

Feature

Five mining policy areas to watch under BC's new government

How B.C. mining policy may shape up under the new provincial government

A new government has been formed in British Columbia based on a New Democrat Party (NDP) and Green Party alliance recorded in their *2017 Confidence and Supply Agreement*.

Premier John Horgan announced his cabinet on July 18 and sent each minister a mandate letter setting out the government's priorities. The mandate letters, the agreement, and the NDP and Green Party policy platforms offer insights on what the mining industry can expect.

Michelle Mungall is the new minister of Energy, Mines and Petroleum Resources. She will be assisted by an experienced deputy minister, David Nikolejsin.

The NDP has talked about "revitalizing" mining, focusing on innovation and faster decision-making. With this context in mind, five areas are worth watching.

1. Greater involvement by Aboriginal communities in decision-making

The government committed to adopt the principles of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Calls to Action of the Truth and Reconciliation Commission. All the minister mandate letters include this commitment. How this commitment is implemented will affect how activities and projects are approved. Managing the expectations of all interested parties will be a challenge. Without question, however, Aboriginal communities will have a greater voice.

2. New project approvals processes

Minister Mungall's mandate letter directs her to "Develop an improved and properly resourced approval process to assess mining applications and increase industry safety by establishing an independent oversight committee." The minister of Environment and Climate Change Strategy is directed to "Revitalize the Environmental Assessment process and review the professional reliance model to ensure the legal rights of First Nations are respected, and the public's expectation of a strong, transparent process is met."

The revitalization of the environmental assessment process may include: co-ordinating the federal and provincial processes; greater focus on cumulative effects; regional area planning; and greater incorporation of Indigenous values.

3. Strengthening the regulatory regime

The commitment to establish an independent oversight committee and review the professional reliance model builds upon current work to respond to the May 2016 provincial auditor general's report on the Ministry of Energy and Mines (MEM) and the Ministry of Environment (MOE).

The report concluded that the ministries' monitoring and enforcement of mining regulatory compliance is inadequate to protect the province from environmental risks. The AG recommended substantial changes, including the creation of an integrated and independent compliance and enforcement unit.

Expect clearer conditions in approvals; increased reporting, monitoring and inspection; and stronger measures to fulfill reclamation obligations.

4. Review of the fiscal measures and the tax burden

Several pro-mining policies will continue:

- Continuing the flow-through share tax credit and the exploration tax credit;
- Maintaining support for Geoscience BC;
- Removing the PST from electricity used in mining; and
- Investing in mining-related training programs like the training tax credit.

Other taxes may offset these benefits though. The carbon tax will increase by \$5 per tonne per year, beginning April 1, 2018, and will include fugitive emissions, to meet the federal government's carbon-pricing mandate. The government also plans to raise the general corporate tax rate to 12% from 11%.

5. Building physical and social infrastructure

The NDP's commitment to improving social and physical infrastructure includes: Offering scholarships in geoscience and engineering; Improving apprentice sponsorship; Partnering with academic institutions and industry on innovation centres; Addressing housing affordability to attract workers; and Establishing a BC Mining Jobs Task Force.

The government's commitment to invest carbon tax revenue into greenhouse gas-reduction technologies and "reinvigorate" the Innovative Clean Energy fund may assist mine operators implementing clean technologies to improve efficiency.

At the outset of a new government, the abundance of aspirational statements and the lack of detail is not surprising. This government has the benefit of some current reform initiatives that align with previous NDP policy positions and should continue.

DAVID BURSEY is a partner and **SHARON SINGH** is an associate in the Vancouver Office of Bennett Jones LLP.