

## ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

### QUESTION 419-19(2): DISCLOSURE OF MINING ROYALTIES

October 28, 2020

**MR. O'REILLY:** Merci, Monsieur le President. Earlier today, I reviewed how our government continues to keep secret the revenues it collects from mining. Fifty-four countries around the world require public disclosure of this information to support sound natural resource management and best practices. Two of the three diamond mine owners also support this kind of transparency. Can the Minister of Industry, Tourism and Investment explain why her government continues to keep public revenues from mining secret? Mahsi, Mr. Speaker.

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

**HON. CAROLINE WAWZONEK:** Thank you, Mr. Speaker. We inherited the current mining regulation regime as part of devolution, and that is still this regime that we are operating under. One of the things that the department of ITI is tasked with doing during this Assembly is, in fact, to modernize the mineral resources regulations so that the new Mineral Resources Act can, in fact, come into force. Part of that work includes modernizing the transparency provisions that are currently in the regulations. For the moment, those regulations require confidentiality, have a confidentiality clause. It's one to which I'm bound. It's not dissimilar to something that is in many other Canadian jurisdictions. That's not to say that we won't be doing work to modernize ours and to bring it home and make it something that works for the best interests of the people of the Northwest Territories once that work gets done. Thank you, Mr. Speaker.

**MR. O'REILLY:** I want to thank the Minister for that. The devolution took place over six years ago, and the secrecy problem still has not been fixed. It's not from lack of trying on my part, and I'd rather not be here four years from now talking about it again. Can the Minister tell us whether there is a plan, what it might be, and what it might be that finally begin to disclose resource revenues in the interest of corporate best practices, transparency, and openness.

**HON. CAROLINE WAWZONEK:** Yes. As I already indicated, the work of modernizing and bringing home the mineral resources regulations in order to enact the Mineral Resources Act is already underway. It's a very important piece of work that's happening in the Department of Industry, Tourism and Investment. At this stage, we're expecting that, within the next 18 months to two years, there will be some drafting regulations that are available for consultation with the Indigenous governments, and by 2023, hopefully, things will be ready to roll out. That process is meant to be inclusive, it's meant to reflect the same sort of level of co-development process that the Mineral Resources Act underwent, and we want to make sure that we do that and engage all of those same stakeholders to the same level and degree so that they have a role and a voice to play as we develop these regulations, including improving and modernizing the transparency section.

**MR. O'REILLY:** I want to thank the Minister for that response. I said last week that any review of the fiscal regime for mining in the Northwest Territories is fatally flawed if there is no ability to analyze the actual revenues we receive. I want a healthy mining industry, but we also need to make sure that the public and Indigenous governments get a fair share of the revenues. Can the Minister explain how there can be a fair and balanced review of the fiscal regime from mining when the actual revenues are secret?

**HON. CAROLINE WAWZONEK:** What was released last week wasn't a benchmarking report, it was step one of 12 different steps that are going to be used in order to evaluate the resources royalties sector within the regulations. That approach is one that is using a representative sample. Rather than saying what does this mine today, at this point in time, at this particular ore body, what does it pay in royalties, what we want to do is ensure that when we develop our royalty regime, we are actually developing a regime that's going to work into the future regardless of the ore, regardless of the location, regardless of the company. We want to ensure that our royalty regime is one that is going to be reflective of any type of resource activity that's happening here. What that report did is: it took a theoretical mine, a diamond mine size and one that's a metal size, took that and then compared that mine across all the different fiscal regimes so that we would know how the different fiscal regimes work, how the different tax regimes work, and know if we are going to be receiving a similar amount of resource revenue, royalty revenue, as it would in another jurisdiction.

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

**MR. O'REILLY:** Merci, Monsieur le President. I want to thank the Minister for that recap of what's in the study. Canada is a supporter of the extractive industry transparency initiative and has provided funding to a variety of countries to implement the standard, including Peru, Indonesia, Tanzania, Mongolia, all countries that actually disclose this kind of information, but we can't do it here. Canada has implemented the Extractive Sector Transparency Measures Act, which is similar to the standard, but there are problems with the way the data is reported. I'll probably talk about that next week. Can the Minister tell us when her government will get on board and begin to report government revenues paid by individual companies? Mahsi, Mr. Speaker. [Microphone turned off] ...with the principles set out by the Extractive Industries Transparency Initiative. Mahsi, Mr. Speaker.

**HON. CAROLINE WAWZONEK:** It is a good sign that two of the largest companies that operate mines here in the Northwest Territories are themselves supporters of the modernization of the regulatory systems worldwide. That is, I think, good news. It's reflective of the fact that we have good corporate social citizens here. The ESTMA Act is a federal act. It applies across Canada. We're part of a federal jurisdiction, and so to the extent that those same corporate companies that are operating here are reporting their information on that federal piece of legislation, then certainly that information is available and relevant when someone's trying to evaluate what kind of royalties they're paying here in the Northwest Territories. As I've said, Mr. Speaker, as far as modernizing our regulations, we're going to be using those best practices. I appreciate hearing that there will be some examples out there, albeit right now on a federal level, and it's certainly something we're going to continue to address with all stakeholders and

do that in a measured and properly engaged process. Thank you, Mr. Speaker.