



Annual Report 2017 / 2018



October 31, 2018

Honourable Doug Donaldson
Minister of Forests, Lands, Natural Resource Operations and Rural Development
PO Box 9049, Stn. Prov. Govt.
Victoria, BC V8W 9E2

Dear Minister:

With pleasure, I submit the 2017 / 2018 Annual Report of the Managed Forest Council. The Private Managed Forest Land Council is an independent agency established under the *Private Managed Forest Land Act*. The objective of the Act is to encourage sustainable forest management practices on private managed forest land, considering the social, environmental and economic benefits of those practices. Council's mandate includes administering the Act and regulations, approving land owners' forest management commitments; establishing and auditing forest practices standards to meet objectives associated with soil conservation, fish habitat, water quality protection, and reforestation; and enforcing regulatory requirements.

There are 278 private managed forests in British Columbia, encompassing 818,000 hectares. In 2017, 4.7 million m³ of timber was harvested on managed forest land, representing approximately 7% of the total provincial timber harvest and 28% of the timber harvest on the Coast. These properties are located mostly on Vancouver Island, the southern mainland Coast, the Kootenays and the Okanagan-Shuswap.

This report includes a summary of statutory reporting requirements as required by Section 10(2) of the Act as well as a summary of Council and its various activities throughout the year.

Some highlights of 2017 / 18:

- Initiating a review of the professional risk assessments owners complete to meet the due diligence expectations established in the Field Practices Guide;
- Continuing community engagement with stakeholders across the Province building on the Council strategic initiative of raising a broader awareness and understanding of Council's mandate and programs, including priorities for engaging stakeholders on a more regular basis;
- Initiating a review of all current management commitments to evaluate their compliance with current policy and legislation. It is expected this review will be completed late in the 2018 fiscal year;
- Reviewing the Private Managed Forest Land Council Regulation with the intent of strengthening administrative language, water quality protection, and reforestation requirements;
- Conducting 45 inspections of Managed Forests in BC; and
- Initiating two (2) investigations of potential non-compliance with the Act or regulations.

Please do not hesitate to contact us should you have any questions about the Managed Forest Program or the Managed Forest Council.

Sincerely yours,

Rod Davis, PhD, PAg
Chair

305 - 1627 Fort Street, Victoria, BC V8R 1H8

Telephone: 250-386-5737 Online: www.MFCouncil.ca

Table of Contents

What We Do	2
The Function of Council	3
2017 / 2018 Council	3
Council Biosketches	4
2017 – 2018 Summary of Council Functions and Activities	5
Program Administration	5
Council 2017 / 2018 Performance Measures	6
Strategic Planning	8
Compliance Reporting	9
Activities Summary	11
Summary of Annual Declarations	12
Annual Activity Level Comparison 2008 – 2017	13

Council and staff discussing forest management during a 2017 inspection.



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.



524 kilometres of road were constructed by private landowners in 2017 / 2018.

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, 2017 to March 31, 2018. 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.

2017 / 2018 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 2017.

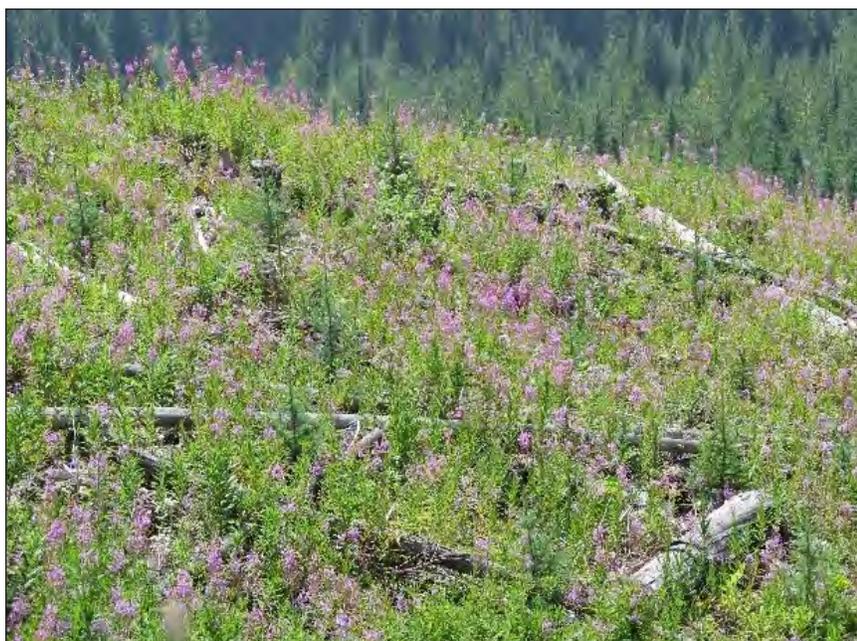
Current Council:

Chair: Rod Davis

Owner Elected Members: Will Pryhitko, MF 38 & Blair Robertson, MF 177

Government Appointees: Rod Visser (until November 2017) & Michael Alexander

Executive Director: Phil O'Connor



*A well-stocked plantation
in the East Kootenays.*

Council Biosketches

Rod Davis, *Chair*

Dr. Davis is a consultant with over 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. Dr. Davis was reappointed as Chair for a new three-year term that started in January of 2015.

Will Pryhitko, *Owner elected 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 elected 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.

2017 – 2018 Summary of Council Functions and Activities

Program Administration

2017 – 2018 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 \$ 370,719. The retained surplus was (\$ 31,026).
- 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 2017 / 2018 fiscal year at 0.323/\$ 1,000 of Bare Land Value. The general administration fee was \$ 120 for each managed forest. The 2017 / 2018 annual fee represents a 16.0 % decrease in revenue from fees over the 2016 fiscal year.
- Council expenses for the 2017 / 2018 fiscal year were \$ 402,466, 1% higher than those for the 2016 fiscal year.
- Council has had a retained surplus for each of the past three fiscal years. To address this, Council adopted a strategy of reducing revenue to run a small deficit. For the 2017 / 2018 fiscal year Council ran a deficit of \$ 31,000 to help eliminate the accumulated surplus.
- 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 2016 / 2017 fiscal year was completed by LL Brougham Inc. and approved by Council at its September 2017 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, and includes a performance measure in its Corporate Plan to ensure its objective of processing these requests within 30 days is achieved by Council staff.



Owners restocked 10,277 ha of private forest lands in 2017.

- 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 time frames established by Council. Staff work with the land owners to resolve errors or omissions with the submissions.

Council 2017 / 2018 Performance Measures

The 2017 / 2018 Annual Report is the fourth year Council reports on a series of performance measures established within its annual 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.

Performance Measure # 1: Administrative Efficiency

Performance Measure	2017 / 2018 Stretch Target	2017 / 2018 Target	2018 / 2019 Proposed	2019 / 2020 Proposed
# days to process MC applications and amendments	25	30	30	30

Performance Measure # 1: Achieved

Discussion: In 2017 Council office received 17 new Management Commitments and 19 Management Commitment Amendments. Of these new Management Commitments and Amendments 80% were processed within 30 working days. The other twenty 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.

Owners of managed forest land harvested 4.76 million cubic metres of timber throughout the province in 2017 / 2018.



Performance Measure # 2: Inspections

Performance Measure	2017 / 2018 Stretch Target	2017 / 2018 Target	2018 / 2019 Proposed	2019 / 2020 Proposed
# of inspections	70	60	50	50

Performance Measure # 2: Achieved

Discussion: During spring and early summer of 2017 council staff and contract inspectors completed 45 inspections of managed forests throughout BC. Since the 2014 inspection year staff have aggressively pursued Council target of conducting field inspections of each managed forest at least once every five years. This included a higher number of inspections in each of the past three years. The result is a rebalanced inspection program that meets Council inspection target while leading to an increase in the frequency of future inspections. The 45 inspections completed in 2017, although less than the target of 60, reflects the achievement of a rebalanced inspection schedule one year earlier than anticipated. Going forward, future Council inspections to achieve this goal should average 50 inspections per year.

Performance Measure # 3: Training

Performance Measure	2017 / 2018 Stretch Target	2017 / 2018 Target	2018 / 2019 Proposed	2019 / 2020 Proposed
Training opportunities per person or for the group	2	1	1	1

Performance Measure # 3: Achieved

Discussion: The Chair received training through the BC Council of Administrative Tribunals. The course was related to the development of determination report writing skills. Achievement of the performance measure around training was 100%.

Performance Measure # 4: Meeting Attendance

Performance Measure	2017 / 2018 Stretch Target	2017 / 2018 Target	2018 / 2019 Proposed	2019 / 2020 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 51 person days, 5% above the targeted performance measure for 2017, and 5% less than the stretch target.

Performance Measure # 5: Stakeholder Engagements

Performance Measure	2017 / 2018 Stretch Target	2017 / 2018 Target	2018 / 2019 Proposed	2019 / 2020 Proposed
# of stakeholder engagements	14	10	10	10

Performance Measure # 5: Achieved

Discussion: Increased stakeholder engagement is a key component of Council’s ongoing communication strategy. For the 2017 fiscal year a performance measure of 10 engagements was established. For the 2017 fiscal year Council completed a total of 10 engagements with various stakeholders throughout the year. They included attending the Private Forest Landowners AGM, the UBCM in Vancouver, meetings with stakeholders from the Englishman River and Lake Cowichan areas as well as a meeting with the Minister of Forest, Lands, Natural Resource Operations and Rural Development. Council performance measure of 10 engagements was achieved.

Strategic Planning

Management Commitment Review

- Owners of forest land in the Province applying for managed forest status through BC Assessment must submit a management commitment to Council for approval. For Council to approve the management commitment it must be submitted in the approved format and include specific information as required by Section 9 of the Private Managed Forest Land Council Regulation.

Council has requested a review of all current management commitments to evaluate their compliance with current policy and legislation. It is expected this review will be completed late in the 2018 fiscal year. The review will look to answer the following questions:

- Does the management commitment fulfill the suite of legal requirements outlined in Section 17 of the Act and Section 9 of Council Regulation?
- Would the owners Forest Management Objectives (Part 3), Strategies to Achieve the Objectives (Part 4) and the owners current Forest Cover Map (Part 7) comply with today's standards for approval? and finally, the review will ask the question,
- If this management commitment was submitted to Council for approval today, would Council approve it?

Council Regulatory Review

- Throughout the 2017 fiscal year Council continued to work diligently gathering additional input into proposed changes to its regulation. Council is reviewing the Private Managed Forest Land Council Regulation to reflect the need for updated administrative, water quality, and silviculture requirements. Council expects these changes will come into effect late in the 2018 fiscal year.

A well maintained road within a small Coastal private managed forest.



Communications

- Communications with stakeholders remained a key strategic initiative for Council throughout 2017 as it continually strives to distinguish itself as the regulator of forest management on private managed forest land. One communication method is through regular newsletters are sent to managed forest owners, local governments, Ministries, MLAs and other interested parties.

Compliance Reporting

Inspections

- The Inspection Program is designed to assess owners' compliance with the Council regulations.
- Each year Council engages a team of independent registered forest professionals to complete inspections of selected managed forests. Over the past three (3) years Council staff has increased their 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 45 managed forests inspected in 2017, 12 were in the Interior of the province and 33 were on the Coast. This sample represents approximately 16% of managed forests in the program and was comprised of a series of small, medium and large size properties.
- 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 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 2017 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*. One significant contravention of the Council Regulation was 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 time frame.



Private managed forest owners supply firewood to a number of local markets.

Field Reviews, Investigations and Determinations

- Council conducts field reviews and 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.
- During the 2017 / 18 reporting period, Council initiated a total of 21 investigations. The collection of evidence continues in two of the 21 investigations that may lead to future Council opportunities to be heard. It received notification of 14 debris flows or slides into streams. These owner-reported debris flow/ slide reports are reported in accordance with Section 26 of Council regulation. Each report is 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 the owner follow-up reports no further actions or site visits were scheduled for 13 of the 14 slide reports.



Successful regeneration of Douglas-fir within a private managed forest on the Coast.

Activities Summary

Section 10(2) of the Act requires Council to report on managed forest owner and administrative penalty data. The data for 2017 / 2018 is reported in the following table.

SECTION	DESCRIPTION	STATUS	COMMENT
a)	Number of owners subject to the Act	272 284	As of April 1, 2017 As of March 31, 2018
b)	Number of hectares subject to the Act	821,650 818,268	As of April 1, 2017 As of March 31, 2018
c)	Number of management commitments withdrawn	6	
d)	Number and nature of inspections performed	45	Routine inspections
e)	Number and nature of consent agreements	3	Failure to provide Notice of Sale & Restocking
f)	Amount of penalties collected and owing	\$ 5,500.00	
g)	Number and nature of remediation orders made	3	Administrative Procedure for Notice of Sale & Restocking
h)	Number and nature of stop work orders made	0	None issued
i)	New regulations enacted by Council	0	

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.



A well armored culvert within a private managed forest.

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' 2017 annual declarations.

	Total # Owners	No Activity	Harvest Activity	Destroyed Timber	Road Construction	Road Deactivation	Reforestation	
							Restocked	Successfully Regenerated
Coast	201	156 owners	33 owners 8,861 ha 4,270,478 m ³	2 owners 2.7 ha	23 owners 433.3 km	7 owners 25.3 km	28 owners 7,365 ha	15 owners 11,202 ha
Interior	77	60 owners	12 owners 2,424 ha 489,128 m ³	3 owners 316.3 ha	6 owners 90.7 km	1 owner 2.4 km	7 owners 2,912 ha	4 owners 1,611 ha
TOTAL	278*	216 owners	45 owners 11,285 ha 4,759,606 m ³	5 owners 319 ha**	29 owners 524.0 km	8 owners 27.7 km	35 owners 10,277 ha	19 owners 12,813 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.

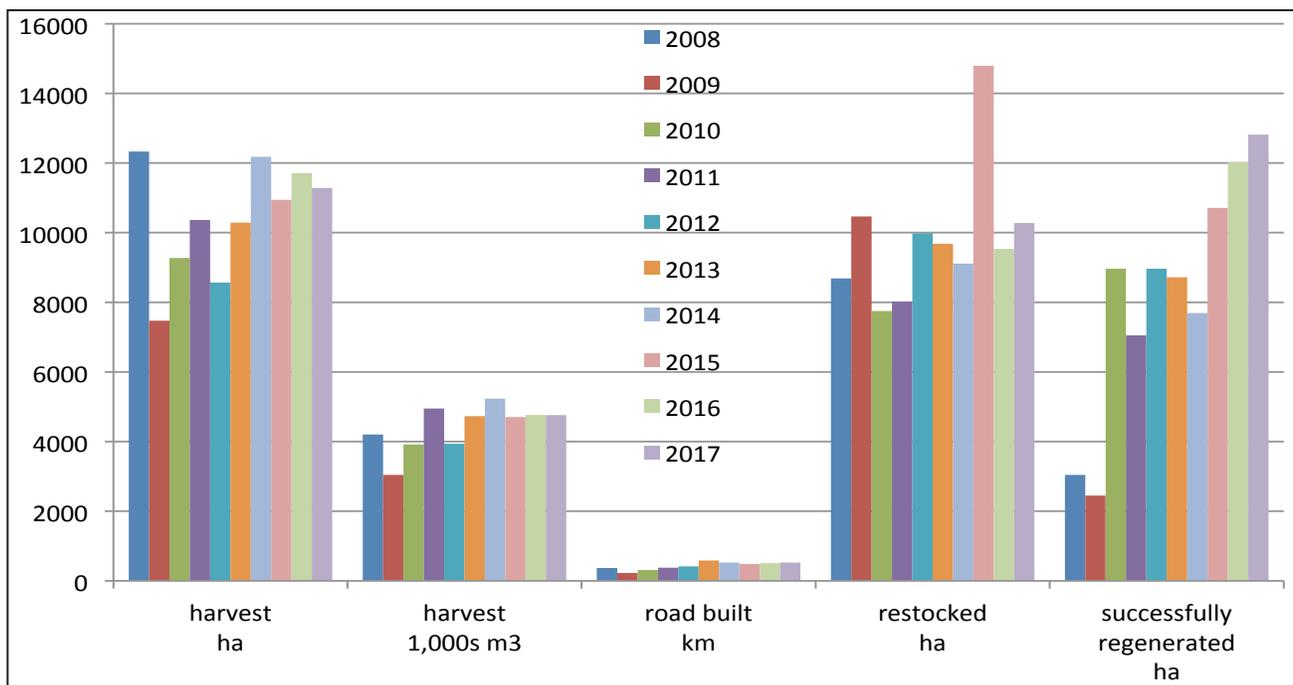
** Destroyed timber: fire and wind

The volume of 4.76 million m³ was harvested by approximately 16.0 % of all owners. It is important to note that the specific areas reported as being subject to timber harvesting activity (11,285 hectares) may not be the same specific areas reported as being restocked (10,277 hectares). Section 31 (3) of the Council Regulation requires an owner to reforest areas that have been harvested within five years.

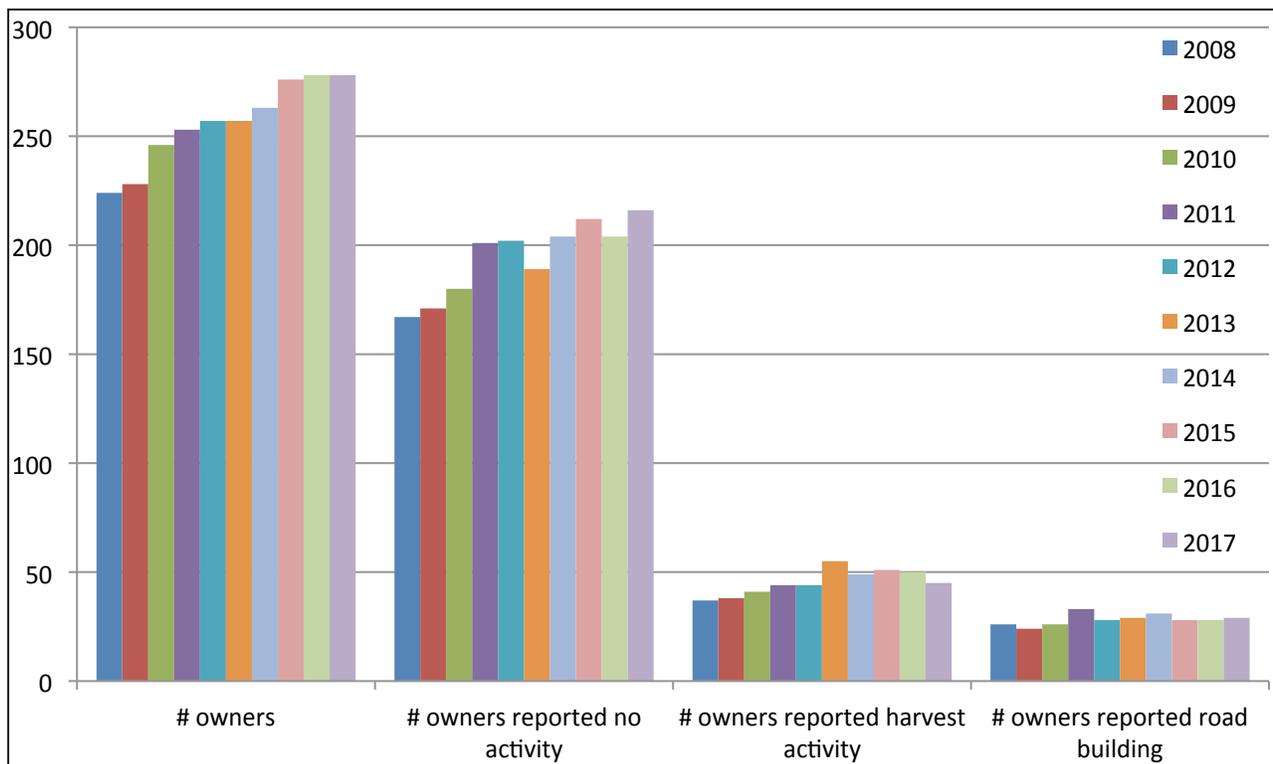
A mature red alder / Douglas-fir mixed stand within a private managed forest on the Coast.



Annual Activity Level Comparison 2008 – 2017



The volume harvested decreased slightly compared to 2016. The area reported restocked has increased over 2016, while the area reported successfully regenerated has increased again for 2017.



The number of owners reporting harvest and road building activity remained relatively steady over the past three (3) years.



MANAGED FOREST COUNCIL

Address: 305 – 1627 Fort Street
Victoria, BC V8R 1H8

Telephone: 250-386-5737

Email: office@mfcouncil.ca

Web: www.mfcouncil.ca