

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 500-18(3): NICO PROJECT SOCIO-ECONOMIC AGREEMENT

February 5, 2019

MR. O'REILLY: Merci, Monsieur le President. My questions are for the Minister of Industry, Tourism and Investment. I have looked at the NICO Socio-Economic Agreement, but there are no sanctions or penalties for non-compliance or failure to reach targets. It is basically an unenforceable best efforts arrangement. For example, with employment and training targets, why not make a payment into a training or education fund or program if the targets aren't reached? Can the Minister explain why our government continues to sign best efforts agreements without any teeth, without any sanctions or penalties? Mahsi, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Industry, Tourism and Investment.

HON. WALLY SCHUMANN: Thank you, Mr. Speaker. Our government has long taken an approach of working in collaboration and partnership with industry and Indigenous governments, which has evolved from a time when we did not have the authorities and responsibilities that we are going to be having since devolution has taken place.

That said, we believe that our approach is working. These agreements have been signed and fostered billions of dollars in procurement and thousands of jobs for residents of the Northwest Territories since they were introduced in the 1990s, Mr. Speaker. The socio-economic agreements are one of those tools that we use to bring our partnerships to the table. There are targets that are set, but these are just targets. We are responsible for a degree of this because we are responsible for workforce development.

With that being said, again, as I have said, these are successful based on our accountability, and we do demand a face-to-face meeting with the companies and Indigenous governments and ourselves and local communities. We believe these things are working. Thank you, Mr. Speaker.

MR. O'REILLY: Thanks to the Minister for confirming that this is another one of those unenforceable agreements. I tabled a University of Victoria study in the fall that pointed out how our socio-economic agreements are rather poor, and lots of ways to improve that. I would like the Minister to explain how that review, or any other work that is going on within the department, of our weak socio-economic agreements played into what was negotiated with Fortune Minerals for the NICO Project.

HON. WALLY SCHUMANN: As the Member may not know, this agreement with Fortune has been in the works for some time, and we will continue to work on it. We signed with them last week in Vancouver. Its structure and its approach has been based on previous agreements that we have negotiated and put into place with the Government of the Northwest Territories. While we are reviewing our socio-economic agreements, the work is ongoing, and it has not reached a point where any conclusions

or decisions have been made or could be reflected in the Fortune agreement.

MR. O'REILLY: The Minister didn't answer my question, but of course, he is not obligated to do that.

The Tlicho government issued its own news release on the signing of this agreement, the NICO Agreement, and they said that they believe it is a breach of the Tlicho Agreement and entirely inconsistent with this government's policy on engagement with Indigenous governments. Can the Minister confirm that there was no real consultation with the Tlicho government before the signing of this agreement and explain why?

HON. WALLY SCHUMANN: For those of you who don't know, these are agreements on broad benefits for the Northwest Territories. It was negotiated with Fortune Minerals by our government and my department specifically on behalf of all residents of the Northwest Territories, including those in the Tlicho region. There is no requirement to engage the Tlicho government. We had hoped that, given this level of benefit to the Tlicho people, they would participate in the ceremonial signing agreement and be witnesses to this, but they chose not to.

That said, in December we met with the Tlicho government to discuss the contents of the SEA. We presented them with the substance of the agreement, including employment and procurement targets, and took comments from them ahead of finalizing and sharing our final SEA with them and Fortune last week.

MR. SPEAKER: Masi. Oral questions. Member for Frame Lake.

MR. O'REILLY: Merci, Monsieur le President. I would like to thank the Minister again for confirming that there was no serious consultation. You would think that our government would talk to the Tlicho government before deciding where the learning centre might be located or where a legacy project might be located. That is not the way we should be doing business.

Mr. Speaker, lastly, it appears that this agreement was rushed through without consultation with the Tlicho government, signed at a mining conference down south, and entered into before a new higher bar might be established in the Mineral Resources Act. Can the Minister explained why this agreement was signed in Vancouver and rushed through before the Mineral Resources Act might establish higher standards? Mahsi, Mr. Speaker.

HON. WALLY SCHUMANN: As the Member knows, we are going to be sharing the specifics of our bill very soon in this Legislative Assembly, and that would be an appropriate time to comment on that.

With that, I would like to say that, generally, legislation of this type takes periods of years to come to and enforce after supporting regulations are developed. I wouldn't anticipate that we would want to wait until that act came into force to pass negotiation benefits for our residents. Thank you, Mr. Speaker.