

## Reports of Standing and Special Committees

### BILL 29:

### RESOURCE ROYALTY INFORMATION DISCLOSURE STATUTE AMENDMENT ACT

November 23, 2021

**MR. JACOBSON:** Thank you, Mr. Speaker. Bill 29, Resource Royalty Information Disclosure Statute Amendment Act.

Mr. Speaker, your hardworking committee and your standing committee on Economic Development and Environment is pleased to provide its report on Bill 29, Resource Royalty Information Disclosure Statute Amendment Act and commends it to the House. Thank you, Mr. Speaker.

**MR. SPEAKER:** Reports of standing and special committees. Member for Nunakput.

**MR. JACOBSON:** Bill 29, Resource Royalty Information Disclosure Statute Amendment Act is a private Member's bill introduced by MLA O'Reilly. Bill 29 received second reading on June 1st, 2021, and was referred to Standing Committee on Economic Development and Environment.

Bill 29 proposes to amend three pieces of legislation to the Mineral Resources Act (not yet in force), the Northwest Territories Lands Act, and the Petroleum Resources Act. The amendments would allow the Minister to disclose information of a confidential nature received by development and evaluation policy (such as royalty payments) to Members of the Legislative Assembly and Indigenous governments subject to restrictions for further disclosure.

Public Engagement.

Committee sought feedback from Indigenous governments, companies currently paying royalties in NWT and Nunavut Chamber of Mines. Stakeholder comments were received: Tlicho government, Sahtu Secretariat Incorporated, NWT and Nunavut Chamber of Mines with the Mining Association of Canada, Arctic Canadian Diamond Company, The Explorers and Producers Association of Canada, Alternatives North.

Mr. Speaker, stakeholder submissions (Appendix A) were polarized between opposition overall of the bill versus support of the bill including suggestions to strengthen the clauses. The industry was not supportive of the bill.

The bill was viewed as creating uncertainty in an already poor investment climate and duplicative or unaligned to other jurisdictions. There was concern with sharing confidential tax information beyond staff with financial and tax expertise such as business and financial information shared with staff that may not have responsibility or the expertise to protect sensitive financial data.

Confidentiality provisions were viewed to protect industry investment and the sharing of information more broadly increased concerns regarding the likelihood of breach of confidentiality. The scope of information to be shared was viewed as unclear and not necessarily supported by all parties. The bill was not viewed to support the mandate of the Government of the Northwest Territories, premature to the concluding the review of Mining Fiscal Regime Review.

The Tlicho government, the Sahtu Secretariat and Alternatives North supported the intent of the bill. The Tlicho Government suggested clarifying the purpose and scope of implementation of the bill with provisions to ensure no information related to Indigenous governments would be shared. Both the Sahtu Secretariat and Alternatives North suggested to strengthen the bill requiring the Minister to share information.

Mr. Speaker, if it's okay I will let the Member from Deh Cho.

**MR. SPEAKER:** Thank you, Member for Nunakput. Member for Deh Cho.

**MR. BONNETROUGE:** Mahsi, Mr. Speaker.

Committee concerns.

On September 15, 2021 committee held a public hearing with the sponsoring Member. Committee also invited public presentations. The public hearing was live streamed on the Legislative Assembly channel. Presentations were provided from the NWT and Nunavut Chamber of Mines with the Mining Association of Canada, the Department of Industry, Tourism and Investment, as well as the sponsoring Member.

Members held varying positions on the bill. There was concern regarding the bill duplicating the information found through the federal Extractive Sectors Transparency Measures Act (ESTMA). Under ESTMA extractive companies must publicly disclose payments made to governments in Canada and abroad. ESTMA helps the Government of Canada deter corruption in the extractive sector. It was recognized that royalty payments made by mining companies to the GNWT could be located here however it was also noted the royalty payments reported through ESTMA do not match the royalty payments recorded in the GNWT's public accounts.

The GNWT public accounts report the royalty revenues from mining, oil and gas received annually as an aggregate total (i.e. it is not broken down by mine or by company). There are other additional reasons why the royalty reported in the public accounts do not match the royalty reported in ESTMA (not limited to differences in fiscal year reporting, and the number of operations a company may have in the NWT).

Canada supports global financial transparency efforts and aligns with Extractive Sectors Transparency Initiative (EITI) standards through the reported information made publicly available through the ESTMA. Canada was a major player to develop the global standard on mandatory extractive sector transparency payment disclosures and is a contributing board member to the initiative. Although Canada doesn't report under EITI, it is a supporter of the initiative and requires company payments to be disclosed through the information made public under ESTMA.

There was concern that Bill 29 implicated the mining oil and gas sector to disclose confidential information without requiring other sectors that pay royalties (such as quarrying, forestry) to do the same. It was noted that the information disclosed would be information already provided to the Minister and the Minister could decide to share the information with Members of the Legislative Assembly or Indigenous governments. Committee recognized that even if Bill 29 was enacted, the Minister will still hold discretion whether to disclose confidential information.

There was concern among committee with the unknown risks regarding potential breaches of confidential information made possible through Bill 29. Following the public hearing, committee proceeded with the clause by clause review of the bill.

I will hand it back to the Member for Nunakput. Mahsi.

**MR. SPEAKER:** Thank you, Member for Deh Cho. Member for Nunakput.

**MR. JACOBSON:** Thank you, Mr. Speaker. I'd like to thank Mr. Bonnetrouge for reading that section there.

Committee could not reach agreement on how to proceed with the bill, and therefore recommends the bill for consideration in Committee of the Whole.

Thank you, Mr. Speaker.