

Energy and Resource Development

Annual Report
2018–2019



**Energy and Resource Development
Annual Report 2018-2019**

Province of New Brunswick
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Transmittal Letters

From the Minister to the Lieutenant-Governor

The Honourable Brenda Louise Murphy
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, 2018, to March 31, 2019.

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, 2018, to March 31, 2019.

Respectfully submitted,



Tom MacFarlane
Deputy Minister

Table of contents

Minister's message	1
Deputy Minister's message	2
Top Government Priorities	3
Highlights	4
Performance measures	5
Overview of departmental operations	12
Division overview and highlights	13
Financial information	20
Summary of staffing activity	22
Summary of legislation and legislative activity	23
Summary of Official Languages activities	24
Summary of recommendations from the Office of the Auditor General	25
Report on the <i>Public Interest Disclosure Act</i>	26
Appendix A: Silviculture	27
Appendix B: Crown Harvesting	28
Appendix C: Fire	29
Appendix D: Fish and Wildlife	30

Minister's message

We are fortunate to live in a province with such rich natural resources. Not only can we enjoy their beauty, but there is tremendous opportunity for economic growth. It is a tradition for generations of New Brunswickers to enjoy fishing, hunting, camping and other outdoor activities on our waterways and in our forests. In addition, I am fortunate to oversee our energy and mining sectors which are major contributors to our provincial economy.

As an avid outdoorsman with strong connections to rural New Brunswick, I am proud of the work the department does in the areas of energy, mines, forestry, fish and wildlife. I thank the department's dedicated staff for the important work they do every day.

I am pleased our government is focused on ensuring responsible stewardship of the environment and fostering outdoor living and wildlife management.

A handwritten signature in black ink, appearing to read "Michael Holland". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Honourable Mike Holland
Minister of Energy and Resource Development

Deputy Minister's message

The Department of Energy and Resource Development has a key role in contributing to the provincial economy by supporting job creation and economic growth in the energy, fish and wildlife, forestry and mining sectors. Overall, our mission is to maximize the economic, environmental, and social value of the forests, fish and wildlife, and the energy and mineral resources of New Brunswick. Engagement with First Nations in everything we do is a critical part of our work, as well as working closely with stakeholders and industry.

Forestry is a traditional industry that is deeply rooted in the economic and social fabric of New Brunswick. Using a sophisticated approach to vegetation and terrain mapping we have made great improvements to our forest and land inventory. We now have state of the art, high resolution digital information covering the entire province that provides scientists and managers with an unprecedented level of information and details about the landscape of our province. We also continually evaluate our Crown timber operations to ensure a sustainable harvest and high-quality operations. Much progress has been made on evaluating our protected natural areas network and our programs on Species at Risk.

Transitioning to a low-carbon economy through the climate change action plan remains a priority with a special focus on energy efficiency, renewable energy, electrification of transportation, and research and development of new low carbon technologies. We also continue to partner with the private sector in exploring opportunities with small modular reactors.

In February 2019, the inaugural Winter Fish NB Days was held on Family Day weekend. We constantly encourage people to get out and enjoy the outdoors in all seasons. This was a great way to promote ice fishing as a fun way to enjoy New Brunswick in the winter.

Staff in our department are professional, dedicated, and passionate about the work they perform. We are committed to ensuring New Brunswickers benefit from our resources while at the same time ensuring a sustainable and healthy future.



Tom MacFarlane
Deputy Minister

Top Government Priorities

Strategy and Operations 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 our governments roadmap for the future of New Brunswick that focuses on key priorities and the importance of public accountability.

Our Top Priorities:

Affordable and Responsive Government

Getting our financial house in order will make it possible for government to be responsive and provide sustainable high-quality public services for all New Brunswickers.

Dependable Public Health Care

New Brunswickers deserve a sustainable, high-quality health-care system where they are able to access the services they need when they need them.

World-class Education

New Brunswick's young people need access to a world-class education, so they can make the most of their lives and compete in future job markets.

Energized Private Sector

All New Brunswickers benefit from a thriving private sector. Increasing private sector investment, growing our labour force and being home to successful businesses of all sizes is good for our province.

Vibrant and Sustainable Communities

Vibrant communities are places people want to call home. More vibrant and sustainable communities make for a more resilient province.

High-performing Organization

All New Brunswickers benefit when engaged and empowered civil servants use their talents and skills to make our province a better place.

Highlights

During the 2018-2019 fiscal year, the Department of Energy and Resource Development focused on these strategic priorities through:

- Completing the fifth year of the Early Intervention Strategy for Spruce Budworm, which included the treatment of approximately 200,000 hectares (ha) of forest, the mapping of 500 ha of spruce budworm related defoliation, and the coordination and completion of a monitoring program for emerging spruce budworm populations with samples taken at 1,851 locations in New Brunswick.
- Working with New Brunswick's leading landowners and environmental and conservation organizations to develop a collaborative proposal to the Canada Nature Fund Challenge in support of the Pathway to Canada Target 1, the primary objective of which is to protect or conserve 17 per cent of Canada's land and freshwater.
- Acquiring more than 2.3 M ha of new inventory data coverage across New Brunswick using a sophisticated approach to terrain and vegetation mapping called LiDAR (Light Detection and Ranging) (in partnership with Service New Brunswick), completing our full provincial coverage.
- Working with Environment and Climate Change Canada to designate the Saint John River Watershed as one of ten priority places in Canada for action towards the recovery of species at risk.
- Expanding a Geographic Information System (GIS) web portal to include the Mi'kmaq and the Peskotomuhkati First Nations, in addition to the Wolastoquey First Nation.
- Providing support for forest fire suppression in New Brunswick and coordinating the mobilization of 121 staff members to assist with fire suppression in Alberta, Quebec, Ontario, and British Columbia.
- Supporting the New Brunswick Emergency Measures Organization during the 2018 flood by providing 60+ staff members including Incident Management Teams, boats and other equipment and other logistical support.
- Making a number of interactive web/mobile applications available for use by the public, including an annual fishing survey, recreational fishing regulations maps, and fish stocking and lake depth maps.
- Hosting the inaugural Winter Fish NB Days, an event that will be held annually on the Family Day weekend in February to promote ice fishing as a fun way to enjoy New Brunswick in the winter and to encourage more people to try this winter sport.
- Working towards meeting the actions set out in Transitioning to a Low Carbon Economy: New Brunswick's Climate Change Action Plan; in particular with NB Power, to enhance energy efficiency program offerings, including those for low-income New Brunswickers.
- Committing \$10 M to help establish a Small Modular Reactor (SMR) research cluster in New Brunswick. The funding will help establish New Brunswick as a leader in the field of research and development of SMRs.

Performance measures

Affordable and responsive government	Measures
Balance budget	Actual to budgeted expenditures
Balance budget	Actual to budgeted revenues
Energized private sector	Measures
Ensure responsible development in vibrant and competitive resource sectors.	Forest sector contribution to Gross Domestic Product (GDP) from Crown forests.
Ensure responsible development in vibrant and competitive resource sectors.	Amount of Crown Annual Allowable Cut (AAC) fully utilized.
Ensure responsible development in vibrant and competitive resource sectors.	Increase in the geoscientific knowledge index.
Ensure responsible development in vibrant and competitive resource sectors.	Percentage of fish and wildlife products sold through Service New Brunswick (SNB), that were sold online.

Affordable and responsive government

Objective of the measure

Balance budget

Measure

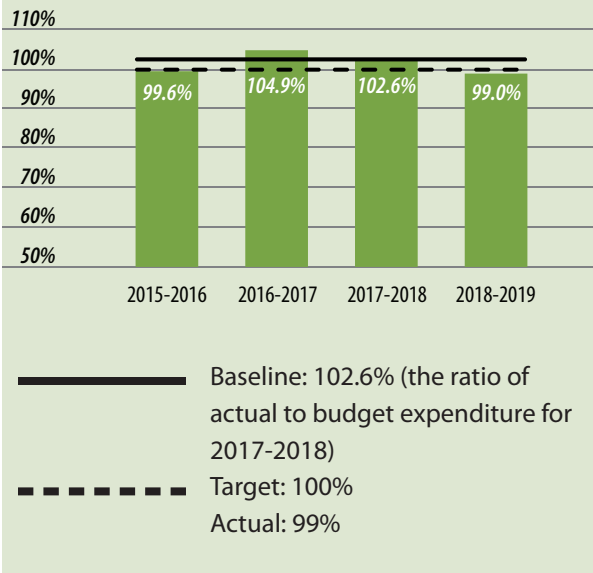
Ratio of actual to budgeted expenses

Description of measure

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

Overall performance

The department was under budget by \$1.1 M 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 under-budget in 2018-2019 mainly due to lower than expected Licence Management Fees.

Affordable and responsive government

Objective of the measure

Balance budget

Measure

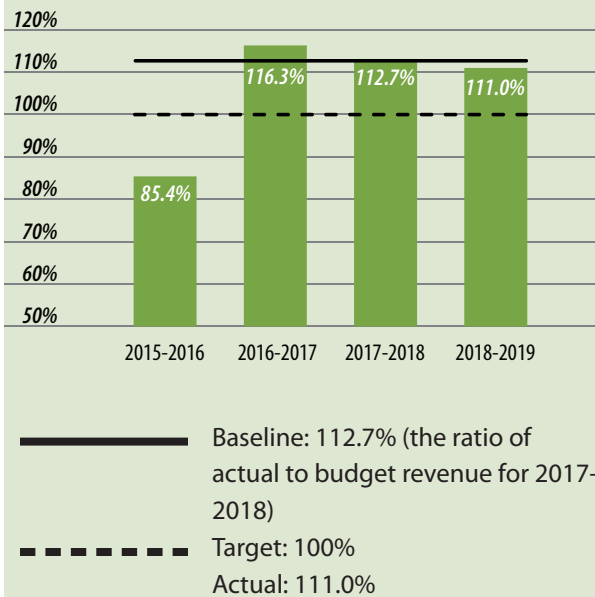
Ratio of actual to budgeted revenue

Description of measure

The ratio measures whether the department is over-budget 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 \$8.8 M.



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 111.0 per cent of the ordinary revenue budget mainly due to higher than expected timber, potash and salt royalties, and recoveries from fire mobilization.

Energized private sector

Objective of the measure

Ensure responsible development in vibrant and competitive resource sectors.

Measure

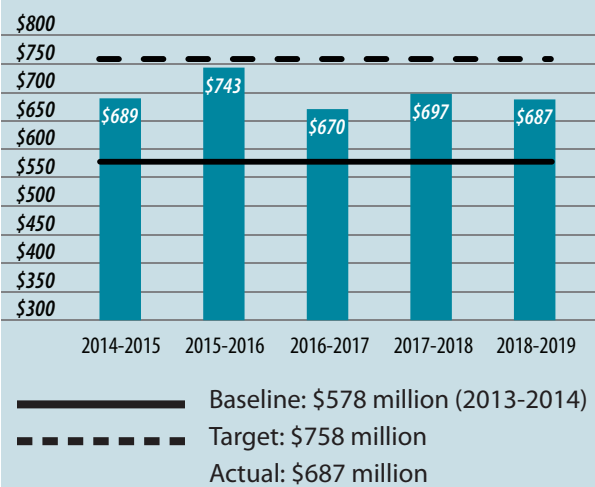
Forest sector contribution to Gross Domestic Product (GDP) from Crown Forests.

Description of measure

The forest sector is a major contributor (about five percent) to New Brunswick's GDP and, therefore, 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 a slight decrease in its performance compared to 2017-2018 by reporting \$687 M, or a 1.4 per cent decrease. The actual was 9 per cent below the target of \$758 M.



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 associated roundwood production, manufactured wood products and pulp and paper product sales on direct and indirect GDP. Government cannot control commodity prices but can influence consumption of Crown roundwood.

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 nine per cent below target; and slightly lower than the 2017-2018 outcome. The reduction in GDP compared to 2017-2018 was the result of lower consumption of cedar, pine saw material and hardwood pulpwood in 2018-2019 related to mill roundwood inventories and finished product markets.

Energized private sector

Objective of the measure

Ensure responsible development in vibrant and competitive resource sectors.

Measure

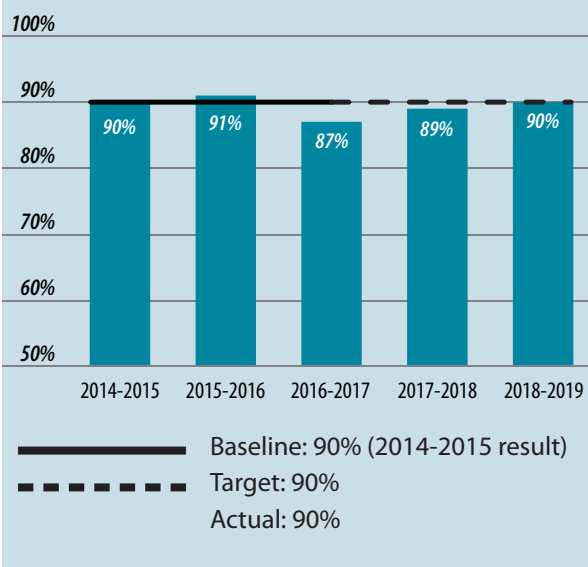
Amount of Crown Annual Allowable Cut (AAC) fully utilized.

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 90 per cent of the AAC, up from 2017-2018 and on target.



Why do we measure this?

Monitoring the volume of wood consumed each quarter 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 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 previous year's initiatives to develop a process to better monitor wood flow trends and to improve and facilitate wood flow from Crown land. Export approvals and temporary assignments help the department work towards achieving the target of 90 per cent. These two measures allowed for approximately 341,000 m³ or six per cent of total Crown wood to flow. Temporary assignments and exports totaled 284,000 m³ and 57,000 m³ respectively.

Energized private sector

Objective of the measure

Ensure responsible development in vibrant and competitive resource sectors.

Measure

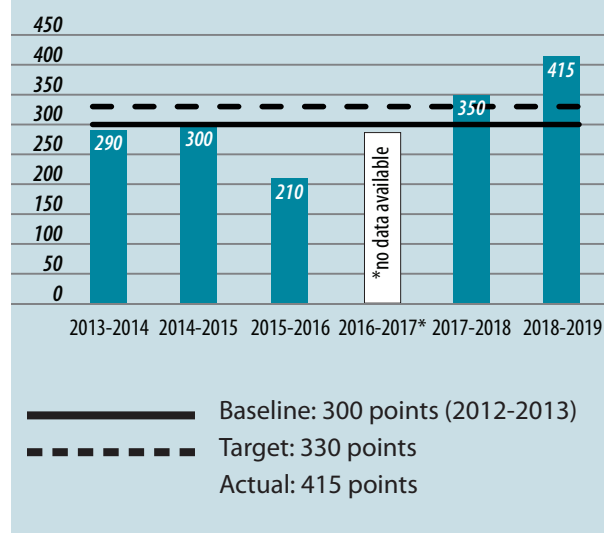
Increase in geoscientific knowledge index.

Description of measure

Each year, staff with the Geological Surveys Branch conduct scientific projects with the aim of increasing the understanding of New Brunswick's geology. Each project is assigned "points" based on its scientific merit. These points combine to give 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 2018-2019, 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, few disruptions to planned work, introduction of the annual *Geoscience Project Summaries and Other Activities* publication, and increased publications stemming from 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:

1. **Bedrock Mapping:** Bedrock formations in New Brunswick are mapped to provide a geological framework for mineral exploration and land-use planning.
2. **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.
3. **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.
4. **Petroleum Resources:** Geological characteristics of petroleum reservoirs in New Brunswick are documented to provide guidelines for the petroleum exploration industry.
5. **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.

Energized private sector

Objective of the measure

Ensure responsible development in vibrant and competitive resource sectors.

Measure

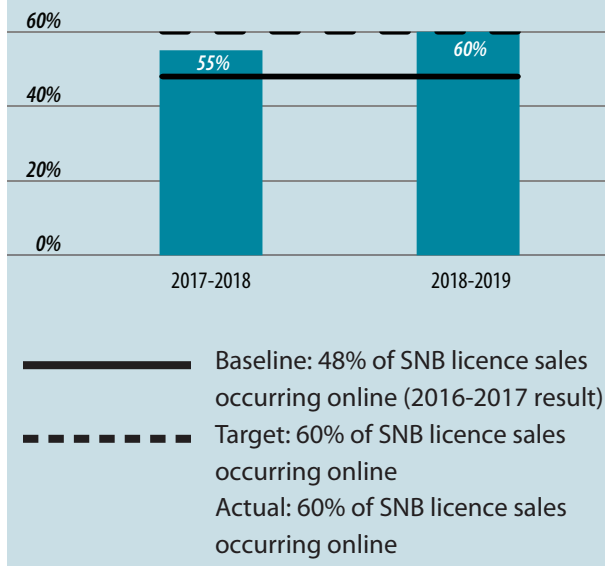
Percentage of fish and wildlife products sold through Service New Brunswick (SNB), that were sold online.

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 an 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 2018-2019, 60 per cent of SNB licence sales occurred online enabling the target to be met.



Why do we measure this?

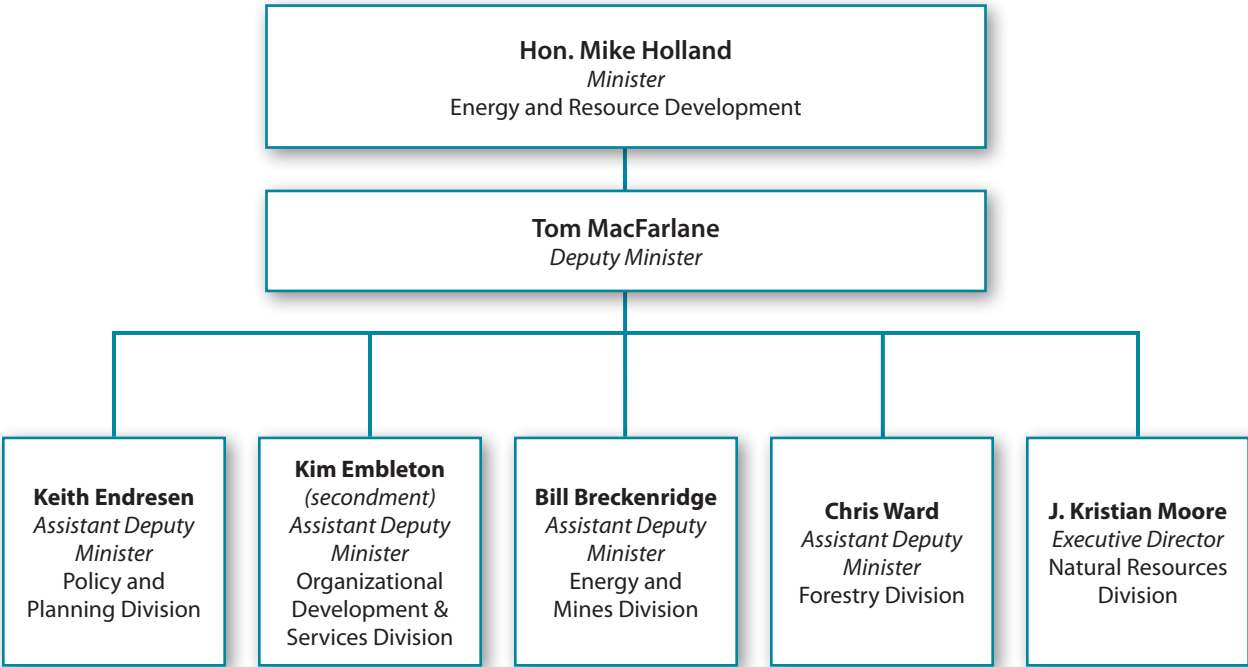
The department would like to increase awareness of the self-serve online option to purchase fish and wildlife products. Purchasing online is generally faster, more efficient and can be done at a client's convenience, which can enhance their overall experience.

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

The department continues to promote the self-serve option in all printed materials provided to clients and communicating it via phone when on a call with a client.

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.



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 2018-2019. The common administration applies to the Policy and Planning Division and the Organizational Development and Services Division.

Forestry Division

The Forestry Division supports, manages and protects the forests of New Brunswick, and consists of the following branches: **Forest Planning and Stewardship**, and **Forest Operations and Development**. These branches share responsibility for the sustainable forest management of Crown lands.

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.

Highlights

- ◆ The branch worked closely with conservation partners including the Nature Trust of New Brunswick, the Nature Conservancy of Canada, Ducks Unlimited, and others to develop a comprehensive proposal to the Canada Nature Fund Challenge in support of the Pathway to Canada Target 1, the primary objective of which is to protect or conserve 17 per cent of Canada's land and freshwater.

- ◆ The branch, in coordination with the Healthy Forests Partnership, took an exhaustive approach to measuring the impact of spruce budworm on New Brunswick forests. Staff surveyed over 9,600 km from the air and another 4,600 km from the roads and found only 500 hectares of trace-to-moderate defoliation. This is a promising sign that the early intervention strategy is working.

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 approximately 16 M 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 the department.

Highlights

- ◆ The branch was successfully integrated into the Crown Timber Licensee's Environmental Management System through participation in meetings, field visits, and 3rd party audits, leading to successful environmental certification for all Licensees.
- ◆ The branch facilitated numerous information sharing sessions with rights holders, stakeholders, and interest groups, furthering transparency with respect to Crown forest management.

Natural Resources Division

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

The division consists of the following branches/sections: **Fish and Wildlife**, **Forest Fire Management**, **Regional Operations**, and **Crown Lands Operations**.

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.

Highlights

- ◆ The branch was successful in having several interactive web/mobile applications made available for use by the public. These included an annual fishing survey, recreational fishing regulations maps, and fish stocking and lake depth maps.
- ◆ The province hosted its inaugural Winter Fish NB Days. This event will be held annually on the Family Day weekend in February to promote ice fishing as a fun way to enjoy New Brunswick in the winter and to encourage more people to try this winter sport.

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 departmental vehicles, departmental radio communications and small engine maintenance.

Highlights

- ◆ The branch, in addition to providing support to the regions for New Brunswick fires, coordinated the mobilization of 121 staff to assist with fire suppression in Alberta, Quebec, Ontario, and 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 branch put on 10+ training courses for over 200 provincial and federal staff (Energy and Resource Development; New Brunswick Emergency Measures Organization; Department of National Defense) and fire department members. Courses included Basic Firefighting up to Incident Management Team development.

- ◆ The branch initiated a “FireSmart” program and delivered training to 25+ fire departments so they may take the knowledge into their respective communities and encourage homeowners to make their properties more resistant to wildland fire.
- ◆ The Air Operations unit undertook a major conversion from a discontinued fire retardant to a modern product and upgraded all reload bases accordingly.
- ◆ The branch started a multi-year project to upgrade and modernize fire weather stations and associated infrastructure along with developing oversight for the New Brunswick Fireweather website and associated deliverables.
- ◆ The branch supported the New Brunswick Emergency Measures Organization with staff, equipment and Incident Management Team members during the 2018 spring flood.

The **Regional Operations Branch** is responsible for activities and services associated with the operational delivery of Forestry, Fish and Wildlife, Forest Fire Management, and Crown land programs. It consists of 12 districts with 18 offices with headquarter offices located in Region 1 (Bathurst), Region 2 (Miramichi), Region 3 (Fredericton), Region 4 (Edmundston).

Highlights

- ◆ The branch continued to implement several best practices for workload management, including integrated work plans to coordinate staff activities and Operational Dashboards to monitor performance and improve effective delivery of departmental programs.
- ◆ Regional staff participated in five Process Improvement Projects and 56 Waste Walk initiatives to find efficiencies and savings within their work areas.

The **Crown Lands Operations Section** is a new section created in-year that is responsible for the department’s land surveying duties, and with assisting other departmental branches on Crown land operations.

Highlights

- ◆ The section worked with staff in 12 districts to coordinate 287 requests for access to Crown land (for sugaries, motorized trails, windfarms, transfers of administrative control, land exchanges, leases, licences of occupation, unauthorized occupations).
- ◆ The section completed 88 survey requests, including Protected Natural Areas, illegal occupations, and boundary re-establishment for forestry licensees.
- ◆ The section coordinated the regional delivery of many Crown land inspection programs (lease inspections, former railway lines, illegal Crown land dumps) and forest inventory programs (permanent sample plots, spruce budworm, tree improvement, Protected Natural Areas signage, forest disturbance).
- ◆ The section also led or participated in six Process Improvement Projects to find efficiencies and savings.

Energy and Mines Division

The Energy and Mines Division provides the regulatory structure for the managed development of 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 policies, regulations and legislation to support the downstream side of the energy sector that balances consumer, industry and environmental needs.

The division consists of the **Energy Branch**, the **Geological Surveys Branch**, and the **Minerals and Resource Development Branch**.

The **Energy Branch** is divided into three main areas: sustainability, electricity and petroleum. The sustainability group works closely with both the electricity and petroleum groups to ensure the effective regulation and adoption of energy efficiency and climate change mitigation initiatives. This includes sustainable development opportunities across all energy sectors. The electricity group works closely with NB Power and municipal distribution 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 in an open market. The branch monitors the New Brunswick Energy and Utilities Board (EUB) hearings related to the sector and ensures acts and regulations are working effectively. The branch also works closely with other provincial department colleagues and interest groups on sector-specific issues, when and as required.

Highlights

- ◆ The branch continued to implement the actions identified in Transitioning to a Low-Carbon Economy: New Brunswick's Climate Change Action Plan (CCAP) with a special focus on energy efficiency and electric vehicle actions.
- ◆ The branch continued to participate 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. A report (Atlantic Region Summary for Policy Makers) summarizing the technical findings and respective regional policy environments was released in 2018.
- ◆ The branch continued to participate in the development of a pan-Canadian small modular reactor (SMR) roadmap with other provincial and utility stakeholders. The final report – A Call to Action: A Canadian Roadmap for Small Modular Reactors - was released in the fall of 2018.

- ◆ \$10 M was expended to help establish a small modular reactor research cluster in New Brunswick. The funding will help establish New Brunswick as a leader in the field of research and development of SMRs.

The **Geological Surveys Branch** consists of three sections: Geological Surveys North, Geological Surveys South, and Promotions and Information Services. 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 to attract investment in mineral and petroleum sectors by participating in national conferences and organizing the department's annual Exploration, Mining and Petroleum Conference. The branch also manages an extensive geological, mineral and petroleum resources database, publishes geoscientific information on New Brunswick, and administers an Exploration Assistance Program to stimulate mineral exploration in New Brunswick.

Highlights

- ◆ The branch hosted the 43rd annual Exploration, Mining and Petroleum Conference, which brought together more than 290 delegates for presentations on a variety of topics relative to minerals and energy in the province.
- ◆ The branch promoted New Brunswick's mining sector at the 2019 Mineral Exploration Roundup in Vancouver and the Prospectors and Developers Association of Canada convention in Toronto.
- ◆ The branch provided approximately \$421,000 in assistance to junior mining companies to help fund 17 exploration projects and \$290,000 to 54 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.

Highlights

- ◆ The branch was actively involved with federal, provincial and territorial partners in developing the Canadian Minerals and Metals Plan (CMMP), which subsequently received ministerial endorsement and was officially launched in March 2019.
- ◆ The branch issued a Peat Exploration Licence for the potential new development of two peatlands. Conversion to a Peat Lease and subsequent development is dependent on a successful review, site assessment, First Nations Consultation, and Environmental Impact Assessment determination.

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.

Highlights

- ◆ The branch provided support for the federal, provincial and territorial Canadian Council of Forest Ministers (CCFM) and continued its work as 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 supported the province's participation in and work under the Council of Atlantic Premiers, the Council of the Federation and the New England Governors and Eastern Canadian Premiers' Annual Conference.

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* and privacy matters.

Highlights

- ◆ The branch responded to 36 requests under the *Right to Information and Protection of Privacy Act*.
- ◆ The branch, in conjunction with the Strategic Planning and Intergovernmental Relations Branch, provided policy administrative support to the Department of Energy and Resource Development and the Department of Agriculture, Aquaculture and Fisheries' Policy Management Committee, and supported other processes to improve external communications.
- ◆ The branch provided support for the development of Funding Agreements and Memoranda of Understanding to create a research cluster to advance small modular reactors in New Brunswick, and to establish a research chair in advanced nuclear reactor technology at the University of New Brunswick.
- ◆ The branch also provided support for the development of other Memoranda of Understanding; for example, to collaborate with the Government of Canada on clean growth in natural resource development, and to promote the development of an offshore wind energy sector.

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

Highlights

- ◆ The branch worked with program areas to implement 9 Lean Six Sigma Black Belt/Green Belt Process Improvement projects and conducted two Waste Walk training sessions for 16 employees. In 2018-2019, the branch also piloted a Yellow Belt training program, to train 14 employees how to use best practices to conduct small-scale improvement projects. This work has improved service delivery and has generated savings valued at more than \$850,000 in time and money.
- ◆ The branch also supported program areas in the design and delivery of the department's strategy, and in the implementation of best management practices for strategic initiatives and operations, including project management, process management and daily management techniques.

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

- ◆ The branch published (on-line) Sectors in Review Reports for Forestry, Mining and Energy as well as a new New Brunswick Natural Resources Export Highlights, all for 2017.
- ◆ The branch also provided updates, input and analysis on the various trade agreements under negotiation, particularly the Canada-United States-Mexico Agreement.

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.

Highlights

- ◆ The branch standardized a monthly reporting process to facilitate the financial reporting of expenditure and revenue projections for 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. In 2018-2019, these services were delivered by Service New Brunswick on behalf of the Organizational Development and Services Division.

Highlights

- ◆ The branch continued to provide effective and consistent human resource management to both the Department of Energy and Resource Development and the Department of Agriculture, Aquaculture and Fisheries.
- ◆ The branch coordinated ongoing training for managers/supervisors on various human resources related topics such as mental health, workplace health and safety, substance use, and respectful workplaces.

The **Information Systems and Departmental Services Branch** provides province-wide services to the department, including information technology, records management, geographic information system services, information security, intranet management and facilities management services.

Highlights

- ◆ The branch completed a pilot project for implementation of Remotely Piloted Aircraft for use in both the Department of Energy and Resource Development and the Department of Agriculture, Aquaculture and Fisheries. In addition to efficiencies, this technology will provide more accurate information that will lead to better decision making. For example, savings may be realized through a more focused or targeted application of spruce budworm protection operations. The technology also allows the department to accurately locate hotspots within wildfire areas. In addition, a higher accuracy information capture allows the department to monitor and protect sensitive areas, including Protected Natural Areas for damage and Coastal zones for erosion.

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.

Highlights

- ◆ 230 applications for Crown land were received and processed.
- ◆ 400 leases (renewals and new) and 114 licences of occupation for Crown land were issued.

Financial information

Expenditures in detail 2018-2019 (\$)

Ordinary Program	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Administration	8,453,000	400	8,453,400	7,411,700	(1,041,700)
Natural Resources	83,147,000	73,600	83,220,600	82,526,300	(694,300)
Energy and Mines	6,598,000	9,028,000	15,626,000	16,428,700	802,700
Land Management	3,622,000	–	3,622,000	3,470,900	(151,100)
Total 2018-19	101,820,000	9,102,000	110,922,000	109,837,600	(1,084,400)
Capital Program	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Caribou Mine Drainage Improvement	1,250,000	–	1,250,000	0	(1,250,000)
Musquash Watershed Infrastructure	250,000	–	250,000	144,600	(105,400)
Sentier NB Trail infrastructure	1,050,000	–	1,050,000	866,900	(183,100)
Land Purchase	1,500,000	–	1,500,000	0	(1,500,000)
Total 2018-19	4,050,000	–	4,050,000	1,011,500	(3,038,500)
Special Purpose Program	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Wildlife Trust Fund	1,700,000	–	1,700,000	1,693,500	(6,500)
Recoverable Projects	200,000	–	200,000	77,900	(122,100)
Trail Management Trust Fund	1,400,000	–	1,400,000	1,658,000	258,000
Total 2018-19	3,300,000	–	3,300,000	3,429,400	129,400

Revenues in detail 2018-2019 (\$)

Revenue	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Return on Investment	126,000	–	126,000	185,000	59,000
Licences and Permits	5,652,000	–	5,652,000	5,856,500	204,500
Sales of Goods and Services	3,979,000	–	3,979,000	5,387,700	1,408,700
Royalties	69,730,000	–	69,730,000	76,501,900	6,771,900
Fines and Penalties	239,000	–	239,000	247,200	8,200
Miscellaneous	20,000	–	20,000	372,300	352,300
Total 2018-19	79,746,000	–	79,746,000	88,550,600	8,804,600
Capital Accounts	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Capital Recoveries – own source	40,000	–	40,000	46,400	6,400
Total 2018-19	40,000	–	40,000	46,400	6,400
Special Purpose Accounts	Main Estimates	Appropriation Transfers	Final Budget	Actual	Difference
Conditional Grants - Canada	200,000	–	200,000	77,900	(122,100)
Return on Investment	39,000	–	39,000	28,300	(10,700)
Licences and Permits	3,103,000	–	3,103,000	3,264,700	161,700
Sales of Goods and Services	5,000	–	5,000	–	(5,000)
Miscellaneous	–	–	–	600	600
Total 2018-19	3,347,000	–	3,347,000	3,371,500	(24,500)

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 2018-2019 for the Department of Energy and Resource Development.

Number of permanent and temporary employees as of Dec. 31 of each year		
Employee type	2018	2017
Permanent	550	539
Temporary	74	66
TOTAL	624	605

The department advertised 34 competitions, including 12 open (public) competitions and 22 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 <i>Civil Service Act</i>	Number
Specialized Professional, Scientific or Technical	An appointment may be made without competition when a position requires: <ul style="list-style-type: none"> • 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)	1
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)	9
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 the 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
11	<i>An Act to Amend the Petroleum Products Pricing Act</i> https://www1.gnb.ca/legis/bill/editform-e.asp?ID=1406&legi=59&num=2	March 29, 2019	Amendments were made to the <i>Act</i> so that New Brunswick's regulated maximum price for gasoline, diesel, heating oil and propane include the federal carbon pricing, which came into effect in April 2019.

Name of regulation	Effective date	Summary of changes
Amendments to the Registration Procedure Regulation (2015-4) under the <i>Fish and Wildlife Act</i> .	June 6, 2018	To strike out, substitute and add amendments to the Hunting Regulation, the Moose Hunting Regulation, and the Registration Procedure Regulation to: <ol style="list-style-type: none"> 1. Amend the deadline for the purchase of non-resident moose licences (in the case of the guide and outfitter draw); 2. Amend the requirements for wildlife possession tags for non-resident bear and non-resident moose licences; 3. Introduce the non-resident bear and non-resident moose licence purchase in e-Licensing that requires mandatory registration; and 4. Remove the associated validation sticker and \$5.25 sticker replacement fee for non-resident bear licences.

The acts for which the department was responsible in 2018-2019 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 2018-2019 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.

Name and year of audit area with link to online document	Recommendations	
	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.

Name and year of audit area with link to online document	Recommendations	
	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	14

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 did not receive any disclosure(s) of wrongdoing in the 2018-2019 fiscal year.

Appendix A: Silviculture

Production at the Kingsclear Nursery and the Atlantic Forest Seed Centre

Year	Products			
	Seedling produced	Seed produced (kg)	Seed stored (kg)	Seed stored for clients (kg)
2018-2019	15,900,000	68	2,106	2,816
2017-2018	18,700,000	922	2,107	2,967
2016-2017	19,000,000	4	1,528	2,768

Crown silviculture by year (ha)

Year	Planting-related activities		Pre- commercial thinning
	Tree planting	Plantation tending	
2018-2019	10,402	14,849	15,069
2017-2018	10,268	15,841	14,187
2016-2017	10,166	15,366	15,038

Private land silviculture by year (ha)

Year	Planting-related activities			Pre- commercial thinning
	Site preparation	Tree planting	Plantation tending	
2018-2019	914	931	868	2,229
2017-2018	534	920	1,101	2,814
2016-2017	682	1,243	1,958	2,537

Appendix B: Crown Harvesting

Forest products harvested from Crown lands (m3)

Year	Species Group	Licenses and Sub- Licenses	First Nations	Special Permits	Total
2018-2019	Softwood	3,371,454	202,600	3,275	5,468,007
	Hardwood	1,803,182	49,958	37,538	
2017-2018	Softwood	3,303,308	202,570	9,374	5,439,214
	Hardwood	1,838,538	41,808	43,616	
2016-2017	Softwood	3,420,908	182,846	16,089	5,411,190
	Hardwood	1,734,980	44,569	27,836	

Appendix C: Fire

Area destroyed by fire in hectares (ha) 2018, 2017, 2016

Region		1	2	3	4	Total
2018	Fires	77	78	104	26	285
	ha	43	154	98	17	312
2017	Fires	75	46	110	14	245
	ha	62	27	463	16	568
2016	Fires	51	50	136	45	282
	ha	28	30	162	44	264

10-year average: 226 fires, 305ha

2018 fires by cause

Cause (2018 only)	Number	Ha
Human/Industry	227 (80%)	243 (80%)
Lightning	19 (7%)	16.5 (5%)
Unknown	36 (13%)	44.2 (15%)

Appendix D: Fish and Wildlife

Hunting licences issued

Licence type	Deer	Moose*	Bear	Small game	Varmint	Minors**
Resident	42,788	4,352	5,146	10,387	9,644	967
Designated Hunter	-	3,287	-	-	-	-
Non-Resident	247	100	478	407	23	-
Total 2018	43,035	7,739	5,624	10,794	9,667	967
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	1,133
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 moose hunters may designate a hunter to accompany them. The bag limit for the party remains one moose.

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

Angling licences issued

Species	2018	2017	2016
Atlantic Salmon	12,054	13,000	13,598
Other species *	50,146	53,885	57,824
Total	62,200	66,885	71,422

* Includes ice fishing licence sales.

Details of licences issued, 2018

Angling	Resident	Non-resident
Salmon	9,086	2,968
Trout, etc.	45,671	3,218
Ice Fishing	1,180	77
Crown Reserve*	Residents only	
Miramichi	1,582	
Restigouche	987	
Patapedia	47	

* Regular stretches only.