

What's in an Act? Make sure it makes the North better, not worse!

The proposed NWT Mineral Resources Act has received much attention in the legislative assembly and the media. I'd like to provide some clarity on the act, our position and what is needed in the new legislation.

Government has a responsibility to create a healthy and safe environment for its residents through such things as education, health care, policing and infrastructure. To help pay for this, government looks to see what it has available to make money, including non-renewable resources.

The NWT's large size and great geology mean it has significant potential to develop mineral resources responsibly for the benefit of Northerners. Government relies on the minerals industry to bring its expertise and its billions of dollars of investment to get the job done. Look at the diamond mines for great examples.

Many acts and regulations currently in place exist to inform industry how to work, where it can work, how to protect the land and water and wildlife and how to protect workers. There are also rules for the many corporate, fuel, property, payroll, sales and airport taxes that industry must pay.

The Mineral Resources Act's specific job is to allow rules to be created for accessing land to explore and mine minerals and for paying royalties, a profit tax in addition to all the other taxes. Those detailed rules the act creates are called the mining regulations.

For over 30 years, in nearly 100 pages, the mining regulations explain in great detail how to stake claims, get mining leases, keep them in good standing and how royalties are calculated and must be paid. These regulations are clear, stable and competitive with

the provinces. Industry understands them well and they provide investor certainty in the NWT land tenure and royalty systems.

We must be very careful in tinkering with them.

Our Chamber supports the creation of a new act to oversee the mining regulations. In those regulations, government should:

- Analyze the royalty regime to make sure it's competitive. All governments do this from time to time. The last review was about 10 years ago. It's likely due.
- Provide modern, more efficient computer staking.
- Make changes to ensure explorers are active and not just sitting on land; and
- Make more data public.

Regulations that do this will help improve exploration investment in the NWT. This is critically important and much needed, if we are to keep our mining industry strong.

Unfortunately, exploration investment is not healthy in the NWT. It began to slide in 2007 and hasn't recovered. While other jurisdictions saw significant investment, the NWT didn't. Compared to Yukon and Nunavut, the NWT missed out on over \$1 billion in exploration.

The reasons for this were not related to the mining regulations or the act that creates them. If the act isn't broken, then don't fix it.

Our Chamber continues to advise governments to improve investor confidence with: settled land claims, good land use plans, cost reductions, less regulatory red tape, alternatives to the carbon tax, more and better access to land, protection of small exploration



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projects from unnecessarily complex environmental assessment and remove surprises by making land that's open for staking open for business.

If we are to replace our aging mines and sustain and grow their great benefits, we must make improvements to the investment climate. If politicians truly want to help mining, they need to meet investors' needs – after all, it's their money you are trying to attract – not pick their own solutions, their own royalty rates, their own opinions of what's best for investors and then try to weld their opinions into the act. They simply don't have that

expertise, or they are not supportive of mining and the benefits it creates.

NWT leaders must ensure the new Mineral Resources Act makes the NWT more attractive to investment, not less; that it provides land tenure certainty, risk reduction and increased competitiveness.

This will help set the stage for continued responsible mining development that contributes to the health and well-being of Northerners. It's needed to help turn around the Conference Board of Canada's "grim" economic forecast.

Northerners deserve that.