

KEVIN O'REILLY—MLA FRAME LAKE
Environmental Liabilities
Committee of the Whole—2017-2018 Operating Budget Review
Dept. of Finance—March 2, 2017

MR. O'REILLY: Thanks, Mr. Chair. It is on page 145, environmental liabilities. It is just a flat million dollars. Are we not assessing these sites so that we understand the liabilities better? Are we remediating the sites and getting these liabilities off our books? What is happening here? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. McNeely. Mr. Stewart.

MR. STEWART: Thank you, Mr. Chair. The way the environmental liabilities work for our own sites is we have a listing of all of the GNWT sites with liabilities. We have a liability fund of about \$48 million that is put away to clean up those sites. The \$2 million that you see in the main estimates reflects the changes on an annual basis that we would expect to happen as we either get better estimates of costs or that we clean up things or adjust them or, frankly, as new sites are identified and those sorts of things. The \$2 million is actually almost like a debt value, if you like, because there may be negative adjustments as well as positive adjustments. It really is how we adjust that \$48 million liability fund as we clean up things and also then as we identify new sites or get further detailed estimates on the cost of cleanup and that sort of detail. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Stewart. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. Maybe I am just a little bit thicker today. This \$2 million, is this money that we allocate on an annual basis then into the liabilities fund? Is that what is happening? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Mr. Stewart.

MR. STEWART: Thank you, Mr. Chair. I think the short answer would be yes, but it really is based on, as opposed to just going in with the \$2 million, it is as we refine estimates of cost and those sorts of things or identify new sites, it is sort of up to \$2 million. Although, obviously, if some event happened and you had to allocate more, then we would have to come back for a supplementary appropriation or those sorts of things. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Stewart. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. That is very helpful. Even the 2016-17 revised estimates, there is a two and then some very round zeros after that. I am not sure if that actually reflects the work that is done or is it just an estimate. Does it actually get reconciled in some way or does that happen through the public accounts? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Mr. Stewart.

MR. STEWART: Thank you, Mr. Chair. That one is actually a very interesting case,

because that was one where there was an offset of new sites identified and costs, as well as reductions as we cleaned up or sites, so it netted out to zero, the impact that year; but there was actually activity both positive and negative that led to that point. It wasn't that there wasn't anything going on. It just happened to net at that level for that fiscal year. Thanks, Mr. Chair.