

KEVIN O'REILLY—MLA FRAME LAKE
Reduced Land Inspection Resources
Committee of the Whole—2017-2018 Operating Budget Review
Dept. of Lands—February 23, 2017

MR. O'REILLY: Thank you, Mr. Chair. So, I just want to get this straight. We had the Minister first say that these cuts were being made because there was reduced activity. Then it transitions now into explanation that they re-jigged the risk matrix so that there is less work to do and that is why the cuts are being made. That does not really quite flow the way I had expected an evidence-based decision to come out of that.

Let's start with facts here. First, when we got devolution, we promised that we were going to do better than the federal government, and that is promise that was made to our residents. Now, the Minister says, at least initially, that part of the reason for doing this a reduced level of activity out there. I don't see any evidence of that. Where is the evidence that there is a reduced level of activity out there?

If you look at the business plan for the department, and the deputy minister talked a little bit about this, in 2014-15, 669 inspections were carried out; in 2015-16, 791 inspections were carried out. That is on leases, water licences, reservations' land use permits. This year their target is 768. That is a little bit of a dip. That is not a lot. Commissioner's land assessment activities, these are, looking at commissioner's lands, usually close to built-up communities. In 2014-15, there were 1,650 inspections; 2015-16, 2,818.

So, really, where is the evidence that there is a reduced level of activity out there? Does the Minister actually have statistics on the number of active land use permits, active water licences, active leases that we are required to monitor and carry out inspections on that he can point to about a reduced level of activity? Thank you, Mr. Chair.

CHAIRPERSON (Mr. McNeely): Thank you, Mr. O'Reilly. Minister Sebert.

HON. LOUIS SEBERT: Well, Mr. Chair, we have not adjusted the risk framework to meet the reduction. The risk matrix still remains the same, so we based our decisions on that as to the number of inspections required. I don't have all of the numbers requested. I can look into that and get back to the Member, should he wish. Thank you.

CHAIRPERSON (Mr. McNeely): Thank you, Minister Sebert. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. Sure, if the Minister wants to supply that information to support what he said earlier about less activity out there, great. Otherwise, I have a little bit of difficulty. There is no evidence of that, what the Minister has presented.

In any event, let's move on. Let's talk a little bit about Snap Lake and diamond mines. I have been to Snap Lake once. This is a property that is quite high-risk from an environmental perspective and did exceed water licence limits in terms of its discharge into Snap Lake. They had to apply for a water licence amendment, I think maybe once, maybe twice. This is an operation that had promised to do paced backfill of its tailings. Those tailings never were put underground. They are sitting on the surface in a huge pile now, right next to a big lake.

This is a high-risk environmental site out there that, even if it is not operating as a mine, requires us to watch it very carefully. I am glad to hear that we had inspectors out there doing the work. So, we have got a high-risk property, in my opinion, Snap Lake, plus we have actually got another diamond mine that is up and going now, Gahcho Kue, plus Diavik, plus Ekati. So, even if Snap Lake is in closure, it is still high-risk and requires inspection, so we have got four diamond mines that we are actually watching now.

So I have not really heard any evidence of reduced level of activity, even in the diamond mining sector. In fact, we know that there is going to be an expansion to the Ekati project with Jay going ahead. The company said they were going to go ahead. It is been through an environmental assessment. They are going to get a water licence. So does the Minister actually have any evidence that there is reduced activity in the diamond mining sector that would require us to use less money for travel for inspectors? Thanks, Mr. Chair.

CHAIRPERSON (Mr. McNeely): Thank you, Mr. O'Reilly. Minister Sebert.

HON. LOUIS SEBERT: Mr. Chair, I do believe there is evidence that growth in the resource economy has slowed. I hope that is just not anecdotal evidence that I have heard. I do believe that there has been far less in the oil and gas industry, down the valley. As to the diamond industry referenced by the Member, there has been continuing robust, some robust, activity in that. One mine has closed down, and another one has opened. With respect to Snap Lake specifically, I understand that inspections to this point have raised no concerns. Thank you.

CHAIRPERSON (Mr. McNeely): Thank you, Minister Sebert. Mr. O'Reilly.

MR. O'REILLY: Thank you, Mr. Chair. So, I don't believe the Minister has been able to present any hard evidence, facts, figures to support the earlier statement around reduced level of activity. He is got anecdotal information about perhaps there is less spending on mineral exploration, but the facts are there are still lots of water licences, land use permits, leases out there that do require inspections. There is no evidence that that activity has diminished in any way.

Let's go on a little bit further now into this risk matrix that the Minister has spoken about. Can he just provide a little bit more detail about how that risk matrix was tweaked so that now we don't have to do as many inspections and will therefore spend less money? Thank you, Mr. Chair.

MR. SPEAKER: Thank you, Mr. O'Reilly. Minister Sebert.

HON. LOUIS SEBERT: Thank you, Mr. Chair. I am going to ask Mr. Hagen to respond to that. Thank you.

CHAIRPERSON (Mr. McNeely): Thank you, Minister Sebert. Deputy Minister Hagen.

MR. HAGEN: Thank you, Mr. Chair. To go back to a question just before that, Mr. O'Reilly, when you mentioned devolution, the promise that we would be better at inspections than INAC, I was in the Land and Water Board system as chair for 15 years, and we worked with INAC all that time. Their inspections were quite adequate, so I don't know how much we would have to improve on them, although we have probably more

frequency of inspections, even today.

The matrix has never been tweaked. It is the matrix that is used throughout Canada, basically the same system of risk management that you used and you based it on the operation, whether the history of the operator and whether they are more risk-prone than, say, a diamond mine. Then you determine your frequency of visits, inspections, based on how their operation is going and also based on an inspection itself. If the inspection turns out that there are no deficiencies, then you may not go in there every two weeks. It is not necessary. You go in there monthly.

So, it is not tweaked to make reductions. We would have lapsed dollars if we had not done a reduction in travel because our budget is adequate for the time being. I mean, if you want examples, I can give them to you in writing, but all you have to do if you want to see a reduced economy is go into the Sahtu, go into the Beaufort Delta.

In the Sahtu, there is no Husky Oil, there is no ConocoPhillips, who were in that fracking dilemma that they had, and Imperial Oil is handled by the federal government, by INAC. The proven field, that is all federal field. In the Beaufort Delta, all we have there is the Inuvik to Tuktoyaktuk Highway where we are doing inspections. So there is a huge reduction in activity, but, you are right, there are water licences and permits out there, but a lot of them are not active. They are reporting, you know, on it but they are not active. So we are looking to target this year 766 inspections, and that is not all on operating facilities. Some of them are like highways; the ice road, for example. So there are a lot of other inspections that we do that are not related to an activity. Thank you, Mr. Chair.