

KEVIN O'REILLY—MLA FRAME LAKE

Environmental Studies Research Fund

Committee of the Whole—2016-2017 Operating Budget Review

Industry, Tourism and Investment—June 16, 2016

CHAIRPERSON: (Mr. McNeely): Yes. We're going to go back to that activity total afterwards, and 251. Questions on 251. Seeing none. We shall go back to 248, Industry, Tourism, Investment, tourism and parks, Operations Expenditures Summary, Activity Total, \$14,283,000. Agreed. Page 252, Industry, Tourism, Investment, Northwest Territories environmental studies research fund. Questions. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. As I understand it, this is something that was set up as a result of requirements in the federal legislation. We simply mirrored it, but I have some questions about how that was done and so on. I want to start with the revenue line here. There's a big drop between 2014-15 and 2015-16. Can someone explain what that drop is all about? Thanks, Mr. Chair.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. O'Reilly. Mr. Minister.

HON. BOB MCLEOD: Yes, thank you, Mr. Chair. The money came from the feds, and there's been no activity whatsoever, so it's down to zero. The money is provided by industry as well normally. Thank you, Mr. Chair.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. Minister. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. Just so I understand it, this was some money that was given to us for devolution implementation as a pot or something, and now we've spent it all? Is that what I'm hearing here, Mr. Chair? Thanks.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. O'Reilly. Mr. Minister.

HON. BOB MCLEOD: Thank you, Mr. Chair. It wasn't--the money was collected from the oil and gas industry that required to put the money into this environmental studies research fund, and normally, it would--there was a going concern, there would be additional funding going into the revolving or research fund, but the fact that there's no activity in the oil and gas sector, so there's no industry putting any money into it. The money that had 974, I'll ask through you, Mr. Chair, I'll ask Ms. Archibald to provide further detail. Thank you, Mr. Chair.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. Minister. Ms. Archibald.

MS. ARCHIBALD: Yes, thank you, Mr. Chair. The Member is correct that the environmental study's research fund was established under the Petroleum Resources Act. It's a special-purpose fund, and the purpose is to provide funding to environmental and social studies designed to assist in decision making processes related to oil and gas exploration, development, and production. It was exactly mirrored as was a requirement under the devolution agreement, so we did not make any changes. It was formally established in September of last year.

Just to clarify a point, the monies represented here are money from industry that are derived from levies on them, and the levy is calculated on the basis of the size or the acreage of their interest holders. Part of the reason that there has been a decline is that the amount of levy is tied directly to the amount of--the dollar value of research proposals that we receive, and so for this year, the amount, the total

dollar value of the proposals was \$100,000, and the levy was established and divided up amongst the oil and gas interests on that basis to support those. This year, it's four projects related to looking at the effects on caribou and water. Thank you, Mr. Chair.

CHAIRPERSON: (Mr. McNeely): Thank you, Ms. Archibald. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair, and I appreciate the answer. I'm somewhat familiar with the fund and what it does. We're not actually collecting any revenues this year to support work under the fund. Is that what I'm getting here, Mr. Chair? Thank you.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. O'Reilly. Mr. Minister.

HON. BOB MCLEOD: That's correct, Mr. Chair.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. Minister. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. As I understand, I think there is, though, some sort of a research agenda or a strategic plan or whatever for research under this fund, so there's still more work to be done. We haven't been collecting any money to do it. Is that where we're at, Mr. Chair? Thank you.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. O'Reilly. Mr. Minister.

HON. BOB MCLEOD: Thank you, Mr. Chair. Yes, there is an annual plan. Thank you, Mr. Chair.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. Minister. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I understand that the department is going to be looking at the Petroleum Resources Act and reviewing that during the 18th Assembly. Is there any plan to look at the composition of the board and try to make the process a little bit more open and transparent? I don't think there's actually like a public call for proposals, and the board could probably use a little bit more public interest representation. Are those matters that the department will be looking at in reviewing the Petroleum Resources Act? Thanks, Mr. Chair.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. O'Reilly. Mr. Minister.

HON. BOB MCLEOD: Yes. Thank you, Mr. Chair. Yes, we're planning to look at it. There is a public Member at large on the board, and there is a public call for proposals, but all of those things will be looked at as we go forward in reviewing the different oil and gas legislation that we talked about earlier. Thank you, Mr. Chair.

CHAIRPERSON: (Mr. McNeely): Thank you, Mr. Minister. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I appreciate the commitment of the department to look at trying to make the fund a little more transparent and accountable and representative of the public interest. Thanks, Mr. Chair.