

**KEVIN O'REILLY—MLA FRAME LAKE**  
**Review of the NWT Royalty Regime for Mining**  
**Committee of the Whole—2020-2021 Operating Budget Review**  
**Dept. of Infrastructure — June 2, 2020**

**MR. O'REILLY:** Thanks, Madam Chair. I understand that the department contracted with PricewaterhouseCoopers for \$300,000 to do a review of the NWT royalty regime for mining. I think it might have been a broader review. I think phase 1 was to be completed in fall of 2019. Is there a report done, and, if so, can we get a copy? Thanks, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Member. Minister.

**HON. KATRINA NOKLEBY:** Thank you, Madam Chair. Yes, there was a report that was done. It was a benchmarking report that did not contain any recommendations. I just want to preface that. We are putting it through our deputy ministers and Cabinet, and then, afterwards, we will bring it to AOC to share. Thank you, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Minister. Member for Frame Lake.

**MR. O'REILLY:** Thanks, Madam Chair. Any idea when that is going to be available? Thanks, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Member. Minister.

**HON. KATRINA NOKLEBY:** Thank you, Madam Chair. I don't have a time frame at this time, but I do commit to making that a timely response to the Member. Thank you, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Minister. Member for Frame Lake.

**MR. O'REILLY:** Thanks, Madam Chair. Okay. It's got to go through some deputy ministers' committee and up to Cabinet. If the work's done, I don't know why we can't be given it in confidence now, especially if there are no recommendations. Is it like two, three months down the road, two years down the road? When does the Minister expect to be able to make this report available to Regular MLAs? Thanks, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Member. Minister.

**HON. KATRINA NOKLEBY:** Thank you, Madam Chair. We'll have that report to you within the next four to six weeks. Thank you, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Minister. Member.

**MR. O'REILLY:** Thanks, Madam Chair. Phase 2 is supposed to involve some kind of public engagement. What's that going to look like given COVID and so on, and are there going to be independent experts who are actually going to be conducting the review? How is this going to be done? Thanks, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Member. Minister.

**HON. KATRINA NOKLEBY:** Thank you, Madam Chair. As part of the MRA regulations,

we are doing a royalty review and are planning that currently. Thank you, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Minister. Member.

**MR. O'REILLY:** Okay. Yes, I had understood that there was going to be a second phase to the work that the contractor was doing. Can I get a commitment, then, out of the Minister that she's prepared to share this public engagement plan or whatever it's going to be with Regular MLAs before it's finalized? Thanks, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Member. Minister.

**HON. KATRINA NOKLEBY:** Thank you, Madam Chair. Yes, we can share that with you before it's finalized. Thank you.

**CHAIRPERSON (Ms. Semmler):** Thank you, Minister. Member for Frame Lake.

**MR. O'REILLY:** Great, thank you, Madam Chair. I appreciate the Minister's commitment. This follows up on the recommendation from the last Assembly that the review should be done, an independent panel or some other form as has been done in Alberta twice with regard to their oil and gas regime, because the feds never really did this when they had jurisdiction. I think it's timely that this government takes that approach, so I am pleased to hear that the Minister is going to share the approach that she's going to develop with Regular MLAs.

I want to move on. My colleague from Yellowknife North asked about the staff that the department had in place to help with oil and gas development and promotion of it and so on. I'm actually looking at the organizational charters, the phone directory. There are a number of positions that are clearly identified here with regard to oil and gas activities. Look, I've met some of these people. They work very hard. I want these jobs to stay in Yellowknife. Sorry, not in Yellowknife, in Inuvik. Let's be clear on that. There are, I think, seven, eight people in Inuvik. They were hired to promote oil and gas development, but there's nothing happening, nothing, absolutely nothing. What sort of thinking is the department going through in terms of repurposing some of these positions to areas of the economy where there is potential for growth, particularly, say, tourism, with the Inuvik to Tuktoyaktuk Highway? Maybe not this summer, but there's a lot of promotion work that can and should be done there. What is the plan? Because I just don't see oil and gas ever coming back here, and that's what everybody else predicts, not just my colleague from Yellowknife North. What is the longer term plan for repurposing some of these positions to support the areas of the economy where there is potential for expansion and growth and creating jobs in small communities? Thanks, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Member. Minister.

**HON. KATRINA NOKLEBY:** Thank you, Madam Chair. Perhaps, that just indicates that we need to properly name these positions for what they actually do. Nobody in the North really does only one thing. There are many Jacks-of-all-trades or Jills-of-all-trades in the North, so these people actually do things that are beyond the oil and gas sector. I would like to say that "nothing going on" is a mischaracterization, and I believe those people believe their work is important, so I do want to say that they're working hard in our oil and gas sector. As mentioned to the other Member, perhaps I need to come back

to the committee with a better briefing on what the oil and gas work is that's going on in the Beaufort Delta. Those people also have supported the regional mineral development strategies that we unfolded at our roundup there, so they do do work that's beyond oil and gas. We also have tenured oil and gas rights that are still ongoing and need to be managed in those regions. As we mentioned before, we'll come back to the committee with a better explanation of what our oil and gas sector is doing, but I would not characterize it as "nothing." Thank you, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Minister. Member for Frame Lake.

**MR. O'REILLY:** Thanks, Madam Chair. Just to be clear, I'm not saying that these people are doing nothing. There's nothing happening in terms of oil and gas exploration, development, rights issuances. There's nothing happening. I'm not saying these people are not doing anything, and I hope that the Minister will correct the record to reflect what I said rather than what she thinks I said. I know some of these people. I've worked with them in the past. I think they do good work. Some of these positions, at least it seems to me that they've been renamed, reconfigured, even from a year ago. Can the Minister confirm whether there's been some reorganization, renaming of some of the positions or this function within ITI? Thanks, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Member. Minister.

**HON. KATRINA NOKLEBY:** Thank you, Madam Chair. We do have new changes that are coming into force within the next month. Based on that work before, no, we have not been renaming those positions. When you said there's nothing going on in oil and gas, and then state that there are people working in oil and gas, that's why I would draw that conclusion. I stand corrected. Thank you, Madam Chair.

**CHAIRPERSON (Ms. Semmler):** Thank you, Minister. Member for Frame Lake.

**MR. O'REILLY:** Thanks, Madam Chair. Yes, I really look forward to that plan for this function within ITI. I know that there was a lot of work to be done to get our systems in place for administering oil and gas rights and our own system and so on. That's all fine and dandy, but, if there's no activity taking place, then I think we need to look at what kind of resources we dedicate to those functions. I'm not going to get into an argument with the Minister. I've never said that these people are not working or doing a fine job because I know that they do. I just would ask that the Minister be a little more careful in interpreting what I say. Thanks, Madam Chair.