

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 316-19(2): Enforceable Benefits from Resource Development

June 10, 2020

MR. O'REILLY: Merci, monsieur le President. My questions are for the Minister of Industry, Tourism and Investment. Earlier today, I mentioned the recent Supreme Court of the Northwest Territories decision on the Acho Dene Koe First Nation case on the relationship of community investment plans to regulatory requirements under oil and gas legislation. Can the Minister tell us whether she has read or been briefed on this important case and what, if any, changes her department is going to make to ensure that Indigenous governments and all Northerners benefit from resource development? Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Minister of Industry, Tourism and Investment.

HON. KATRINA NOKLEBY: Thank you, Mr. Speaker. Yes, I am aware of this case. We are working to update our benefit plan guidelines that do exist under our oil and gas legislation. When it comes into force, the MRA will give us the ability, in law, to establish measures that will generate benefits for all Northerners.

Mr. Speaker, I must remind the Member that Indigenous governments and all Northerners are already benefitting from resource development. Every producing mine has an associated socioeconomic agreement in addition to independent IVAs that are negotiated with Indigenous governments. Since 1996, under our SEAs, socioeconomic agreements, almost \$30,000 jobs have been realized for northern and Indigenous persons at our diamond mines. These same mines have spent over \$16 billion with northern companies and service providers. Our government receives royalties that ultimately benefit all people of the Northwest Territories. Indigenous governments also share in resource revenues under the devolution agreement. We are already benefitting, Mr. Speaker. Let's not forget that. Thank you.

MR. O'REILLY: I want to thank the Minister for that. I am not prepared to engage her in a debate in question period about whether there are benefits. My purpose here is to make sure that we benefit more from resource development. In August of last year, the Assembly completed its review and passed amendments to our oil and gas legislation that, among other things, would have done away with much of the secrecy around our management of those resources. Can the Minister tell us when those amendments will finally be brought into force and what is the source of the delay?

HON. KATRINA NOKLEBY: I am not sure that that work is delayed. Nevertheless, I can tell the Member that it is close to completion, and I am anticipating that we will be able to identify a target coming-into-force date fairly soon, possibly as early as the end of this month. There are two things in particular that have taken some time. The Office of the Regulator of Oil and Gas Operations, or OROGO, wanted the opportunity to develop two sets of guidelines and

interpretation notes, which will help explain their application and administration of two of the amendments. These have now been drafted. More critically, our government needed to update our technology infrastructure to be able to host a secure, public-facing, online database. That is the work that is now almost done. When it is ready, we will go live and bring the legislation into force.

MR. O'REILLY: That's great news from the Minister. I am glad to hear that we are weeks away from flipping the secrecy onus. I certainly pushed very hard to get the public registry as part of the legislation. In my statement, I also referenced the extraordinary power and discretion of Cabinet and the Minister in deciding what, how, and when benefits might be secured from mineral development through enforceable agreements or plans. Can the Minister tell us what the implications of the Acho Dene Koe First Nation court case are in relation to securing benefits under the Mineral Resources Act, and when will those provisions actually be brought into force?

HON. KATRINA NOKLEBY: I don't believe that I am the first ITI Minister to admit that I can't predict the future. The one for-sure thing we can take from this court ruling is that, when it comes to petroleum projects in the Northwest Territories, a very clear distinction was made between benefit plans and agreements that might be signed between project proponents and Indigenous governments. Now, as far as our work on the Mineral Resources Act is concerned, I can tell you that, as we get back to the more regular business of government, these regulations will become a focal point for our government. This work will take time, and our planning for it is under way. The MRA is a brand new act. We are building some of the regulations from the ground up, and that will require research and input from multiple parties. What I will do is assure the Member that, as our work moves forward on this file, I will keep him and the rest of the Members of this House involved and informed, as already committed to during ITI's main estimates review.

MR. SPEAKER: Thank you, Minister. Oral questions. Final supplementary, Member for Frame Lake.

MR. O'REILLY: Merci, monsieur le President. I want to thank the Minister for another piece of really great news. Of course, it's a challenging time in the Northwest Territories for resource development as we have so little control over commodity prices and financing. What assurance can the Minister provide that securing benefits for Northerners from resource development to fulfill the promise of devolution is truly a priority as we enter an era of economic recovery? Mahsi, Mr. Speaker.

HON. KATRINA NOKLEBY: I am happy to provide the Member and this House with that assurance. Absolutely. It is part of our mandate, and I think it has been evidenced most recently in the rollout of our approach to COVID. I have said numerous times that we will need our resource sector to anchor our recovery. Mining and exploration are the biggest source of private sector jobs and income for our residents and, when they return to full operations, will once again be major buyers of products and services from Northwest Territories companies. We have worked with our mines and resource companies to ensure their safe and continued operation.

We have taken steps to protect mineral tenure in the Northwest Territories by suspending payment and work requirements as we work on more comprehensive and coordinated relief measures. Also, the Mining Incentive Program has been adapted to support Northwest Territories prospectors and company-led mineral exploration projects to ensure that their projects this summer will be in line with orders and conditions of the Chief Public Health Officer. All of this, Mr. Speaker, because we recognize the importance of mining and resource development in the Northwest Territories. Thank you, Mr. Speaker.