

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

SOCIO-ECONOMIC AGREEMENTS

February 16, 2017

MR. O'REILLY: Merci, monsieur le President. GNWT has negotiated socio-economic agreements for the following projects:

- Ekati Mine, 1996;
- Diavik Mine, 1999;
- Snap Lake Mine, 2004;
- Mackenzie Gas Project, 2007;
- Prairie Creek Mine, 2011; and
- Gahcho Ku'e Mine, 2013.

We all know that at least two of these projects announced the closure of their offices in the Northwest Territories and moved to Calgary. The most recent announcement by Dominion Diamond Corporation was met with silence by our government. Constituents contacted me about the loss of jobs and businesses for Yellowknife. I could only tell them that our government had negotiated a socio-economic agreement that did not contain any enforceable requirements for offices in the Northwest Territories.

Having reviewed the agreements again, I can see that Dominion is not required to have an office in the Northwest Territories. Diavik is to have an office in the Northwest Territories, and others are to have human resources offices only. Altogether, these agreements seem to be best-efforts arrangements, without any real targets or requirements with specified penalties or sanctions.

Our socio-economic agreements pale against the Voisey's Bay Development Agreement negotiated in September 2002. That arrangement contained the following:

- \$10 million from Inco for an endowment to Memorial University;
- another \$10 million from Inco for an innovation centre at Memorial University;
- \$130 million in research and development commitments, including a site to process concentrates in Newfoundland and Labrador;
- \$95 million in underground exploration and development to prolong the life of the mine;
- experts panels that can independently review the plans for the mine; and
- one or more offices for the development and operation of the mine, including engineering services and information centres to be located in three communities.

Here, we seem to live in fear that any terms and conditions will drive away development. In Newfoundland and Labrador, they imposed robust conditions and have 15 years of benefits to show for it. With our new authority under devolution, surely to goodness we can negotiate better agreements with resource developers to ensure more of the benefits are retained here.