



MINISTRY OF ENERGY AND MINES AND PETROLEUM RESOURCES

The mission of the Ministry of Energy, Mines and Petroleum Resources is to facilitate investment in the responsible development of British Columbia's energy and mineral resources to benefit all British Columbians.

MINISTRY SUMMARY

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	Estimates 2004/05 ¹	Estimates 2005/06
VOTED APPROPRIATIONS		
Vote 25 — Ministry Operations.....	32,785	40,924
Vote 26 — Contracts and Funding Arrangements.....	26,560	31,560
OPERATING EXPENSE	<u>59,345</u>	<u>72,484</u>
PREPAID CAPITAL ADVANCES²	—	—
CAPITAL EXPENDITURES³	1,807	1,456
LOANS, INVESTMENTS AND OTHER REQUIREMENTS⁴	—	—
REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES⁵	—	—
FULLTIME EQUIVALENT (FTE) EMPLOYMENT⁶	242	269

NOTES

¹ For comparative purposes only, figures shown for 2004/05 expense, FTEs and capital expenditures have been restated to be consistent with the presentation of the September Update 2005/06 Estimates. Schedule A presents a detailed reconciliation.

² Details of prepaid capital advances are presented in Schedule C.

³ Details of capital expenditures are presented in Schedule D.

⁴ Details of loans, investments and other requirements are presented in Schedule E.

⁵ Details of revenue collected for, and transferred to, other entities are presented in Schedule F.

⁶ Details of FTEs are presented in Schedule G.

CORE BUSINESS SUMMARY

\$000

OPERATING EXPENSE	2004/05	2005/06 ESTIMATES		
	Net	Gross	External Recoveries	Net
Core Business				
Oil and Gas.....	15,170	11,937	—	11,937
Offshore Oil and Gas.....	4,300	4,252	—	4,252
Mining and Minerals.....	7,868	13,282	—	13,282
Electricity and Alternative Energy.....	1,134	1,482	—	1,482
Executive and Support Services.....	4,313	9,971	—	9,971
Contracts and Funding Arrangements.....	26,560	31,560	—	31,560
TOTAL OPERATING EXPENSES	59,345	72,484	—	72,484

CAPITAL EXPENDITURES	Net	Disbursements	Receipts	Net
Core Business				
Oil and Gas.....	471	275	—	275
Mining and Minerals.....	1,026	865	—	865
Electricity and Alternative Energy.....	—	6	—	6
Executive and Support Services.....	310	310	—	310
TOTAL CAPITAL EXPENDITURES	1,807	1,456	—	1,456

REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES

	Net	Disbursements	Receipts	Net
Core Business				
Oil and Gas.....	—	26,220	(26,220)	—
TOTAL REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES.....	—	26,220	(26,220)	—

OPERATING EXPENSE BY CORE BUSINESS

\$000

Estimates
2004/05

Estimates
2005/06

VOTE 25 — MINISTRY OPERATIONS

This vote provides for ministry programs and operations described in the voted appropriations under the following five core businesses: Oil and Gas, Offshore Oil and Gas, Mining and Minerals, Electricity and Alternative Energy and Executive and Support Services

OIL AND GAS

Voted Appropriation

Oil and Gas Division.....	15,170	11,937
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Voted Appropriation Description: This sub-vote provides for management of the province's natural gas and petroleum resources, including selling, issuing and administering petroleum and natural gas tenures; facilitating infrastructure development to improve access to oil and gas resources; undertaking economic and financial analysis to develop policies and programs; identifying, stimulating and facilitating development opportunities; providing information to the public; streamlining provincial regulations that apply to the oil and gas sector; representing the province's interests before energy regulatory tribunals and developing and maintaining petroleum geology databases.

OFFSHORE OIL AND GAS

Voted Appropriation

Offshore Oil and Gas.....	4,300	4,252
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Voted Appropriation Description: This sub-vote provides for the salaries, benefits and operating expenses related to government's management of offshore oil and gas resources. This sub-vote also includes expenses for developing policies and programs to identify, stimulate, market and facilitate British Columbia's offshore oil and gas development opportunities; external relations; consulting with First Nations and other stakeholders and providing information to the public. This sub-vote also provides for negotiating and implementing agreements with other governments, First Nations and non-governmental organizations regarding the fiscal, regulatory, scientific health, safety, environmental, socio-economic and financial aspects of offshore oil and gas development and ocean management.

MINING AND MINERALS

Voted Appropriation

Mining and Minerals.....	7,868	13,282
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Voted Appropriation Description: This sub-vote provides for management of the province's mining resources and regulation of the industries that explore for and develop these resources by regulating mineral, coal, industrial mineral and aggregate industries for health and safety and environmental responsibility; promoting the mineral exploration and mining industry; issuing and administering mineral, coal and aggregate exploration and mining tenures; maintaining a tenure registry; permitting exploration and mining operations; enforcing provincial legislation and regulations; reviewing and developing legislation, regulations and policies; providing a regulatory framework to protect the public interest; consulting with communities, First Nations, non-governmental organizations and other governments; providing information to the public; developing and delivering geoscience databases and surveys; working with industry and providing financial assistance to other organizations to collect and publish baseline geoscience information; providing assistance and advice to prospectors and exploration companies; and undertaking economic and financial analyses to provide measures to enhance exploration and mining investment attractiveness.

ELECTRICITY AND ALTERNATIVE ENERGY

Voted Appropriation

Electricity and Alternative Energy.....	1,134	1,482
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Voted Appropriation Description: This sub-vote provides for development of legislation, policies and programs to support all forms of electrical power generation, alternative energy sources, energy conservation and efficiency measures and leading edge technologies, including issuing and maintaining tenures for geothermal and wind resources; supporting the Energy Task Force; providing policy advice or direction to electrical utilities and the regulator, the British Columbia Utilities Commission; fostering private sector investment in new electricity resources; providing operational policy support for independent power producers and receiving funds from the federal government.

MINISTRY OF ENERGY AND MINES AND PETROLEUM RESOURCES

OPERATING EXPENSE BY CORE BUSINESS (Continued)

\$000

	Estimates 2004/05	Estimates 2005/06
EXECUTIVE AND SUPPORT SERVICES		
Voted Appropriations		
Ministers' Office.....	831	819
Corporate Services.....	3,482	9,152
	<u>4,313</u>	<u>9,971</u>
Voted Appropriations Description: This sub-vote provides for the offices of the Minister of Energy, Mines and Petroleum Resources and the Minister of State for Mining and includes salaries, benefits, allowances and operating expenses for the ministers and ministers' staff; administration and executive support including the Deputy Minister's office, marketing and external relations, strategic human resources and correspondence and aboriginal policy and programs. Under an agreement, the Ministry of Economic Development provides administrative support services to the ministry.		
VOTE 25 — MINISTRY OPERATIONS	32,785	40,924

OPERATING EXPENSE BY CORE BUSINESS

\$000

Estimates
2004/05Estimates
2005/06**VOTE 26 — CONTRACTS AND FUNDING ARRANGEMENTS**

This vote provides for programs described in the voted appropriations under the Contracts and Funding Arrangements core business.

CONTRACTS AND FUNDING ARRANGEMENTS**Voted Appropriations**

Resource Revenue Sharing Agreements.....	2,500	2,500
Vancouver Island Natural Gas Pipeline Agreement.....	24,060	29,060
	<u>26,560</u>	<u>31,560</u>

Voted Appropriations Description: This sub-vote provides for transfers to First Nations to share revenue received from petroleum, natural gas and minerals extraction in accordance with the federal/provincial agreement as specified under the *Fort Nelson Indian Reserve Minerals Revenue Sharing Act* and agreements with other First Nations and for payments required under the Vancouver Island Natural Gas Pipeline Agreement.

VOTE 26 — CONTRACTS AND FUNDING ARRANGEMENTS

26,560

31,560**MINISTRY GROUP ACCOUNT CLASSIFICATION SUMMARY****GROUP ACCOUNT CLASSIFICATION**

Salaries and Benefits	16,734	22,536
Operating Costs	13,277	15,135
Government Transfers	29,334	34,813
TOTAL OPERATING EXPENSE.....	<u>59,345</u>	<u>72,484</u>

REVENUE COLLECTED FOR, AND TRANSFERRED TO, OTHER ENTITIES BY CORE BUSINESS

\$000

Estimates 2004/05	Estimates 2005/06
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OIL AND GAS

OIL AND GAS COMMISSION ACT — Disbursements are provided by the province to the Oil and Gas Commission under the *Oil and Gas Commission Act* with respect to oil and gas industry fees collected on behalf of the Commission under the *Petroleum and Natural Gas Act* and the *Pipeline Act*, and the levy assessed and collected on behalf of the Commission under the Oil and Gas Commission Levy Regulation.

Receipts.....	24,600	26,220
Disbursements.....	<u>24,600</u>	<u>26,220</u>
Net Cash Source (Requirement).....	<u>—</u>	<u>—</u>