Energy and Resource Development

Annual Report **2017–2018**



Energy and Resource Development Annual Report 2017-2018

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Transmittal letters

From the Minister to the Lieutenant-Governor

The Honourable Jocelyne Roy Vienneau Lieutenant-Governor of New Brunswick

May it please your Honour:

It is my privilege to submit the annual report of the Department of Energy and Resource Development, Province of New Brunswick, for the fiscal year April 1, 2017, to March 31, 2018.

Respectfully submitted,

Honourable Mike Holland

Minister

From the Deputy Minister to the Minister

Honourable Mike Holland Minister of Energy and Resource Development

Sir:

I am pleased to be able to present the annual report describing operations of the Department of Energy and Resource Development for the fiscal year April 1, 2017, to March 31, 2018.

Respectfully submitted,

Charochelle

Cathy LaRochelle

Deputy Minister (Acting)

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Minister's message

Our natural resources are among New Brunswick's most valued assets and one of our greatest opportunities for economic growth. Thousands of New Brunswickers make their living in the forestry and mining sectors. Equally as may enjoy hunting and fishing as a way of life that has been passed down through generations.

Having been raised on a farm in rural New Brunswick, I have had a connection with all things outdoors for virtually all my life. It is an honour to have been entrusted, as Minister, to have a significant role in ensuring that our natural resources and the benefits they bring to New Brunswickers, thrive and are sustainable for future generations.

I want to thank the deputy minister and staff of the department for their expertise, commitment and professionalism; it is greatly appreciated.

I look forward to working with them in the year ahead and creating a culture where their ideas and expertise is central to how we manage the resources we have been given in this province

The work we will do together in the areas of energy, mines, forestry, fish and wildlife will make New Brunswick an even greater place of which we can be proud.

Honourable Mike Holland

Minister of Department of Energy and Resource Development

Deputy Minister's message

The Department of Energy and Resource Development plays a vital role in supporting job creation and economic growth in New Brunswick. Our goal, in everything we do, is to ensure the safe and responsible development of our natural resources.

We are witnessing global changes in both the energy and forestry sectors. Staff use thoughtful and science-based decision making to deliver the best possible outcomes. We also continue to build a solid working relationship with First Nations as we identify new opportunities for economic growth.

Ensuring the long-term sustainability of our forests and maintaining the competitiveness in this important sector requires a balance of renewal, harvest and regeneration. We have continued to collaborate with the federal government and our industry partners to research and control the outbreak of spruce budworm through the Healthy Forest Partnership. Our forest management process is very mature and is recognized as one of the best in Canada. Through best practices, we are continuously improving our forest growth and conservation.

We continued to provide support for energy and mining files including the Sisson Mine, analysis of replacement options for the Belledune Generating Station and the development of a nuclear research cluster. Progress was made with an increase in the implementation of the actions identified in the Transitioning to a Low-Carbon Economy: New Brunswick's Climate Change Action Plan.

Our department oversees resource sectors providing employment to tens of thousands of New Brunswickers. Our staff members demonstrate a high-level of professionalism, dedication and passion for the work that they perform.

The 2017-2018 time period brought challenges including duties on softwood lumber producers, an elevated fire threat due to extremely dry conditions and the transition to a low-carbon economy in the energy sector. In every situation, staff members have worked to find solutions. However, as we did in 2017-2018, we continue to remain focused on performance measures to ensure New Brunswick benefits from our resources while ensuring a sustainable, healthy future.

Cathy LaRochelle

Deputy Minister (Acting)

Charochelle

Strategic priorities

Strategy management

The Government of New Brunswick (GNB) uses a Formal Management system built on leading business practices to develop, communicate and review strategy. This process provides the Public Service with a proven methodology to execute strategy, increase accountability and continuously drive improvement.

The development of the strategy, using the Formal Management system, starts with a strategic vision to move New Brunswick forward. This vision is anchored in five priority areas:

- Jobs Creating the best environment for jobs to be generated by New Brunswickers, by businesses, by their
 ideas, by their entrepreneurial spirit, and by their hard work. Growth efforts will be guided by the New Brunswick
 Economic Growth Plan, which focuses on strengthening the workforce; expanding innovation capacity; increasing the agility of government; fostering public and private investment in strategic infrastructure; and growing
 capital investment from the private sector.
- Education Improving education as guided by two 10-year plans, Everyone at Their Best for the anglophone sector and Donnons à nos enfants une longueur d'avance for the francophone sector, that identify objectives for the early learning and education system and establish clear expectations for standards and performance. The areas of focus are: ensuring children and other learners develop the competencies they need to be successful in school and life; improving both literacy and numeracy skills for all learners; and working to make post-secondary education more accessible and affordable.
- Families Creating a healthier and stronger New Brunswick by focusing on seven key areas: improving access to primary and acute care; promoting wellness; supporting those with mental health challenges; fostering healthy aging and support for seniors; advancing women's equality; reducing poverty; and providing support for persons living with a disability.
- Federal and Aboriginal Relations Building stronger relationships with First Nations; strengthening action on climate change; and working with the federal government to maximize federal funding, including optimizing infrastructure funding and growing the workforce through immigration.
- Smart Province Providing taxpayers with better value for their money by transforming the culture of government by eliminating duplication; adopting new innovations in technology to improve services and savings; and ensuring GNB has a ready workforce that has the skills, training, support, leadership and working environments it needs to thrive.

Highlights

During the 2017-2018 fiscal year, the Department of Energy and Resource Development focused on these strategic priorities through:

- Overseeing the sustainable harvest of more than five million cubic metres (m3) of Crown softwood and hardwood trees.
- Continuing evaluation of Crown Timber Licensees under Results-Based Forestry through more than 750 field visits and 1,600 checks on key performance indicators.
- Completing the fourth year of the early intervention strategy for spruce budworm, which included the treatment of more than 149,000 hectares (ha) of forest, the mapping of 2,600 ha of spruce budworm related defoliation, and the coordination and completion of a monitoring program for emerging spruce budworm populations with samples taken at 1,970 locations in New Brunswick.
- Participating in discussions and working groups on Pathway to Canada Target 1: the national objective to protect or conserve 17 per cent of Canada's land and freshwater.
- Acquiring more than 2.6 million ha of new inventory data coverage in western and south-eastern New Brunswick
 using a sophisticated approach to terrain and vegetation mapping called LiDAR (Light Detection and Ranging)
 (in partnership with Service New Brunswick).
- Providing support for forest fire suppression in New Brunswick and coordinating the mobilization of 85 staff members to assist with fire suppression in British Columbia.
- · Expanding the e-Licensing system by implementing non-resident hunting and trapping licences.
- Receiving Royal Assent on December 20, 2017, for the *Exotic Animals Act* to regulate exotic animal possession and ownership in New Brunswick.
- Providing approximately \$432,000 in assistance to junior mining companies to help fund 17 exploration projects and \$320,000 to 49 prospectors through the New Brunswick Exploration Assistance Program.
- Completing a Geographic Information System (GIS) web portal that will provide access to information about provincial forest resources to the Wolastoqey First Nation. This will act as a model for all three First Nations in the province.
- Hosting the 2017 Energy and Mines Ministers Conference, which welcomed approximately 170 delegates from across Canada to St. Andrews, New Brunswick. Advancing environmental stewardship and economic prosperity was front and centre as discussions focused on clean growth in the energy and mining sectors.
- Promoting New Brunswick's mining sector at the 2018 Exploration Roundup in Vancouver and the Prospectors and Developers Association of Canada conference in Toronto.
- Hosting the 42nd annual Exploration, Mining and Petroleum Conference, which brought together more than 200 delegates for presentations on a variety of topics relative to minerals and energy in the province.
- Continuing focus on the actions set out in *Transitioning to a Low-Carbon Economy*: New Brunswick's Climate
 Change Action Plan, which has led to further work and support of NB Power's investments in energy efficiency,
 particularly for low-income New Brunswickers, as well as work towards advancing the infrastructure and market
 for electric vehicles.
- Creation of the New Brunswick Energy Solutions Corporation to assist in taking advantage of economic opportunities due to New Brunswick's strategic location and its access to large energy markets.

Performance measures

Jobs	Measures
Maintain a vibrant and competitive forest sector.	Forest sector contribution to Gross Domestic Product (GDP) from Crown forests.
Maintain a vibrant and competitive forest sector.	Amount of Crown Annual Allowable Cut (AAC) fully utilized.
Ensure responsible energy and mineral resource development.	Increase in the geoscientific knowledge index.
Families	Measures
Enhance recreational opportunities.	Percentage of fish and wildlife products sold through Service New Brunswick (SNB), that were sold online.
Smart Province	Measures
Balance budget.	Actual to budgeted expenditures.
Balance budget.	Actual to budgeted revenues.

Jobs

Objective of the measure

Maintain a vibrant and competitive forest sector.

Measure

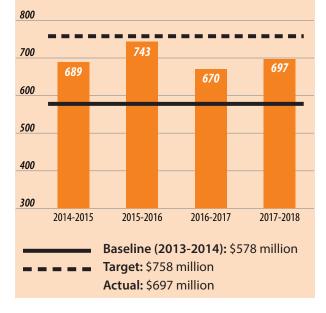
Forest sector contribution to Gross Domestic Product (GDP) from Crown forests.

Description of measure

The forest sector is a major contributor (about 5 per cent) to New Brunswick's GDP and, therefore, to employment in the province. Wood consumption on Crown lands provides a key supply to the forest sector in addition to private wood supplies and imports. The forest sector's impact on GDP is largely influenced by commodity prices, but it is also influenced by total volume consumed.

Overall performance

The department saw an increase in its performance compared to 2016-2017 by reporting \$697 million, or a four per cent increase. The actual was 8 per cent below the target of \$758 million.



Why do we measure this?

This measure attempts to remove variation in commodity prices to allow the department to understand its influence on GDP. The department's role is primarily to facilitate the consumption of volume to ultimately increase the forest sector contribution to GDP. Multipliers have been developed to calculate the effect of roundwood production, manufactured wood products and pulp and paper product sales on direct and indirect GDP.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department used tactics to maximize the consumption of the sustainable Crown supply, including temporary assignments and export approvals. The result was 8 per cent below target; however, it was 4 per cent higher than the 2016-2017 outcome. Softwood harvest was slightly less than in 2016-2017 primarily due to some uncertainty in market access given challenges associated with trade in softwood lumber.

Jobs

Objective of the measure

Maintain a vibrant and competitive forest sector.

Measure

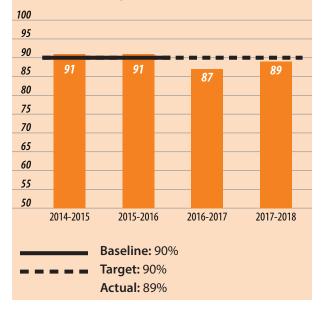
Amount of Crown Annual Allowable Cut (AAC) fully utilized.

Description of measure

To judge processes in achieving the department's goal of full consumption of the roundwood volume referred to as the AAC.

Overall performance

The annual volume harvested was 89 per cent of the AAC. While below the target, the utilization is higher than the 2016-2017 totals. The hardwood harvest was significantly higher in 2017-2018, while softwood remained relatively stable.



Why do we measure this?

Monitoring the volume of wood consumed on a quarterly basis provides insight on the wood flows through the year and they can be compared to consumption trends in previous years. Significant divergence from past trends may indicate required interventions (exports of low-value products, trades and temporary assignments) to help keep wood flowing to New Brunswick facilities.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department has maintained the previous year's initiatives, which includes improving communications with licensees to better monitor wood flow trends and to facilitate wood flow from New Brunswick Crown land. Export approvals and temporary assignments help the department work toward achieving the target of 90 per cent. Temporary assignments and exports of low-value products totaled 200,000 m³, accounting for 5 per cent of Crown wood.

Jobs

Objective of the measure

Ensure responsible energy and mineral resource development.

Measure

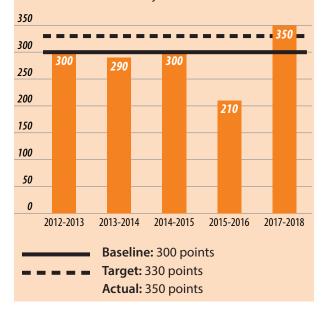
Increase in geoscientific knowledge index.

Description of measure

Each year, staff with the Geological Surveys Branch conduct scientific projects with the aim of increasing the understanding of NB's geology. Each project is assigned "points" based on its scientific merit. These points combine to give us the geoscientific knowledge index. The geoscience knowledge index value below represents the cumulative points assigned to the new geoscience reports, maps, and journal articles produced each year.

Overall performance

During 2017-2018, departmental performance surpassed the target increase in geoscience knowledge for the year. This can be attributed to adequate funding and support for use of new technologies, a field season with good weather, few disruptions to planned work, and successful collaborations with university researchers and industry.



Why do we measure this?

Geoscience information gathering by government is considered a competitive advantage, aimed at attracting investment in New Brunswick's mineral and petroleum sectors. Exploration companies and prospectors rely on government to provide the necessary geological information to aid in their search for economic deposits. Geoscience information is also fundamental to making informed decisions regarding land-use planning, potential geo-hazards, coastal zone erosion mitigation, sourcing construction aggregate for infrastructure projects, groundwater investigations, and forest management.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

Several projects were completed within the following categories:

Bedrock Mapping: Bedrock formations in New Brunswick are mapped to provide a geological framework for mineral exploration and land-use planning.

Surficial and Coastal Mapping: Surface deposits in New Brunswick including sand and gravel are mapped and chemically analysed to outline metallic mineral anomalies and to identify aggregate deposits for use as construction materials. The effects of coastal erosion are documented to provide information for land-use planning.

Metallic Mineral Deposits: Geological characteristics of known metallic mineral deposits (lead, zinc, copper, gold, tin, antimony, etc.) in New Brunswick are documented to provide guidelines for the exploration industry to use in the search for new deposits.

Petroleum Resources: Geological characteristics of petroleum reservoirs in New Brunswick are documented to provide guidelines for the petroleum exploration industry.

Geoscience Databases: Information on geoscience reports and maps, and on mineral and petroleum resources, are compiled, stored, and distributed to clients as digital files on the Department of Energy and Resource Development's website.

Families

Objective of the measure

Enhance recreational opportunities.

Measure

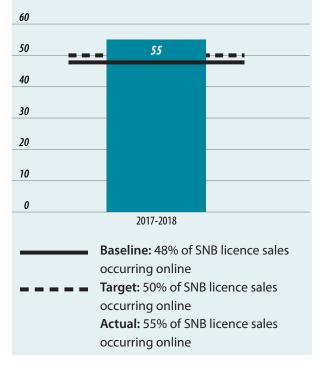
Percentage of fish and wildlife products sold through Service New Brunswick (SNB), that were sold online.

Description of measure

Fish and wildlife products such as hunting and fishing licences are available at SNB offices, online, and from a variety of vendors across the province. Many clients find the online option to be more convenient than travelling to a SNB office. This measure demonstrates the effects of our efforts in promoting this convenient, self-serve option over the use of SNB service counters.

Overall performance

During 2017-2018, 55 per cent of SNB licence sales occurred online, exceeding our target of 50 per cent.



Why do we measure this?

The department would like to ensure that all clients are aware of the self-serve online option to purchase fish and wildlife products. Purchasing online is generally faster, more efficient and can be done at a client's convenience, which can enhance their overall experience.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The online option to self-serve has continuously been promoted by advertising this option in all printed materials provided to clients and communicating it via phone when on a call with a client.

Smart Province

Objective of the measure

Balance budget.

Measure

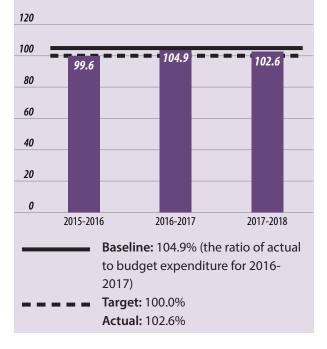
Ratio of actual to budgeted expenses.

Description of measure

The ratio measures whether the department is overbudget or under-budget on expenditures. The ratio will exceed 100 per cent when expenses are overbudget and will be less than 100 per cent when under-budget.

Overall performance

The department was over budget by \$2.7 million on ordinary expenditures.



Why do we measure this?

This measure shows whether the department is adhering to the expense budget that it tabled at the beginning of the fiscal year. It shows whether the department can implement and manage the various budget decisions incorporated into its expense budget plan, although there will be some variables that are not within GNB's control (for example: floods and fires).

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department was over-budget in 2017-2018 mainly due to the purchase of the digital aerial imagery (LiDAR). The department received a reimbursement for the purchase of LiDAR imagery and this has been recorded as departmental revenue.

Smart Province

Objective of the measure

Balance budget.

Measure

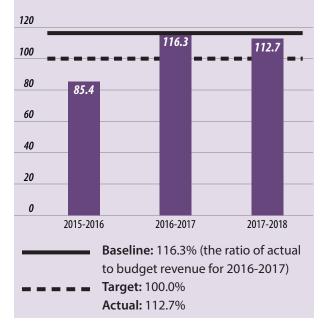
Ratio of actual to budgeted revenue.

Description of measure

The ratio measures whether the department is overbudget or under-budget on revenue. The ratio will exceed 100 per cent when revenue has exceeded budget and be less than 100 per cent when revenue has not achieved budget.

Overall performance

The department's ordinary revenue was above budget by \$10.2 million.



Why do we measure this?

This measure shows whether the department is meeting the projected revenue that is tabled at the beginning of the fiscal year.

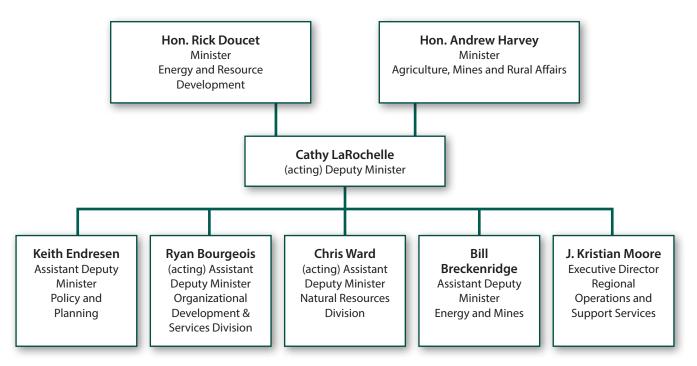
What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department reached 112.7 per cent of the ordinary revenue budget mainly due to timber royalties and a reimbursement for the purchase of LiDAR imagery.

Overview of departmental operations

The mandate of the Department of Energy and Resource Development is to support, manage and protect the forests, fish and wildlife of New Brunswick and to develop and manage the province's energy and mineral resources.

High-level organizational chart



Division overview and highlights

The budget and expenses for the common administration of the Departments of Energy and Resource Development and Agriculture, Aquaculture and Fisheries are recorded in the annual report for the Department of Energy and Resource Development 2017-2018. The common administration applies to the Policy and Planning Division and the Organizational Development and Services Division.

Natural Resources Division

The Natural Resources Division supports, manages and protects the forests, fish and wildlife of New Brunswick.

The division consists of the following branches: Forest Planning and Stewardship, Forest Operations and Development, Fish and Wildlife, Forest Fire Management, and Regional Operations.

The Forest Planning and Stewardship Branch and the Forest Operations and Development Branch share responsibility for the sustainable forest management of Crown lands. The financial information below covers both branches.

Financial Information

2017-2018 Budget \$52,504,000 2017-2018 Actual \$52,371,800 2017-2018 Variance (\$132,200) The Forest Planning and Stewardship Branch is responsible for the acquisition and analysis of inventory data that characterizes forests and other terrestrial ecosystems. The branch leads the strategic planning and resource modelling for timber and habitat supply over time and is responsible for the monitoring and protection of forest health through integrated pest management. The branch also leads the conservation effort for the province's natural biodiversity, with programs for the identification and recovery of species at risk, and through the management of a network of protected natural areas.

The **Fish and Wildlife Branch** administers programs related to the sustainable use of fish and wildlife resources in the province and manages hunting, trapping and angling activities. The branch is also responsible for fish and wildlife-related licensing and conservation education activities.

Financial Information

2017-2018 Budget \$2,152,600 2017-2018 Actual \$2,082,000 2017-2018 Variance (\$70,600)

HIGHLIGHTS

- The branch continued work on a provincial recovery strategy for Wood Turtle; a species classified as "Threatened" under federal and provincial species-at-risk legislation.
- The branch completed a draft protection assessment for the Cobblestone Tiger Beetle, a species classified as "Endangered" under federal and provincial species-at-risk legislation.
- The branch also coordinated improvements and data collection associated with its inventory support plot system for New Brunswick, where approximately 1,400 plots were measured in 2017-2018.

The Forest Operations and Development Branch is responsible for the operational oversight of silviculture, roads, harvest operations, and timber harvested from Crown lands. The branch also operates the Kingsclear Tree Nursery, where more than 16 million seedlings are grown each year. The branch is engaged daily with the forest sector on operational issues, but also leads strategic forest sector initiatives on behalf of GNB.

HIGHLIGHTS

- The branch oversaw silviculture treatments on over 45,000 ha of Crown and private lands.
- The branch completed an overhaul of the Crown scale administration database to collect scale information for Crown timber.

HIGHLIGHTS

 The Fish and Wildlife Branch implemented the third phase of its e-Licensing system to enable nonresident applicants to apply for the non-resident bear and non-resident moose draws. The e-Licensing system is an electronic web-based system that enables clients to purchase licences and apply for draws online for angling, hunting and trapping.

The **Forest Fire Management Branch** is responsible for coordination, education and administration of the provincial forest fire protection and suppression program as well as coordination and support for division vehicles and departmental radio communications and small engine maintenance.

In-year changes resulted in responsibility for Forest Pest Management being moved to the Forest Planning and Stewardship Branch. The financial information below relates to forest protection, which includes the Forest Fire Management Branch and Forest Pest Management.

Financial Information

2017-2018 Budget \$6,801,000 2017-2018 Actual \$8,281,700 2017-2018 Variance \$1,480,700

HIGHLIGHTS

• The branch, in addition to providing support to the regions for New Brunswick fires, coordinated the mobilization of 85 staff to assist with fire suppression in British Columbia. This was done through a resource-sharing agreement with the Canadian Interagency Forest Fire Centre (CIFFC), designed to move resources from provinces with low fire activity to provinces with high fire activity. Under this agreement, expenses related to out-of-province fire suppression are reimbursed.

The **Regional Operations Branch** is responsible for activities and services associated with the delivery of local area programs and operations. It consists of the Regional Support Services Branch, Region 1 (Bathurst), Region 2 (Miramichi), Region 3 (Fredericton) and Region 4 (Edmundston).

Financial Information

2017-2018 Budget \$16,859,700 2017-2018 Actual \$15,617,200 2017-2018 Variance (\$1,242,500)

HIGHLIGHTS

 The branch implemented several best practices for workload management, including integrated work plans to coordinate staff activities and Operational Dashboards to monitor performance. This helped to ensure the effective delivery of departmental programs. Regional staff also participated in eight Process Improvement Projects and 40 Waste Walk initiatives to find efficiencies and savings within their work areas.

Energy and Mines Division

The Energy and Mines Division develops and manages the province's energy and mineral resources.

The mines component of the division provides relevant geological knowledge, promotion of provincial resources, advice and support to the public and private sectors. It provides for the sustainable exploration and development of mineral, petroleum, Crown aggregate and Crown peat resources through a comprehensive regulatory framework.

The energy component of the division provides policy, regulatory and legislative support on matters related to the downstream side of the energy sector. The Energy Branch maintains several acts and regulations that balance industry and consumer needs.

The division consists of the Energy Branch, the Geological Surveys Branch, the Minerals and Resource Development Branch and Promotion and Information Services.

The **Energy Branch** is divided into three main areas: sustainability, electricity and petroleum. The electricity group works closely with NB Power and municipal utilities to ensure efficient and transparent regulation of the sector. The petroleum group provides insight into market trends and works with industry and consumers to ensure an adequate supply of petroleum products while maintaining price stability. Both groups monitor New Brunswick Energy and Utilities Board (EUB) hearings related to the sector and meet with EUB officials to ensure acts and regulations are working effectively. The sustainability group works closely with both the electricity and petroleum groups to ensure the promotion of energy efficiency and climate change initiatives, including sustainable development opportunities across all energy sectors. The branch also works closely with other provincial department colleagues and interest groups on sector-specific issues, when and as required.

Financial Information

2017-2018 Budget \$1,178,300 2017-2018 Actual \$1,164,900 2017-2018 Variance (\$13,400)

HIGHLIGHTS

• The branch continued to focus on implementing the actions identified in Transitioning to a Low-Carbon Economy: New Brunswick's Climate Change Action Plan (CCAP). Working with NB Power, progress was made in the following areas: increased energy efficiency spending, targeted program development, reduced wait times and increased uptake of the Low-Income Energy Savings Program; increased the number of publicly accessible fast charging stations for electric vehicles; investigated the use of low-carbon alternative fuels in the transportation sector; increased uptake in NB Power's net-metering and embedded generation programs; and continued analysis of replacement options for the Belledune Generating Station.

- The branch participated in the creation of the New Brunswick Energy Solutions Corporation as a joint venture to capitalize upon New Brunswick's geography in exporting energy.
- The branch assisted in hosting a second Economic Opportunities Summit on energy.
- The branch participated in the Regional Electricity
 Cooperation and Strategic Infrastructure Initiative
 (RECSI), led by Natural Resources Canada to
 determine key electricity infrastructure investments
 that could lead to significant reductions in
 emissions for the Atlantic Provinces.
- The branch participated in the development of a pan-Canadian small modular reactor roadmap with other provincial and utility stakeholders.
 The final report is expected in the fall of 2018.

The **Geological Surveys Branch** is composed of two sections: Geological Surveys North and Geological Surveys South. The branch is responsible for developing and maintaining a geoscience knowledge base and providing advice to the public and private sectors regarding mineral and petroleum resources and land use. The branch actively promotes the province's mineral and petroleum resource potential and administers an Exploration Assistance Program to stimulate mineral exploration in New Brunswick.

Financial Information

2017-2018 Budget \$2,585,400 2017-2018 Actual \$2,515,000 2017-2018 Variance (\$70,400)

HIGHLIGHTS

 Provided approximately \$432,000 in assistance to junior mining companies to help fund 17 exploration projects and \$320,000 to 49 prospectors through the New Brunswick Exploration Assistance Program.

The Minerals and Resource Development Branch is composed of the Resource Tenure, Petroleum Resource Development and the Mining and Mineral Resources sections. Overall, the branch administers and manages the

allocation of mineral, petroleum, Crown peat and Crown aggregate rights, and the exploration and development of these resources through the effective administration of departmental legislation and regulation.

Financial Information

2017-2018 Budget \$5,199,700 2017-2018 Actual \$5,651,200 2017-2018 Variance \$451,500

HIGHLIGHTS

- Hosting a follow-up summit to the 2016 Mining Economic Opportunities Summit to convey to stakeholders the numerous opportunities that were previously identified to help grow the mining sector and create jobs, and develop plans for future action.
- Trevali Mining acquired ownership of the Restigouche base metals property with the signing of a Mining Lease Agreement facilitated by the Minerals and Resource Development Branch. This expanded the company's interests in northern New Brunswick and will provide additional employment and economic activity in the mining sector.
- Stemming from the 2017 federal/provincial/territorial Energy and Mines Minister's Conference in Saint Andrews, New Brunswick, the Ministers supported the creation of the Canadian Minerals and Metals Plan, in which the department is actively engaged.

The role of **Promotion and Information Services** is to promote investment in energy, mineral and petroleum sectors in New Brunswick. Staff is responsible for marketing New Brunswick as a preferred location for mineral and petroleum investment; participating in national conferences and organization of the department's annual Exploration, Mining and Petroleum Conference; managing an extensive geological, mineral and petroleum resources database; and publishing geoscientific information on New Brunswick.

Financial Information

2017-2018 Budget \$457,300 2017-2018 Actual \$637,900 2017-2018 Variance \$180,600

HIGHLIGHTS

- Hosting the 42nd annual Exploration, Mining and Petroleum Conference, which brought together more than 200 delegates for presentations on a variety of topics relative to minerals and energy in the province.
- Promoting New Brunswick's mining sector at the 2018 Exploration Roundup in Vancouver and the Prospectors and Developers Association of Canada conference in Toronto.

Policy and Planning Division

The Policy and Planning Division provides support to the Department of Energy and Resource Development, and the Department of Agriculture, Aquaculture and Fisheries, and consists of the Strategic Planning and Intergovernmental Relations Branch, the Regulatory Affairs Branch, the Performance Excellence Branch, the Corporate Affairs Branch, and the Economic Analysis and Trade Policy Branch.

The **Strategic Planning and Intergovernmental Relations Branch** provides strategy development, strategic planning, and federal/provincial/territorial relations.

Financial Information

2017-2018 Budget \$661,500 2017-2018 Actual \$698,500 2017-2018 Variance \$37,000

HIGHLIGHTS

- The branch coordinated departmental commitments under Transitioning to a Low-Carbon Economy: New Brunswick's Climate Change Action Plan, as well as assisted in hosting an information session on adapting New Brunswick's forests and ecosystems to climate change. The session served to increase awareness of current climate change policy and science, and to brainstorm, discuss and outline the next steps required to fulfill New Brunswick's commitments to adapt natural resources management to climate change. From the facilitated information session, a series of threats, opportunities, and challenges are being prioritized for adaptation planning by the department.
- The branch continued to lead New Brunswick's involvement as co-lead of the Canadian Energy Strategy under the Council of the Federation.

- The branch provided support for the Ministers responsible for Parks, Protected Areas, Conservation, Wildlife and Biodiversity and for the Canadian Council of Forest Ministers (CCFM). In September 2017, the CCFM launched the process of renewing Canada's National Forest Vision and the branch is an active participant in preparing the enhanced renewal of a national forest vision which aims to describe a collective desired future for Canada's forests and forest management practices.
- The branch provides policy administrative support to the department's Policy Management Committee, a senior-management committee which facilitates the proactive planning, development, review and approval of internal policies. This committee aims to ensure policies are relevant, current, and consistent with the overall direction of the department and GNB.

The **Regulatory Affairs Branch** provides leadership, coordination and support regarding the development of legislation, policy initiatives and proposals, and the Minister's legislative business. The branch also manages requests under the *Right to Information and Protection of Privacy Act*.

Financial Information

2017-2018 Budget \$509,300 2017-2018 Actual \$472,700 2017-2018 Variance (\$36,600)

HIGHLIGHTS

- The Regulatory Affairs Branch responded to 39 requests under the Right to Information and Protection of Privacy Act.
- In response to the recommendations of the Exotic Animal Task Force report, the branch provided support with the development of a new Exotic Animals Act to enable a comprehensive framework for a regulation of exotic animal possession and ownership in New Brunswick.

The Performance Excellence Branch supports the implementation of GNB's formal management system and leads process improvement projects throughout the department.

Financial Information

2017-2018 Budget \$439,600 2017-2018 Actual \$424,700 2017-2018 Variance (\$14,900)

HIGHLIGHTS

• The Performance Excellence Branch implemented 12 Black Belt/Green Belt Process Improvement projects and conducted two Waste Walk training sessions for 16 employees, improving service delivery and generating savings valued at more than \$1.5 million in time and money. The branch also supported program areas in the design and delivery of the department's strategy, including the execution of three strategic initiatives under the provincial Priority Delivery Unit model.

Policy and Planning Administration includes the Corporate Affairs Branch, which provides corporate policy support (for example: review and analysis of contracts and agreements) and liaises with the Office of the Attorney General on litigation, legislative and other major initiatives, and the Economic Analysis and Trade Policy Branch, which is responsible for economic forecasting, monitoring, research and statistical analysis, and reporting.

HIGHLIGHTS

 Sector in Review reports highlighting the 2015 calendar year were created for the energy, forest and mineral sectors and published on the GNB website.

Financial Information

2017-2018 Budget \$764,700 2017-2018 Actual \$661,900 2017-2018 Variance (\$102,800)

Organizational Development and Services Division

The Organizational Development and Services Division provides direction and support in matters of human resources, financial services, information and technology,

and facilities management. The division is also responsible for the management of the province's Crown land resources and various leasing and licensing functions.

The division consists of the Financial Services Branch, the Human Resource Services Branch, the Information Systems and Departmental Services Branch, and the Crown Lands Leasing and Licensing Branch.

The **Financial Services Branch** is responsible for the department's financial resources, including expenditure and revenue management, budgeting, accounting and financial reporting services.

Financial Information

2017-2018 Budget \$957,000 2017-2018 Actual \$751,200 2017-2018 Variance (\$205,800)

HIGHLIGHTS

 The branch implemented improvement ideas and efficiency projects identified as part of the integration and the common administration of the Department of Energy and Resource Development and the Department of Agriculture, Aquaculture and Fisheries.

The Human Resource Services Branch is responsible for providing all human resource management services, including recruitment and retention, classification, labour relations, human resource policies, employee engagement, organizational development, succession planning and administration of programs such as health and safety. These services are delivered by Service New Brunswick on behalf of the Organizational Development and Services Division.

Financial Information

2017-2018 Budget \$499,500 2017-2018 Actual \$640,600 2017-2018 Variance \$141,100

HIGHLIGHTS

- During the fiscal year 2017-2018, the joint administration of the two departments (Energy and Resource Development and Agriculture, Aquaculture and Fisheries) has continued to achieve efficiencies and standardize processes for the effective management of both departments.
- The branch provided ongoing training as required on various human resource related topics to managers/supervisors.

The Information Systems and Departmental Services Branch provides province-wide services to the department, including information technology (IT), records management, geographic information system (GIS) services, information security, Intranet management and facilities management services.

Financial Information

2017-2018 Budget \$2,983,800 2017-2018 Actual \$3,101,400 2017-2018 Variance \$117,600

HIGHLIGHTS

 The branch completed a GIS web portal that will provide access to GIS information to the Wolastoqey First Nation. This will act as a model for all three First Nations in the province.

The Crown Lands/Leasing and Licensing Branch is responsible for management of the province's Crown lands, including coastal and submerged lands. The branch administers the legal responsibilities and manages initiatives associated with Crown lands of New Brunswick, including all recreational and commercial land transactions; such as purchases, sales and exchanges or leasing. The branch also administers recreational ATV and snowmobile trail maintenance programs. In-year changes resulted in Renewable Resource Inventory activities, including LiDAR, being transferred to the Forest Planning and Stewardship Branch.

Financial Information

2017-2018 Budget \$5,196,000 2017-2018 Actual \$8,506,400 2017-2018 Variance \$3,310,400

HIGHLIGHTS

- 271 applications for Crown land were received and processed.
- 402 leases (renewals and new) and 118 licences of occupation for Crown land were issued.

Executive Administration includes the Ministers' and Deputy Minister's offices as well as the Assistant Deputy Minister of Organizational Development and Services.

Financial Information

2017-2018 Budget \$1,718,300 2017-2018 Actual \$1,129,800 2017-2018 Variance (\$588,500)

Activities related to the First Nations and Community Engagement Branch and First Nations Capacity were transferred to the Aboriginal Affairs Secretariat during the year: however, the budget and expenditures as per below remained with Energy and Resource Development for the 2017/2018 fiscal year.

Financial Information

2017-2018 Budget \$920,800 2017-2018 Actual \$597,200 2017-2018 Variance (\$323,600)

Activities related to the **Business Development Unit** were redistributed within other units of the departments during the year.

Financial Information

2017-2018 Budget \$586,500 2017-2018 Actual \$391,400 2017-2018 Variance \$(195,100)

Financial information

Expenditures in detail 2017-2018 (\$)

Ordinary Account	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Administration	10,016,000	25,000	10,041,000	8,869,400	(1,171,600)
Natural Resources	78,235,000	82,300	78,317,300	78,352,700	35,400
Energy and Mines	8,988,000	432,700	9,420,700	9,969,000	548,300
Land Management	5,183,000	13,000	5,196,000	8,506,400	3,310,400
Total 2017-2018	102,422,000	553,000	102,975,000	105,697,500	2,722,500
Capital Account	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Caribou Mine Drainage Improvement	1,500,000	_	1,500,000	24,300	(1,475,700)
Musquash Watershed Infrastructure	650,000	_	650,000	310,200	(339,800)
Sentier NB Trail Infrastructure	750,000	_	750,000	616,600	(133,400)
Total 2017-2018	2,900,000	_	2,900,000	951,100	(1,948,900)
Special Purpose Account	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Wildlife Trust Fund	1,700,000	_	1,700,000	1,369,800	(330,200)
Recoverable Projects	200,000	_	200,000	69,500	(130,500)
Trail Management Trust Fund	1,400,000	_	1,400,000	1,638,800	238,800
Total 2017-2018	3,300,000	-	3,300,000	3,078,100	(221,900)

Revenues in detail 2017-2018 (\$)

Ordinary Account	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Return on Investment	127,000	_	127,000	221,300	94,300
Licences and Permits	5,755,000	_	5,755,000	5,876,800	121,800
Sales of Goods and Services	3,931,000	_	3,931,000	4,930,800	999,800
Royalties	70,280,000	_	70,280,000	75,707,900	5,427,900
Fines and Penalties	314,000	_	314,000	500,400	186,400
Miscellaneous	21,000	_	21,000	3,382,400	3,361,400
Total 2017-2018	80,428,000	_	80,428,000	90,619,600	10,191,600
Capital Account	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Capital Recoveries – own source	40,000	_	40,000	48,900	8,900
Total 2017-2018	40,000	_	40,000	48,900	8,900
Special Purpose Account	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Return on Investment	39,000	_	39,000	17,500	(21,500)
Licences and Permits	3,103,000	_	3,103,000	3,218,700	115,700
Sales of Goods and Services	5,000	_	5,000	0	(5,000)
Miscellaneous	0	_	0	10,200	10,200
Conditional Grants - Canada	200,000	_	200,000	69,500	(130,500)
Total 2017-2018	3,347,000	_	3,347,000	3,315,900	(31,100)

Summary of staffing activity

Pursuant to section 4 of the *Civil Service Act*, the Deputy Minister of the Department of Human Resources delegates staffing to each Deputy Head for his or her respective department(s). Please find below a summary of the staffing activity for 2017-2018 for Department of Energy and Resource Development.

Number of permanent and temporary employees as of Dec. 31 of each year			
Employee type	2017	2016	
Permanent	539	444	
Temporary	66	47	
Total	605	491	

The department advertised 21 competitions, including three open (public) competitions and 18 closed (internal) competitions.

Pursuant to sections 15 and 16 of the *Civil Service Act*, the department made the following appointments using processes to establish merit other than the competitive process:

Appointment type	Appointment description	Section of the Civil Service Act	Number
Specialized Professional, Scientific or Technical	An appointment may be made without competition when a position requires: — a high degree of expertise and training — a high degree of technical skill — recognized experts in their field	15(1)	0
Equal Employment Opportunity Program	Provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities.	16(1)(a)	1
Department Talent Management Program	Permanent employees identified in corporate and departmental talent pools, who meet the four-point criteria for assessing talent, namely performance, readiness, willingness and criticalness.	16(1)(b)	0
Lateral transfer	The GNB transfer process facilitates the transfer of employees from within Part 1, 2 (school boards) and 3 (hospital corporations) of the Public Service.	16(1) or 16(1)(c)	10
Regular appointment of casual/temporary	An individual hired on a casual or temporary basis under section 17 may be appointed without competition to a regular properly classified position within the Civil Service.	16(1)(d)(i)	0
Regular appointment of students/ apprentices	Summer students, university or community college co-op students or apprentices may be appointed without competition to an entry level position within the Civil Service.	16(1)(d)(ii)	0

Pursuant to section 33 of the *Civil Service Act*, no complaints alleging favouritism were made to the Deputy Head of Department of Energy and Resource Development and no complaints were submitted to the Ombud.

Summary of legislation and legislative activity

Bill #	Name of legislation	Date of Royal Assent	Summary of changes
14	Exotic Animals Act http://www.gnb.ca/legis/bill/pdf/58/4/Bill-14.pdf	Dec. 20, 2017	The new <i>Act</i> , which was brought forward by the department and the Department of Justice and Public Safety, regulates exotic animal possession and ownership in New Brunswick and applies to exotic species, including fish, wildlife and invertebrates that are not native to New Brunswick. The legislation regulates the import, possession, sale, public display, propagation, export and release of exotic animals.
9	An Act Respecting Canadian Geodetic Vertical Datum http://www.gnb.ca/legis/bill/pdf/58/4/Bill-9.pdf	Dec. 20, 2017	The Act replaces the definition of "geodetic elevation" by "orthometric height" in the department's Mining Act and SNB's Air Space Act. Orthometric height is defined as the elevation of a point above the geoid that is based on the Canadian Geodetic Vertical Datum of 2013 (CGVD2013), and derived from a benchmark approved by the Director of Surveys. SNB was the lead.

Name of regulation	Effective date	Summary of changes
Repeal of the Uniform Accounting Regulation (99-62) under the <i>Gas Distribution Act, 1999</i>	Aug. 30, 2017	To repeal the regulation as it was no longer relevant.
Amendments to the Gas Marketers' Filing Regulation (99-60) under the <i>Gas Distribution Act, 1999</i>	Jan.1, 2018	To amend outdated references and repeal of provisions that have become obsolete.
Amendments to the Hunting Regulation (84-133) and the Moose Hunting Regulation (94-47) under the <i>Fish and Wildlife Act</i>	Jan. 11, 2018	To introduce the non-resident bear draw (Hunting Regulation) and the non-resident moose (Moose Hunting Regulation) applications in the e-Licensing system. Provisions related to the purchase of non-resident bear and non-resident moose licences in the Hunting Regulation and Moose Hunting Regulation as well as amendments to the Registration Procedure Regulation will only come into effect on October 1, 2018.
Amendments to the Establishment of Protected Natural Areas Regulation (2003-8) under the <i>Protected Natural</i> Areas Act	March 28, 2018	To remove selected road corridors from the Jardine Brook Protected Natural Areas PNA to enable existing maple sugary operators, prior to the designation of the PNA, to erect electrical distribution lines and sap pipelines along these corridors. The department intends to identify and propose 70 ha of land with equal or better biodiversity value for designation in the future.

The acts for which the department was responsible in 2017-2018 may be found at:

http://laws.gnb.ca/en/deplinks?subjectnumber=5

http://laws.gnb.ca/fr/deplinks?subjectnumber=5

Summary of Official Languages activities

Introduction

The Department of Energy and Resource Development has continued to work on its Official Languages action plan, which includes the four sectors of activity as identified in the *Plan on Official Languages – Official Bilingualism: A Fundamental Value*. The following outlines the actions taken during 2017-2018 in each of the four areas of focus.

Focus 1

Ensure access to service of equal quality in English and French throughout the province:

- Randomized calls were made to departmental phone numbers used by the public to verify the active Offer of Service was being provided in the client's Official Language of choice.
- Linguistic profiles were updated throughout the year to ensure the department's ability to provide services in both Official Languages throughout the province.

Focus 2

An environment and climate that encourages, for all employees, the use of the Official Language of their choice in their workplace:

- Communication and correspondence with employees were delivered in their Official Language of choice.
- The department continued to encourage the use of both Official Languages for small meetings. For all large meetings, the department promoted simultaneous interpretation, bilingual presentations, or separate English and French sessions.

Focus 3

New and revised government programs and policies will take the realities of the province's official linguistic communities into account:

- Correspondence and information were provided to the public in the Official Language of their choice.
- The department's annual report provided a summary of activities associated with Official Languages.

Focus 4

Ensure Public Service employees have a thorough knowledge and understanding of the *Official Languages Act*, relevant policies, regulations, and the province's obligations with respect to Official Languages:

- The Deputy Minister reminded all employees of their legal obligation to offer services in the Official Language
 of choice of the client. Employees were also reminded of the Language of Service Policy and Guidelines and the
 Official Languages Toolkit.
- As part of the annual performance review, employees were required to read the policies related to Official Languages.

Conclusion

The department understands its obligations under the *Official Languages Act* and related policies and strives to provide quality services to clients in both Official Languages. The department encourages and supports the use of both Official Languages in the workplace and invests in employee development through second-language training.

Summary of recommendations from the Office of the Auditor General

Section 1 – Includes the current reporting year and the previous year.

	Recommendations
Name and year of audit area with link to online document	Total
n/a	n/a

Adopted Recommendations	Actions Taken
n/a	n/a

Recommendations not adopted	Considerations
n/a	n/a

Section 2 – Includes the reporting periods for years three, four and five.

	Recommendations	
Name and year of audit area with link to online document	Total	Adopted
2015 Volume 2 Chapter 3 Silviculture -To determine if the Department of Natural Resources is meeting its responsibilities respecting timber supply from private woodlots. http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2015V2/Chap3e.pdf	21	15
2015 Volume 2 Chapter 4 Private Wood Supply -To determine if the New Brunswick Forest Products Commission provides adequate oversight of Forest Products Marketing Boards http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2015V2/Chap4e.pdf	19	13

Report on the *Public Interest Disclosure Act*

As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the portion of the public service for which the chief executive officer is responsible. The Department of Energy and Resource Development received no disclosure(s) of wrongdoing in the 2017-2018 fiscal year.

Appendix A: Silviculture

Production at the Kingsclear Nursery and the Atlantic Forest Seed Centre

	Product			
Year	Seedling produced	Seed produced (kg)	Seed stored (kg)	Seed stored for clients (kg)
2017-2018	18,700,000	922	2,107	2,967
2016-2017	19,000,000	4	1,528	2,768
2015-2016	20,222,000	330	1,826	2,636

Crown silviculture by year (ha)

	Planting-related activities		
Year	Tree planting Plantation tending F		Pre- commercial thinning
2017-2018	10,268	15,841	14,187
2016-2017	10,166	15,366	15,038
2015-2016	9,977	16,131	14,855

Private land silviculture by year (ha)

	Planting-related activities			
Year	Site preparation	Tree planting	Plantation tending	Pre- commercial thinning
2017-2018	534	920	1,101	2,814
2016-2017	682	1,243	1,958	2,537
2015-2016	709	1,706	1,814	2,721

Appendix B: Crown Harvesting

Forest products harvested from Crown lands (m3)

Year	Species Group	Licensees and Sub- Licensees	First Nations	Special Permits	Total
2017-2018	Softwood	3,303,308	202,570	9,374	E 420 214
2017-2016	Hardwood	1,838,538	41,808	43,616	5,439,214
2016-2017	Softwood	3,420,908	182,846	16,089	F 411 100
	Hardwood	1,734,980	44,569	27,836	5,411,190
2015 2016	Softwood	3,374,566	205,914	14,387	F 012 (40
2015-2016	Hardwood	2,115,845	54,044	48,883	5,813,640
2014-2015	Softwood	3,315,599	201,251	5,203	E 47E 222
	Hardwood	1,874,654	46,102	32,523	5,475,332

Appendix C: Fire

Area destroyed by fire in hectares (ha) 2017, 2016, 2015

Region		1	2	3	4	Total
2017	Fires	75	46	110	14	245
2017	ha	62	27	463	16	568
2016	Fires	51	50	136	45	282
2016	ha	28	30	162	44	264
2015	Fires	56	30	110	25	221
2015	ha	81	17	138	26	262

2017 fires by cause

Cause (2017 only)	Number	На
Resident	85	89.3
Incendiary	24	5.5
Unknown	34	17.9
Recreation	37	427.3
Miscellaneous	16	2.3
Lightning	29	19.7
Forest industry	7	3.5
Other industry	13	2.4
Total	245	567.9

Appendix D: Fish and Wildlife

Hunting licences issued

Licence type	Deer	Moose*	Bear	Small game	Varmint	Minors**
Resident	45,443	4,564	4,878	11,369	10,280	1,133
Designated Hunter	-	3,449	-	-	-	-
Non-Resident	335	98	2,186	469	20	-
Total 2017	45,778	8,111	7,064	11,838	10,300	1,113
Resident	46,381	4,541	4,801	12,921	9,627	1,304
Designated Hunter	-	3,329	-	-	-	-
Non-Resident	333	99	2,265	417	7	-
Total 2016	46,714	7,948	7,066	13,338	9,634	1,304
Resident	48,521	4,560	4,014	11,565	9,440	1,527
Designated Hunter	-	3,282	-	-	-	-
Non-Resident	314	100	2,101	387	11	-
Total 2015	48,835	7,902	6,115	11,952	9,451	1,527

^{*} Resident moose hunters may designate a hunter to accompany them. The bag limit for the party remains one moose.

Angling licences issued

Species	2017	2016	2015
Atlantic Salmon	13,000	13,598	12,535
Other species *	53,885	57,824	52,594
Total	66,885	71,422	65,129

^{*} Includes ice fishing licence sales.

Details of licences issued, 2017

Angling	Resident	Non-resident
Salmon	9,728	3,272
Trout, etc.	49,311	3,161
Ice Fishing	1,330	83
Crown Reserve*	Residents only	
Miramichi	1,177	
Restigouche	575	
Patapedia		38

^{*} Regular stretches only.

^{**} The equivalent of a small game licence for person aged 12 to 15 years.