

On a new Mineral Resources Act in the Northwest Territories : recommendations

Ecology North's response to

the Government of the Northwest Territories' discussion paper
« A Mineral Resources Act for the Northwest Territories : Unlocking Our Potential Together »

December 1, 2017



Learning from the past

With devolution, the Government of the Northwest Territories has a chance to author a new chapter in the storied mining history of our land. Ecology North sees this new era being informed by lessons learned from mistakes made here by other governments, and solutions from other jurisdictions. The agenda is being pushed too heavily by industry toward support from, and risk to the government and people of the Northwest Territories.

Mineral resources are not owned by mining companies. It is the government's role to ensure management of mineral resources is in the public's interest. The Mineral Resources Act needs to have bold mandate to remake mining in a proactive and sustainable way for not just ours but for future generations as well. The comments below highlight some general points that we believe the Government of the Northwest Territories should incorporate into this new made-in-the-north Mineral Resources Act:

Prioritize economic diversification

The most important point of this paper is that the Northwest Territories need economic diversification so that it is less reliant on one industry and subject to the ups and downs of the market.

Revenue recycling

Using mineral resources extraction revenues and recycle them into economic diversification measures.

Tying-in with other governmental strategies

Eliminate work siloing

Proper integration of all government strategies could lend higher benefits than the mineral resources act in itself. It is crucial that the energy strategy, the climate change strategy, the agriculture strategy and other governmental plans be linked together to provide the best concertation possible. The new MRA should include a holistic, integrated approach in order to :

- Assess cumulative impacts (in particular with new road corridors)
- Enshrine protection to the Northwest Territories' social, cultural, ecological and biodiversity values into the MRA;
- Include climate change impacts and actions for mitigation and adaptation;
- Incorporate consistent government priorities, including greenhouse gas reductions, diversification of the economy, etc.;
- Support non-governmental organizations and Indigenous governments to fully participate in the regulatory framework, to help provide social licence and easier approvals for new mines;
- Support the Mackenzie Valley Resources Management Act, boards that regulate it, and the letter and intent of treaties and First Nations rights in regards to mining.

Subsidies and incentives

Stop subsidies on low payback industries

We do not support subsidies for extractive industries. Studies show money could be better spent in other sectors :

- « fewer than 1,600 people or 7 percent of the NWT workforce were directly employed by the mining sector in 2016. This is about the same as the transportation, tourism or construction sectors and less than the education, health or retail sectors » – Bauer study

The Government of the Northwest Territories should only be providing incentives and subsidies to sectors that prove the best return on job creation and quality of life per money invested. In addition, the new Mineral Resources Act should :

- Enforce northern/indigenous employment quotas to get the most out of our non-renewable resources, or put money into sectors that create more jobs per dollar invested than mineral exploration;
- Provide an independent costs-benefits analysis to reassess fiscal incentives for mining vs other sectors.

End the free-entry system

One of the priorities of the government should be land use planning, for better consideration of the Northwest Territories' natural (forest covers), cultural (traditional routes), biodiversity (caribou migration routes, etc.), and others. Establishing clear information, consultation and assessment prior to exploration is crucial.

There should be a registration system for those interested in prospecting permits. Prospecting permits (where companies acquire the exclusive right to stake mining claims in large areas for minimal expense), should be eliminated. Adopt an auction system for areas where there is more than one party interested.

Demand higher benefits

Demand higher economic benefits from mineral resources exploitation, and maximize their long-term benefits.

Resource stewardship

Strengthen industry responsibility and eliminate public liability

The polluter-pay principle should be applied. Capital should be set aside as the project grows in a manner such that should the mining company go bankrupt at any moment, there would still be funds available to complete the rehabilitation process. Mining sites should be independently monitored, transparent and data acquired over the course of mineral resources extraction should be handed-in to the government, at no cost.

- The Northwest Territories Heritage Fund must be supported by revenue from our non-renewable extraction, but there has not been any plan presented yet;
- Adequate bonds need to be paid by industry (and collected by GNWT) to fully clean up disturbed land. Climate change impacts as well as mitigation and adaptation efforts need to be incorporated into the calculations of these bonds;
- Apply best practices for tailings pond dam breaches, and support call for national/international insurance pool;
- Participate and encourage mining industry to actively participate in the global shift towards low-carbon technologies;

Full transparency

Payments and revenue collection

The new Mineral Resources Act should include mechanisms for:

- Full disclosure of the payments and revenues received for mineral resources;
- Ensuring and demonstrating that the Government of the Northwest Territories collects sufficient revenues from mining to carry out activities such as verification of exploration activities and result which require an investment of public funds ;
- Ensuring sufficient authority for inspections, monitoring and auditing with appropriate deterrence such as summary convictions and fines.

Eliminate potential bias

The responsibility and management of mineral rights should be moved from the Department of Industry, Tourism and Investment (ITI) to the Department of Lands. Lands already deals with surface dispositions and should be dealing with subsurface as well. ITI has an inherent conflict of interest and bias towards mining, as a large part of its mandate is to promote mining.

Ecology North believes a new, strong Mineral Resources Act can insure a sustainable future for the Northwest Territories, at all levels : social, economic and environmental. This will require learning from past mistakes, diversifying our economy, making connections with other governmental strategies, ending the free-entry system and providing a responsible and transparent resource stewardship.