

# **ENERGY, MINES AND RESOURCES**

**VOTE 53****DEPARTMENT OF ENERGY, MINES AND RESOURCES****MINISTER****Hon. A. Lang****DEPUTY MINISTER****A. Robertson****DEPARTMENTAL OBJECTIVES**

- Responsibly manage Yukon's natural resources and ensure integrated resource and land use.
- Promote investment in and responsible development of Yukon's mineral, energy, forestry, agriculture and land resources.
- Provide strategic leadership for natural resource policy and planning.
- Continue the integration and operational transition of the Department of Indian Affairs and Northern Development's (DIAND's) resource management programs and other implementation initiatives pursuant to the Devolution Transfer Agreement (DTA).
- To support and facilitate the implementation of the *Yukon Environmental and Socio-economic Assessment Act (YESAA)*.

<b>FINANCIAL SUMMARY (\$000s)</b>	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
<b>Capital Expenditures</b>				
Corporate Services	648	415	56%	246
Sustainable Resources	1,100	1,727	-36%	1,146
Energy and Corporate Policy	50	100	-50%	133
Oil and Gas and Mineral Resources	3,723	4,640	-20%	3,464
<b>Total Capital Vote 53</b>	<b>5,521</b>	<b>6,882</b>	<b>-20%</b>	<b>4,989</b>
<b>Revenues</b>				
Third-Party Recoveries	410	235	74%	11
Recoveries from Canada	250	1,217	-79%	754
<b>Total Revenues</b>	<b>660</b>	<b>1,452</b>	<b>-55%</b>	<b>765</b>
<b>Categories</b>				
Tangible Capital Assets	355	214	66%	167
Other Capital Projects and Purchases	3,561	4,095	-13%	3,384
Transfer Payments	1,605	2,573	-38%	1,438
<b>Total Categories</b>	<b>5,521</b>	<b>6,882</b>	<b>-20%</b>	<b>4,989</b>

Note:

Restated 2005-06 Forecast and 2004-05 Actual to be consistent with 2006-07 Estimate presentation.

## ENERGY, MINES AND RESOURCES

<b>CHANGES IN TANGIBLE CAPITAL ASSETS AND AMORTIZATION (\$000s)</b>	2006-07 ESTIMATE	2005-06 FORECAST	2004-05 ACTUAL
<b>Beginning of the Year</b>			
Cost of Tangible Capital Assets in Service	<b>577</b>	483	414
Accumulated Amortization	<b>(257)</b>	(167)	(89)
Work-in-Progress	<b>218</b>	98	0
Net Book Value	<b>538</b>	414	325
<b>Changes during the Year</b>			
Cost of Tangible Capital Assets			
Capital Expenditures	<b>235</b>	94	69
Disposals	<b>0</b>	0	0
Accumulated Amortization			
Amortization Expense	<b>(103)</b>	(90)	(78)
Disposals	<b>0</b>	0	0
Work-in-Progress			
Capital Expenditures	<b>120</b>	120	98
Work-in-Progress put in Service during Year	<b>0</b>	0	0
<b>End of the Year</b>			
Cost of Tangible Capital Assets in Service	<b>812</b>	577	483
Accumulated Amortization	<b>(360)</b>	(257)	(167)
Net Book Value	<b>452</b>	320	316
Work-in-Progress	<b>338</b>	218	98
<b>Total Net Book Value and Work-in-Progress</b>	<b>790</b>	538	414
<b>Deferred Capital Contributions</b>			
Balance, Beginning of the Year	<b>(96)</b>	(129)	(159)
Additions	<b>0</b>	0	0
Amortization of Deferred Capital Contributions	<b>33</b>	33	30
Balance, End of the Year	<b>(63)</b>	(96)	(129)

## ENERGY, MINES AND RESOURCES

## CORPORATE SERVICES

### PROGRAM OBJECTIVE

- To provide leadership and decision support services to Energy, Mines and Resources' branches in communications, finance, administration, records management, information technology, human resources and library/research services.

<b>CAPITAL EXPENDITURES (\$000s)</b>	<b>2006-07 ESTIMATE</b>	<b>2005-06 FORECAST</b>	<b>% CHANGE</b>	<b>2004-05 ACTUAL</b>
Office Furniture, Equipment, Systems and Space	358	345	4%	177
Operational Equipment	115	70	64%	69
Mobile Abattoir	175	0	100%	0
<b>Total Corporate Services</b>	<b>648</b>	<b>415</b>	<b>56%</b>	<b>246</b>

## ENERGY, MINES AND RESOURCES

### SUSTAINABLE RESOURCES

#### PROGRAM OBJECTIVES

##### Lands:

- To ensure land is available for Yukoners and Yukon development projects.
- To develop resource management policies to implement Big Game Outfitter land tenure, residential placer occupancy, commercial wilderness and spot land recreation tenure.
- To implement the lands digital map framework for Yukon.

##### Forestry:

- To continue development of a forestry policy framework which reflects an integrated resource management approach in preparation for a *Yukon Forest Stewardship Act*.
- To manage Yukon's forest resources in a sustainable manner.
- To issue timber harvesting authorizations, approvals and permits in a responsible, timely and consistent manner.
- To ensure land is available for Yukon forest projects and to provide access to harvestable wood.
- To provide a basic silviculture program that will ensure reforestation of areas logged, burnt by wildfires and/or killed by insects and disease.
- To carry out planning and implementation of burnt timber salvage in Yukon.
- To undertake and maintain the Yukon forest inventory.
- To provide public and stakeholder information, education and awareness regarding basic forest science knowledge, forest management activities, issues and challenges in Yukon.

##### Agriculture:

- To promote an agricultural industry that provides economic benefits to the Yukon in an environmentally sustainable fashion, while reflecting broad social values.
- To provide policy and program support to enhance productivity, profitability and sustainability of the industry.
- To implement the Agriculture Policy Framework (APF) Agreement.
- To make agricultural land available to industry.

## ENERGY, MINES AND RESOURCES

### SUSTAINABLE RESOURCES (Cont'd)

CAPITAL EXPENDITURES (\$000s)	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
<b>Lands</b>				
Rehabilitation of Land	40	40	0%	41
<b>Forestry</b>				
Forest Inventory	250	315	-21%	684
Forest Engineering	360	797	-55%	275
Forest Management Plans Implementation	250	250	0%	115
Forest Silviculture	150	250	-40%	0
<b>Agriculture</b>				
Agricultural Land Development	50	75	-33%	31
<b>Total Sustainable Resources</b>	<b>1,100</b>	<b>1,727</b>	<b>-36%</b>	<b>1,146</b>

## ENERGY, MINES AND RESOURCES

### ENERGY AND CORPORATE POLICY

#### PROGRAM OBJECTIVES

- To develop policies, strategies, programs and legislative instruments to support resource management and development, in keeping with government-wide priorities.
- To provide policy and program advice to the government on energy matters, including developing a comprehensive Yukon Energy Framework Strategy and a Climate Change Strategy.
- To provide resource sector input into land-based initiatives including land claims agreements and protected areas.
- To increase the public's awareness and understanding of departmental priorities, programs, policies and initiatives.
- To manage, support and coordinate Government of Yukon's regional land use planning responsibilities.
- To engage all energy users (individuals, businesses, public organizations, communities and First Nations) in energy efficiency programs through the operation of the Energy Solutions Centre.

<b>CAPITAL EXPENDITURES (\$000s)</b>	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
<b>Energy and Corporate Policy</b>				
Resource Infrastructure Development	50	100	-50%	133
<b>Total Energy and Corporate Policy</b>	50	100	-50%	133

## **ENERGY, MINES AND RESOURCES**

### **OIL AND GAS AND MINERAL RESOURCES**

#### **PROGRAM OBJECTIVES**

##### **Assessment and Abandoned Mines:**

- To direct and oversee the care and maintenance and orderly planning and closure of Type II mine sites per the Devolution Transfer Agreement (DTA) and enter into suitable funding arrangements with the federal government for agreed-upon work.
- To facilitate First Nation and community participation in closure planning and in business and employment opportunities associated with site management and closure.
- To facilitate the sale or the legal abandonment of Type II mine sites to allow the mine sites either back into production or into closure.

##### **Oil and Gas Development and Pipeline:**

- Facilitate investment in and development of Yukon's oil and gas resources in a manner that increases employment, training and business opportunities for Yukon people.
- Promote Yukon's oil and gas resources, maximize economic opportunities and secure local benefits from Yukon oil and gas development and pipeline projects, including the Alaska Highway and Mackenzie Valley projects.
- Ensure access to a Mackenzie Valley transmission pipeline for north central Yukon natural gas.
- Develop sector policy and strategies for oil and gas development and pipeline projects including a clear and timely regulatory process for the pipeline project.
- To develop a shared offshore oil and gas regulatory regime with Canada.

##### **Oil and Gas Management:**

- To build a competitive oil and gas management regime.
- To implement government-to-government arrangements vis-à-vis disposition rights.
- To manage Yukon's oil and gas resources.
- To regulate Yukon's oil and gas operations and facilities.

##### **Mineral Resources:**

- To facilitate sustainable exploration, development and mining of Yukon's mineral resources through education, promotion, project coordination and effective government policies and support.
- To support and facilitate development and implementation of a new Yukon Placer Authorization.
- To efficiently manage Yukon's mineral resources including certainty of mineral tenure and build a competitive regulatory mineral management regime.

##### **Yukon Geological Survey:**

- To generate, compile and distribute technical information about the geology, mineral and energy resources of Yukon to clients and stakeholders.
- To stimulate investment in mineral exploration and development by providing incentives to prospectors and exploration companies.
- To undertake mineral and energy potential assessments to be used in planning and regulatory processes prior to land being withdrawn from disposition for mineral or energy development.



## ENERGY, MINES AND RESOURCES

### OIL AND GAS AND MINERAL RESOURCES (Cont'd)

<b>CAPITAL EXPENDITURES (\$000s)</b>	<b>2006-07 ESTIMATE</b>	<b>2005-06 FORECAST</b>	<b>% CHANGE</b>	<b>2004-05 ACTUAL</b>
<b>Oil and Gas Development and Pipeline</b>				
Alaska Highway Pipeline and MacKenzie Gas Project Analysis	<b>1,008</b>	1,008	0%	676
Alaska Highway Aboriginal Pipeline Coalition	<b>200</b>	200	0%	205
<b>Oil and Gas Management</b>				
Yukon Oil and Gas Information Systems	<b>140</b>	120	17%	188
Kaska Economic Table	<b>50</b>	100	-50%	100
Resource Assessments - Oil and Gas	<b>175</b>	125	40%	28
<b>Yukon Geological Survey</b>				
Yukon Mining Incentives Program (YMIP)	<b>775</b>	850	-9%	857
Resource Assessments - Minerals	<b>500</b>	1,402	-64%	451
Geological Surveys	<b>875</b>	835	5%	959
<b>Total Oil and Gas and Mineral Resources</b>	<b>3,723</b>	4,640	-20%	3,464

## ENERGY, MINES AND RESOURCES

REVENUES (\$000s)	2006-07 ESTIMATE	2005-06 FORECAST	% CHANGE	2004-05 ACTUAL
<b>THIRD-PARTY RECOVERIES</b>				
<b>Sustainable Resources</b>				
<b>Forestry</b>				
Forest Engineering	360	160	125%	0
<b>Agriculture</b>				
Agricultural Land Development	50	75	-33%	11
<b>Total Third-Party Recoveries</b>	410	235	74%	11
<b>RECOVERIES FROM CANADA</b>				
<b>Sustainable Resources</b>				
<b>Forestry</b>				
Forest Inventory	250	315	-21%	684
<b>Oil and Gas and Mineral Resources</b>				
<b>Yukon Geological Survey</b>				
Prior Years' Recoveries	0	902	-100%	70
<b>Total Recoveries from Canada</b>	250	1,217	-79%	754
<b>TOTAL REVENUES</b>	660	1,452	-55%	765

## ENERGY, MINES AND RESOURCES

<b>TRANSFER PAYMENTS (\$000s)</b>	<b>2006-07 ESTIMATE</b>	<b>2005-06 FORECAST</b>	<b>% CHANGE</b>	<b>2004-05 ACTUAL</b>
<b>CONTRIBUTIONS</b>				
<b>Sustainable Resources</b>				
<b>Forestry</b>				
Forest Management Plans Implementation	<b>150</b>	150	0%	115
<b>Energy and Corporate Policy</b>				
Prior Years' Contributions	<b>0</b>	0	0%	31
<b>Oil and Gas and Mineral Resources</b>				
<b>Oil and Gas Development and Pipeline</b>				
Alaska Highway Pipeline Analysis	<b>275</b>	275	0%	16
Alaska Highway Aboriginal Pipeline Coalition	<b>200</b>	200	0%	205
<b>Oil and Gas Management</b>				
Kaska Economic Table	<b>50</b>	100	-50%	100
Resource Assessments - Oil and Gas	<b>25</b>	0	100%	0
<b>Yukon Geological Survey</b>				
Yukon Mining Incentives Program (YMIP)	<b>650</b>	728	-11%	670
Resource Assessments - Minerals	<b>155</b>	1,020	-85%	200
Geological Surveys	<b>100</b>	100	0%	101
<b>TOTAL TRANSFER PAYMENTS</b>	<b>1,605</b>	2,573	-38%	1,438