

KEVIN O'REILLY MLA FRAME LAKE

Second Reading of Bills

**BILL 29
RESOURCE ROYALTY INFORMATION DISCLOSURE STATUTE AMENDMENT
ACT**

JUNE 1, 2021

MR. O'REILLY: Mahsi, Monsieur le President. I move, seconded by the honourable Member for Nunakput, that Bill 29, Resource Royalty Information Disclosure Statute Amendment Act, be read for the second time.

Mr. Speaker, this bill amends the following statutes to allow for the disclosure of confidential information respecting resource royalties for use in the development and evaluation of policy for the Government of the Northwest Territories to a Member of the Legislative Assembly or to an Indigenous government, Mineral Resources Act, Northwest Territories Lands Act, Petroleum Resources Act. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Motion is in order. To the principle of the bill. Member for Frame Lake.

MR. O'REILLY: Mahsi, Monsieur le President. This is a private members' public bill that would change existing legislation to allow for the sharing of mining, oil and gas royalty information with regular MLAs and Indigenous governments. A private members' public bill is a bill that seeks to establish a new act or amend an existing act but is introduced by a Member who is not in Cabinet.

This bill which is the second private members' bill brought forward by myself during my time as an MLA is designed to allow the Minister of Industry, Tourism, and Investment to share royalty information, subject to any confidentiality restrictions on its further disclosure. The information could be made available to regular MLAs and Indigenous governments for their use in the development and evaluation of policy.

The private members' bill does not seek to create new powers with respect to mining and petroleum activities, nor create any new regulatory structure to government performance. The private members' bill does not allow MLAs or Indigenous governments to access any proprietary or financial information held by the private sector that has not been disclosed to the Government of the Northwest Territories.

The bill does not require or allow for the public disclosure of royalty information. With passage of this bill, MLAs and Indigenous governments would finally have access to information essential to development of regulations under the Mineral Resources Act. This is a first step towards greater transparency in reporting of the monies paid to our Government for resource development. Much more work remains to be done to ensure NWT residents know what the revenues are from development so we can better manage these resources for today and future generations. Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Motion is in order. To the principle of the bill. Government House Leader.

HON. R.J. SIMPSON: Thank you, Mr. Speaker. Mr. Speaker, Cabinet is unable to support Bill 29. This bill proposes to amend three pieces of land and resources legislation. However, to date, there's been no consultation with Indigenous governments, industry, or the public on proposed amendments. Provision of the three acts without engagement does not align with the public's expectation of how the Government of the Northwest Territories should operate and is contrary to our agreements with Indigenous governments.

If the bill is referred to a Standing Committee, there will be opportunities for public engagement, but that process does not replace the thorough process that the Government of the Northwest Territories is currently undertaking to address this exact topic as part of a comprehensive policy and regulatory development.

The Department of Industry, Tourism, and Investment is developing the Mineral Resources Act and regulations with input from all impacted parties, including the intergovernmental council, other Indigenous governments, the industry members that bear the risk from information disclosure, and other interested stakeholders.

Included as part of this holistic process, ITI has already begun an extensive review of the royalty regime which will include an examination of the level of transparency under the current regime.

In addition to our concern regarding the process for creating new law in this base, there are practical concerns, including the introduction of legislative changes without an analysis of potential policy implications and the potential efficacy of the changes.

Currently, royalties are reported collectively as an aggregate of revenues received. This information is made publicly available and can be used to understand how royalties impact the NWT fiscal situation.

Confidentiality clauses similar to the NWT's can be found in virtually all Canadian mining jurisdictions. We are not unique in this regard. That said, all extractive sector entities operating in Canada are required to publically disclose payments made to all of governments under the Extractive Sector Transparency Measures Act.

Mr. Speaker, allowing this issue to remain together with the whole of the Mineral Resources Act to regulatory development is not only more practical and efficient, but best reflects the commitment of this Government to meaningful consultation and engagement.

The GNWT is committed to a thorough, fair, and respectful legislative process. This includes respecting the processes and forums we have agreed to with Indigenous governments, including the intergovernmental council, and the continued sharing of information and engagement with the Standing Committee on Economic Development and Environment.

For these reasons, Mr. Speaker, Cabinet cannot support this bill. We will be abstaining from the motion. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Government House Leader. Motion is in order. To the principle of the bill. Member for Yellowknife North.

MR. JOHNSON: Thank you, Mr. Speaker. I'd like to respond to some of the comments the Government House Leader made. This bill is not requesting public disclosure of royalty information, which is already something you can access through the Federal legislation, although there's some issues in how that's reported, and -- but the Standing Committee on Economic Development working with the Department wants to be part of that royalty review. I'm sure the Indigenous governments and the intergovernmental council want to be part of the royalty review and the work ITI is doing. But right now, the Government is not allowed to share royalty information with Indigenous governments or standing committees.

I don't know how either of those partners are supposed to be meaningfully engaged in that process if we can't know the royalties for projects, Mr. Speaker. I don't view this as some sort of step that's going to completely change the regulatory framework or completely change the disclosure of royalties. The Member's bill is not asking for public disclosure. I think that step would be best done through the processes that the ITI is currently conducting. But to ask that information be shared with regular members and Indigenous governments as part of the review is not too much an ask.

And furthermore, the Government can simply go to the royalty payers and ask for consent to share that information right now. And if they do that, then this whole bill would be pointless. But to date, we do not have that information, Mr. Speaker. Thank you.