

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

SIGNIFICANT DISCOVERY LICENCES

February 28, 2019

MR. O'REILLY: Merci, Monsieur le President. The Minister of Industry, Tourism and Investment has issued 10 significant discovery licences for oil and gas since devolution. The area covered by these licences is almost 2,200 square kilometres, an area about 39 percent the size of Prince Edward Island.

Our government will get no revenues, generate no taxes, and ensure no employment and no benefits from these areas that are now tied up virtually forever.

Significant discovery licences arose in the federal legislation that we inherited for petroleum resources. They allow companies to have exclusive ownership of oil and gas rights without having to do any work or pay any fees, forever. Companies can even get these licences without doing anything except being near another significant discovery licence. A Minister could require drilling to take place, but this has never been done. Such licences amount to a resource giveaway that does nothing for our economy or for future generations.

Unfortunately, this has happened under our watch after devolution. The Minister had and still has options to change this bad move. This should have been fixed right after devolution, rather than waiting for five years. There was no reason to wait this long, and other options may have been open to the Minister.

Some of the ways to deal this problem include fixed terms for significant discovery licences, limiting their size, setting work requirements or fee payments, or even eliminating such authorizations so an operator would move directly to a production licence. Solutions are the subject of a bill before this House, and I will not discuss this any further.

Needless to say, I will have questions for the Minister of Industry, Tourism and Investment over the post-devolution issuance of 10 significant discovery licences, how this happened, and what options may be open to generate benefits and revenues. Mahsi, Mr. Speaker.