

## Resource Revenue Sharing

### What are resource revenues?

Resource revenues are royalties, taxes, lease payments and fees paid to governments for mining and petroleum exploration and development activities, quarrying of aggregates such as gravel and uses of water on public land.

### Who collects the resource revenues from public land?

Right now, the Government of Canada collects all of the resource revenues from public land in the NWT and keeps most of them.\* After devolution, the Government of the Northwest Territories (GNWT) will be responsible for collecting gross (total) resource revenues from public land in the NWT and distributing them in accordance with the terms of the Devolution Agreement and its schedules, including the *NWT Intergovernmental Resource Revenue Sharing Agreement*.

*\*Some Aboriginal governments already receive a share of resource revenues from public land in the Mackenzie Valley pursuant to their land claim and self-government agreements. Resource revenues that Aboriginal governments receive from public land pursuant to the Devolution Agreement are in addition to these revenues.*

### When and how will the resource revenues be distributed?

In the NWT, most royalties (which constitute the majority of resource revenues) are paid the following year. This means the GNWT will collect the majority of its first resource royalties in 2015-2016 – about a year after devolution takes place. The GNWT will keep 50% of these revenues, up to a maximum, and will share up to a quarter of them with Aboriginal governments that have signed the Devolution Agreement and 25% of the remainder will go to the Heritage Fund. The Government of Canada will deduct its share (the remaining amount) from the NWT's federal transfer payments. These deductions will take place two years after the revenues accrue, beginning in 2016-2017.

### About how much resource revenue might there be in 2014-2015? How much will each party receive?

The GNWT anticipates about \$120 million in resource revenues from public land in the NWT in 2014-15. Should these numbers bear out:

- \$60M (50%) will stay in the NWT

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**Media requests for interviews with Members of the Executive Council may be directed to:**

Office of the Press Secretary • Premier/Cabinet  
Government of the Northwest Territories • PO Box 1320 • Yellowknife • NT • X1A 2L9  
Tel: (867) 669-2302 • Fax: (867) 873-0111

- Canada will deduct the remaining \$60M from the NWT's federal transfer payments
- Participating Aboriginal governments will receive up to \$15M (25% of the NWT share)
- \$11.25M will be placed in the Heritage Fund
- The GNWT's net remaining share will be \$33.75M

**Is there a maximum amount that the GNWT can keep?**

Yes. Because the NWT receives significant federal transfer payments each year, there is a maximum amount of resource revenue it will be entitled to keep in addition to these payments. This maximum benefit, sometimes called a cap, is 5% of the GNWT's annual budgetary needs. This means it will grow as the territory grows. The GNWT will be entitled to keep up to \$70M in resource revenue in 2014-2015. However, the GNWT's share of actual revenues from this year is expected to be less.

For more information about Resource Revenues visit [devolution.gov.nt.ca](http://devolution.gov.nt.ca) or call (867) 873-7519.

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