

A COMMON VISION FOR THE PROVINCE



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Thank you for inviting me back to give you an update on ministry activities since January in advance of the ILA's 61st Annual Conference & Trade Show. At the January 2019 TLA convention, I had the pleasure, along with Premier Horgan of unveiling our government's Coast Forest Sector Revitalization Initiative. The challenges are different in the Interior than they are on the Coast, but we have a common vision for the entire province: a forest sector made up of successful and innovative large and small companies that can create and maintain good jobs and generate wealth from our forests to support healthy communities.

Our Interior forests have suffered firsthand from the effects of climate change—most notably from wildfires and pests, such as the mountain pine beetle, spruce beetle and Douglas-fir beetle.

However, some of the policy changes that we announced to revitalize the Coast, will apply in the Interior, such as the creation of fibre recovery zones to encourage better fibre utilization and decreased waste. This will be good for the environment and will make sure that economically viable fibre that is currently left behind will now be used to create and sustain jobs.

In February, I was able to announce \$10 million in Forest Enhancement Society funding to nine projects that would remove over 1 million cubic metres of waste from the bush and redirect to higher end products ranging from cants, to pellets to hogfuel.

These projects will help reduce wildfire risk, while reducing greenhouse gas emissions—since the wood waste would have likely been burnt instead. If all the fibre was lodgepole pine, the volume of carbon dioxide emissions avoided is equivalent to removing 41,800 passenger vehicles off the road for one year.

This \$10 million is in addition to the \$163 million that the Forest Enhancement Society has already allocated to

projects around the province to reduce wildfire risk, improve damaged forests, improve wildlife habitat, increase fibre use from damaged forests and treat forests to improve the management of greenhouse gases.

As part of Budget 2019, our government also increased the base budget for fighting fires by 58 per cent to \$101 million per year. This recognizes the increased costs of fighting wildfires. While some may argue that it isn't enough, it's also important to remember that the BC Wildfire Service has the statutory authority to spend what is necessary to keep British Columbians safe. This amount also recognized that wildfire costs are unpredictable—for example, in 2011, wildfire costs were \$53.5 million, but reached to nearly \$650 million in 2017.

The increase in base funding will enhance the BC Wildfire Service's response capacity by hiring more crews and will also increase spending on wildfire prevention activities.

In addition, we're providing another \$10 million to the Community Resiliency Investment Program, which we launched with \$50 million in September 2018. This program provides wildfire risk reduction funding to local governments and First Nations and enhances wildfire risk reduction activities funded by the Forest Enhancement Society.

I would again like to thank all logging contractors who provided their assistance during the 2018 wildfire season. Every year, the BC Wildfire Service relies on the skill and expertise of forestry contractors and heavy equipment operators to help slow the spread of wildfires and protect communities, infrastructure and natural resources. Contractors play a vital part in helping the BC Wildfire Service in fighting fires and I know BC Wildfire Service is looking at providing more training to better integrate contractors into wildfire fighting efforts.

For the last few years, I know contractors' number one concern has been sustainability. To that end, I'm pleased that after a multi-phase two-year review, that we're able to move forward on implementing recommendations from the logging contractor sustainability review.

These are the recommendations that were agreed to by both licensees and contractors:

- Improving transparency by requiring the parties to jointly develop rate models;
- Improving work predictability and mutual recognition of circumstances where rates can be reassessed;
- Establishing a timely and effective arbitration process based on the rate model;
- Mandatory data collection to improve access to information; and,
- Assisting contractors and licensees in developing a best practices' guide for good business practices that will also foster good business relationships.

As you know, ministry staff have already started working with logging association and licensee representatives in developing the necessary regulatory amendments. Healthy relationships between contractors and licensees are crucial to make the sector work more effectively. Economically sustainable contractors and licensees are crucial to maintaining the forest sector as a primary driver of the BC economy—and the lynchpins keeping it all together are good relationships and working together.

We all want to ensure a resilient, sustainable forest sector in BC.

I look forward to sharing more with you at your 61st annual convention in Kamloops!▲