

Satisfy your thirst for blood
Rent over 3,000 horror films from Zip.
No late fees. No due dates.

Calgary ☀️ 1.6°C Sunny; Tomorrow 11°C Sunny 🌧️



- [News](#)
- [Sports](#)
- [Entertainment](#)
- [Radio](#)
- [TV](#)
- [My Region](#)

Search CBC.ca

Edmonton

[Main](#)
[Features](#)
[Programs](#)
[Community](#)
[Weather](#)
[Audio/Video](#)
[Contact](#)



[Main](#) > [Timeline: royalty review](#)

Timeline: royalty review

A look inside internal government reports calling for change:

2000

Early 2000: Concerns raised in Energy Department about government's take with higher petroleum prices. Series of internal presentations by oil business unit don't conclude changes to royalties are necessary, but recommend "further investigation of rent share in the high commodity price environment."

Prices begin to exceed royalty caps, meaning at a certain point, the government's share falls as prices rise.

December 2000: Government presentations conclude caps on oil royalty rates should be removed and a higher marginal rate be set for high oil prices.

Natural gas prices close out year near \$14 Cdn/gigajoule, while oil prices hover around \$25 US/barrel.

2003

Menu

- [Main](#)
- [Listen / watch online](#)
- [News archive](#)
- [Stelmach's new royalty plan](#)
- [The royalty review report](#)
- [The panel](#)
- [The Auditor general's report](#)
- [Reports and analysis](#)
- [Timeline: royalty review](#)
- [Who said what](#)
- [What do others charge?](#)
- [History of Alberta's royalty regime](#)
- [Op-ed: Report far from extreme](#)
- [Op-ed: Think and act like an owner](#)
- [Oilsands: Canada's largest oil source](#)
- [Your View](#)

Features



Have your say
What do you think of premier Stelmach's new royalty regime?



CBC Public Forum
Join CBC and a panel of experts for this public forum October 30th at 7pm.

High oil prices, higher operating and capital costs, and federal and provincial tax changes prompt department's oil business unit to repeat its royalty review.

It concludes that removing the caps and implementing a higher marginal rate on the oil royalty rates is not required at the time.

Natural gas prices hover around \$5-\$7 Cdn/gigajoule for the year, while oil prices continue an upswing towards \$30 US/barrel.

2004

Early 2004: Department of Energy's annual report says a royalty review was completed and that Alberta's royalty regimes "successfully encourage continued development while collecting a fair share of resource development profits."

However, no detailed internal report supports this assertion in the annual report, auditor general finds.

Natural gas remains around \$5 to \$7 Cdn/gigajoule for most of the year, while crude prices soar to around \$55 US/barrel at one point.

December 2004: Internal report concludes government should consider increasing the marginal royalty rates for high conventional oil and natural gas prices, and lower the royalty rate at low oil prices.

For oilsands royalty, the review also suggests government look at adjusting net royalty rates at high prices, simplify the regime, and expand the royalty collection options.

2005

November 2005: Internal review comes to the same conclusions as one conducted in 2004, suggesting government consider increasing royalties for oil, natural gas and the oilsands.

Key documents from the 2005 departmental review find that an "Executive Committee Decision Request" discussed a Sustainability Levy with higher royalty rates, "credits for qualifying strategic value creation investments", as well as the beginning of an initiative to create an "integrated framework" for energy development in Alberta.

The "Request" indicates that the "minister (Greg Melchin) decided not to go forward."

Natural gas prices spike at \$14 Cdn/ gigajoule near end of the year, while oil prices continue a steady march upwards and float between \$60 to \$70 US /barrel in the latter half of the year.

2006


January 2006: A reworked version of the 2005 royalty review concludes government should:

- Adjust oil and gas royalty rates at higher prices or introduce new vintages;
- Terminate the current Deep Gas Royalty Holiday program and consider a more focused program; and
- Eliminate the Alberta Royalty Tax Credit.

The conclusions for the deep gas holiday and royalty tax


Natural gas prices fluctuate between \$5 to \$8 Cdn/ gigajoule for much of the year, while oil prices reach dizzying heights of more than \$75 US/barrel about the same time Melchin makes his presentation to the committee.

Reaction to Stelmach's royalty plan

[John Archer sums up the plan](#) 
CBC Radio legislative reporter distills Stelmach's new plan


[CAPP is concerned](#) 

[Pembina Institute disappointed](#) 

[Panel review](#) 
Camam MacGillivry of ENDEV Energy Inc., and David Allwright of the Bisset School of Business at Mount Royal College.

[Political commentary](#) 
Graham Thomson and Jim Gray talk about the politics

Reaction to Stelmach's TV address

[Kevin Taft](#), Liberal leader 

[Brian Mason](#), NDP leader 



[Premier Stelmach news conference](#)

Listen to full, unedited audio of premier Stelmach's speech.

Full news conference available in 2 parts:

[Part 1](#)  (10:21)

[Part 2](#)  (12:19)



[Auditor General Extended Audio](#)

Listen to full, unedited audio of the Auditor General's news conference. (runs 14:26)



[On Air](#)

Listen and watch our news coverage and extended interviews on Alberta's royalty future.

Related Stories

[Alberta royalty change barely shakes energy markets](#) - Oct. 26, 2007

[Alberta increases royalty rates charged to energy companies](#) - Oct. 25, 2007

Analysis: [John Archer on what today's decision will mean for Stelmach](#) - Oct. 25, 2007

credit were implemented. The other conclusions were not.

March 2006: A followup document to the 2005 review estimates the "absolute minimum" that Alberta could increase its share on natural gas alone is \$1 billion to \$2 billion annually at prices above \$5/(thousand cubic feet)".

August 2006: Melchin makes a presentation to a government standing policy committee. The information "suggests the need to increase Alberta's share although that conclusion is not explicitly stated."

Courtesy: Calgary Herald

Next > [Who said what](#)

[^ Top Of Page](#)

[Jobs](#) | [Contact Us](#) | [Permissions](#) | [Help](#) | [RSS](#) | [Advertise](#)
[Terms of Use](#) | [Privacy](#) | [Ombudsman](#) | [Other Policies](#)
[Copyright](#) © CBC 2007

[New energy royalties system on the way, says Alberta premier](#) - Oct. 25, 2007

[Alberta Liberals Support "Non-Negotiable" Royalty Increase](#) - Oct. 23, 2007

[More stories >](#)

Related Links

CBC LINKS

[INDEPTH: OIL](#)

Supply and demand: World oil markets under pressure

EXTERNAL LINKS

[Annual report of the Alberta auditor general](#)


[Our Fair Share: final report](#)

Alberta government appointed panel's report released Sept. 18, 2007.

[Government's royalty feedback website](#)

[The Parkland Institute](#)

[Canadian Association of Petroleum Producers](#)

 (Note: CBC does not endorse and is not responsible for the content of external sites - links will open in new window)