

**KEVIN O'REILLY—MLA FRAME LAKE**  
**Project Assessment Policy**  
**Committee of the Whole—2019-2020 Operating Budget Review**  
**Dept. of Lands—March 7, 2019**

**MR. O'REILLY:** Thanks, Mr. Chair. I realize I am the only thing standing between folks and dinner. I want to ask about the fabled project assessment policy, because it does not seem to be working out very well. The Tlicho All-Season Road, I guess it was used there, and the Mackenzie Valley Environmental Impact Review Board was highly critical of our government's involvement in that environmental assessment. Can the Minister confirm for me that the project assessment policy was applied to TerraX in their recent application for exploration in the Yellowknife area? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Hagen.

**MR. HAGEN:** Thank you, Mr. Chair. Well, I guess for one thing, we have a difference of opinion. I think the assessment policy worked very well and was very successful in the Tlicho All-Season Road. We went through a very complicated environmental assessment. We got through it. It was signed off by the feds and planned off by my Minister, and it's now in the licensing and permitting, and that will be all done by fall, when, hopefully, they will be starting construction. As for TerraX, I think you are well aware that there was some delay in getting them a water licence, which they should have today, actually, but they have decided to cancel their program for the winter. Yes, we are going to use the assessment process where all departments are working together and Department of Lands is coordinating the regulatory process going forward with TerraX. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. The Minister would like to add something. Minister.

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. I just want to let the Member know that the Department of Lands is coordinating a GNWT-wide review of the project assessment function to identify areas where we might make improvements and to identify priorities. Also, we are coordinating, the department, a GNWT-wide "lessons learned" exercise on the Tlicho All-Season Road environmental assessment, so we are looking at the past to make sure that we can make improvements on the future. My final statement is one I know will be accepted well by the Member: the GNWT manages its various roles as proponent and regulatory decision-maker to avoid any real or perceived apprehension of bias.

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

**MR. O'REILLY:** Thanks. That is great. I appreciate that sentiment from the Minister. I did want to reply to one of Mr. Hagen's comments. It's not me saying that the GNWT did not participate well in the Tlicho All-Season Road. That comes from the review board itself, in the developer's assessment report. The review board was highly critical of our government on the Tlicho All-Season Road. TerraX is not proceeding with its exploration this winter. This project assessment policy does not seem to be working

very well. The Minister talked about how there is going to be a "lessons learned" coming out of the Tlicho All-Season Road environmental assessment. Has that been completed, and can the Minister share that with the standing committee? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Hagen.

**MR. HAGEN:** Thank you, Mr. Chair. The fact that TerraX is not proceeding has nothing to do, absolutely nothing to do, with the policy at all. They decided not to go forward because they did not get a class B water licence in time. Part of that was the Department of Fisheries and Oceans holding up the process, not deliberately. Once they decide they are going to move forward, which I assume will be perhaps even this summer, then we will be back in with the policy and coordinating all of the departments together. So it works very well, and we will do a "lessons learned" on the Tlicho All-Season Road. Although, from where I sit, there are really not a lot of lessons to be learned. It was well carried out. It was successful. Thank you, Mr. Chair.

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

**MR. O'REILLY:** Please, Mr. Chair. That didn't really answer my question: has that exercise been completed, and, if so or if it's going to be happening in the future, can the Minister agree to share the report with the standing committee? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister Sebert.

**HON. LOUIS SEBERT:** This review of lessons learned or this exercise to examine the Tlicho All-Season Road assessment, we are coordinating, as I say, a GNWT-wide "lessons learned" exercise. That has not yet been completed. If it is and when it is completed, if I have the ability to do so, I will share it with committee. I do appreciate the Member's concern about this whole area, and I did not mean to make light of the fact that we are the proponent and regulator on some projects. It does have its complexities, which I understand. I can't think of a different or better way of being both proponent and regulatory decision-maker, but, certainly, we have to review our project assessment function to make sure that it's transparent and works well. This is going to be an ongoing issue, and I just want Members to know that we are looking at making improvements. I think perhaps Mr. Hagen would like to elaborate on that. Thank you.

**CHAIRPERSON (Mr. Simpson):** I will actually go back to Mr. O'Reilly. It's his time, and we are running low. Mr. O'Reilly.

**MR. O'REILLY:** Yes, thanks, Mr. Chair. I will just read a quick quote from the review board. The board found that the so-called whole-of-government approach, and this is the quote, "has limited the ability of evidence and expertise from GNWT departments about the potential impacts, concerns, and mitigations on issues within their respective mandates and jurisdictions." That, to me, is pretty damning. That is not coming from me. That is coming from the review board, so I want to encourage the Minister, and I think he is made a commitment before that he is going to review how this policy has been working. I think it has failed this government twice now, and I don't agree with Mr. Hagen's assessment. If we maybe had provided better advice to the proponent, better advice to the land and water board, maybe TerraX might be out there exploring right

now. I think we can and should be doing a lot better, and that policy is not working. Is the Minister prepared to review that policy and share that with the standing committee? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. I will ask that we keep this very tight. We are very far into policy now, not so much in the budget. Minister, please respond.

**HON. LOUIS SEBERT:** Yes. I think that I agree with the comment that we can do better. Yes, we're going to be looking at these policies, the review of the GNWT's project assessment function, to look at areas for potential improvements, and I'm sure we can share that as we proceed. We want to hear from committee with their input because, in the end, I think we have the same object. We want to make the system better. Thank you.