19.1 ha**	31 owners 525.6 km	13 owners 118.4 km	38 owners 9,112 ha	22 owners 7,691 ha

* Total number of owners does not equal the sum of no activity owners and owners reporting activity due to differing combinations of activities by some owners.

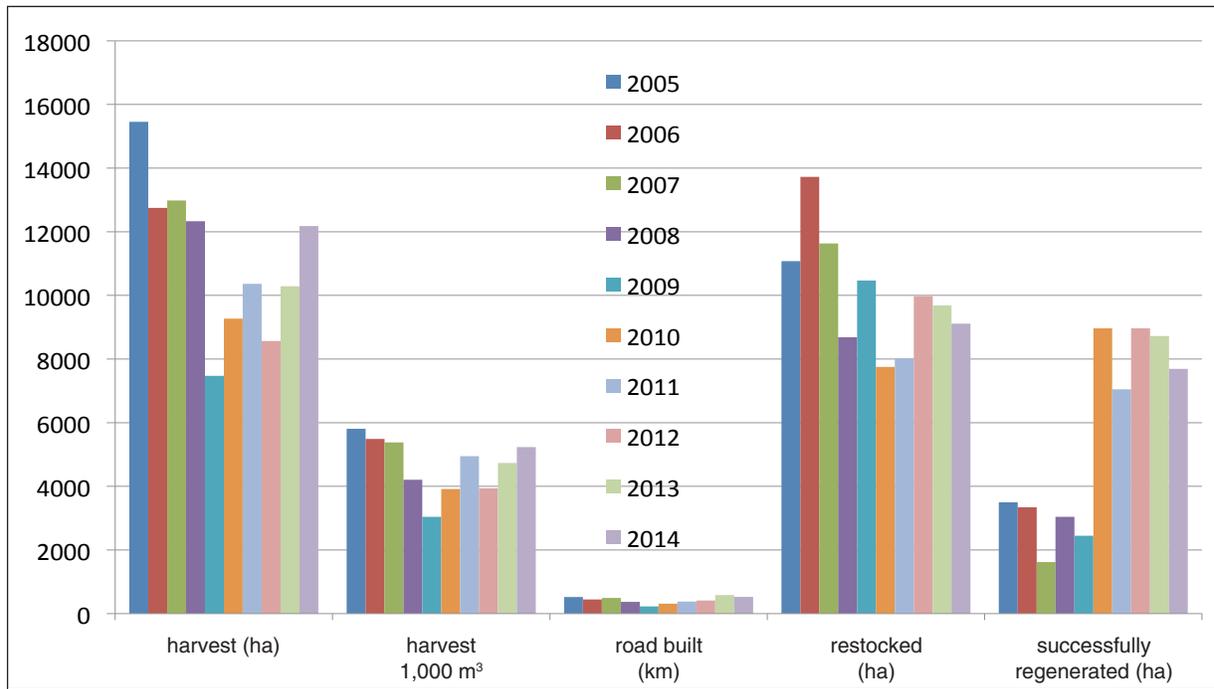
** Cause of destroyed timber is wildfire, change in land use for powerline.

The volume of 5.2 million m³ was harvested by approximately 19% of all owners. It is important to note that the specific areas reported as being subject to timber harvesting activity (12,177 hectares) may not be the same specific areas reported as being restocked (9,112 hectares). Section 31 (3) of the Council Regulation requires an owner to reforest areas that have been harvested within five years.

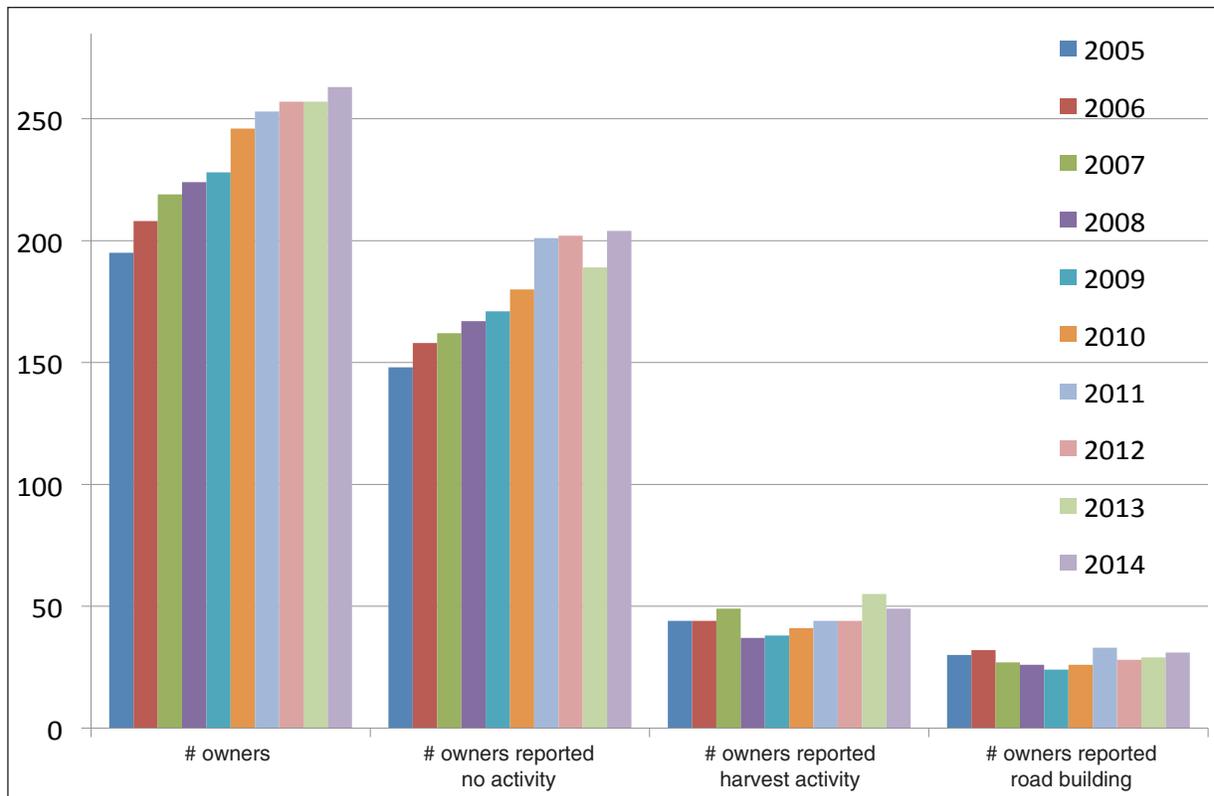


Successfully regenerated mixed conifer stand.

ANNUAL ACTIVITY LEVEL COMPARISON



The volume harvested increased by 10% in 2014 compared to 2013, while road building decreased by 10% and the restocked area decreased by 6% for the same time period.



The number of owners reporting harvesting during the year decreased in 2014. Inactive owners include managed forests with young forests in a growth phase with no current merchantable timber.



MANAGED FOREST COUNCIL

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