

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE

October 28, 2020

MR. O'REILLY: Merci, Monsieur le President. The Minister of Industry, Tourism and Investment launched the long-awaited review of the fiscal regime for the NWT mining industry last week. It got off to a rather rocky start with the release of a review of taxation and royalty rates across a number of jurisdictions that did not deal with actual revenues or even a full comparison of competitiveness.

I said in this House last week that it's hard to envision a fair and balanced approach to reviewing government revenues from mining when those amounts are kept totally secret. There is a solution that does not compromise the financial competitiveness of the mining industry: the Extractive Industry Transparency Initiative, or EITI, was started in 2004. It is a partnership among governments, companies, and civil society with an office located in Norway. A global standard to promote the open and accountable management of oil and gas and mineral resources has been developed and adopted by 54 countries. The corporate supporters of the EITI standard include Anglo American and Rio Tinto, that are owners or operators of two of the three NWT diamond mines.

The standard requires the disclosure of information along the extractive industry value chain from the point of extraction to how revenues make their way through the government and how they benefit the public. The initiative and its standard seek to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractive sector. Canada is a supporting country, along with others such as the US, UK, the Scandinavian countries, and European states. Although Canada is not an implementing country, the federal government's Extractive Sector Transparency Measures Act provides an equivalent level of reporting to the EITI standard.

The public and the Minister can already see the revenues paid to GNWT and Indigenous governments by the three mines currently in production, although there are problems with the way this is reported. Cabinet could change the Mining Regulations to require public reporting of mining royalties next week, if there was the political will. Private multinationals seem more committed to transparency than our Cabinet. What democratic government doesn't support openness and transparency in public reporting of resource revenues? I will have questions later today for the Minister of Industry, Tourism and Investment. Mahsi, Mr. Speaker.