

## MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

### NORTHWEST TERRITORIES HERITAGE FUND

February 8, 2021

**MR. O'REILLY:** Merci, Monsieur le President. Since its inception in 2012, the NWT Heritage Fund has grown to a very small amount of less than \$30 million. During that time, the value of our petroleum and mineral production was about \$18 billion. Of course, there were and continue to be benefits from resource development, but \$30 million is not a lot to pass along to future generations for this one-time natural capital. That is less than 0.2 percent of the value of these resources. The purpose of the Heritage Fund is set out in legislation. It is "to ensure that future generations of people of the Northwest Territories benefit from ongoing economic development, including the development of non-renewable resources." I am not convinced we are doing a very good at that. The problems with the fund are well-known and were identified even during the discussion paper back in 2010:

- There is no defined revenue stream for the Heritage Fund; and
- There is no public governance and minimal reporting.

The Heritage Fund is so neglected that the last annual report posted on the Finance website is for 2014. Although there is a legal requirement for the tabling of an annual report on the Heritage Fund in this House, the Assembly website only shows annual reports for 2013, 2014, and 2016. In the last Assembly, there was even a promise of a discussion paper to revitalize the Heritage Fund and its legislation. That promise, too, was never fulfilled.

The only changes that seem to have been made to the original legislation and regulations since 2012 were to loosen up the very conservative investment requirements set in the regulations. The change was apparently made because the Heritage Fund was actually losing money against inflation. The management of the Heritage Fund was also contracted out to a third party.

The one saving grace is that there is a legal requirement for a ten-year review that must report at the first sitting after August 1, 2022. We must begin preparing for that review now. The review must include:

- the operation of the act;
- how to obtain public input and advice on expenditures from the fund;
- independent oversight and management of the Heritage Fund; and
- any other amendments that should be made to the act.

I will have questions for the Minister of Finance on improving intergenerational equity for residents of the Northwest Territories. Mahsi, Mr. Speaker.