

## MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

### RESOURCE ROYALTIES REPORTING

October 29, 2018

**MR. O'REILLY:** Merci, Monsieur le President. During the summer, my office cobbled together information on the amount of money that our public governments get in return for the extraction of our non-renewable resources.

According to figures from the NWT Bureau of Statistics, the value of diamonds mined in the Northwest Territories since 1999 is \$29.4 billion. The value of all mineral, oil, and gas production was \$38.6 billion. Unfortunately, the public accounts for both the federal and the NWT governments don't report separate royalty figures for each type of mineral, oil, or gas, so it's impossible to see exactly what royalties were paid on diamonds. The value of production figures are for calendar years, not the fiscal year report of royalties. Using the best data at hand, we estimate that, for the \$39 billion in minerals, oil, and gas, the public governments received \$1.2 billion in royalties, or a measly 3 per cent of total production value.

A GNWT-commissioned report on our management of resources describes our return as "paltry" under the "world's most charitable fiscal regime for the mining sector." The most recent study released by ITI, "Policies for Generating Socio-Economic Benefits from Natural Resource Extraction Projects," that I will table later today, makes the statement that, if the NWT were a country, it would be the second-richest in the world after Luxembourg on a GDP-per-capita basis. While our government receives more from tobacco tax than royalties this year, Cabinet has cut programs and service in the name of fiscal austerity and refuses to review our resource royalty regimes. So much for the "evolve" following "devolve" and responsible management of resources.

As legislators, we have been told that we cannot have precise amounts of the royalties paid for each extractive industry, just as our federal government and the entire world moves to greater accountability and transparency in reporting of resource revenues. Royalty amounts for diamonds are lumped in with other minerals, even sand and gravel. I have asked for these details but have been refused. I think that's shocking. One of the foremost responsibilities as a legislator is oversight of our public finances. One of our greatest duties is to ensure citizens get a fair return for the exaction of our one-time natural capital. I will have questions later today for the Minister of Industry, Tourism and Investment. Mahsi, Mr. Speaker.