

## STATEMENT—JULIE GREEN, MLA YELLOWKNIFE CENTRE

### 3<sup>RD</sup> READING—CARBON TAX BILLS

August 20, 2019

**MS. GREEN:** Thank you, Mr. Speaker. During the debate about the carbon tax bill last week, I indicated that I was prepared to support it, but after reflecting on our discussions and doing some reading about carbon tax plans in other jurisdictions, I am no longer prepared to vote in favour of this bill.

There is a consensus among scientists and economists that putting a price on carbon lowers emissions and spurs innovation to find clean energy alternatives. For example, British Columbia has had a carbon tax for 11 years. Emissions have decreased by 4.7 percent over that period; and, contrary to the false claims of those who opposed the tax, it did not kill the economy. On the contrary, BC's real GDP has grown by 19 percent over the same period. That's in spite of the fact the carbon tax on fossil fuels is now double what the federal government has proposed.

Mr. Speaker, this government has never demonstrated anything but hostility to imposing a carbon tax to reduce greenhouse gas emissions, including condemnation of the federal plan. The Premier tells anyone who will listen that our territory produces so little carbon on a national basis that we shouldn't even bother with a carbon tax. That's in spite of the fact that warming has accelerated here and the effects disrupt residents and traditional land use and it is expensive to mitigate.

Mr. Speaker, here's a bulletin: size doesn't matter. NWT has a small population compared to all of Canada and Canada has a small population compared to the rest of the planet. Does that mean we shouldn't respond to the climate crisis? My answer is no. The planet is burning up and it's on all of us, individuals, and all orders of government, business, and industry to figure out how we can be part of the solution rather than part of the problem.

Mr. Speaker, problems with the development of NWT carbon tax legislation reach back to 2016 when the federal government introduced its Pan-Canadian Framework on Clean Growth and Climate Change. The Premier followed the lead of his Conservative cronies who opposed the tax. He decided to go it alone in the Northwest Territories rather than work with the federal government on modifying its backstop to meet our unique circumstances. That was a mistake, Mr. Speaker, and the result is that we are worse off.

I am going to make a comparison to Yukon and Newfoundland and Labrador. Contrary to the Finance Minister's comments yesterday, there is every reason to compare the Northwest Territories with other jurisdictions. I find that the government makes comparisons to other jurisdictions when it suits them, as the Minister of Justice did yesterday, for example, with the Public Land Act.

Yukon faces many of the same issues as the NWT when it comes to the cost of living, and many communities in Labrador are as remote as the High Arctic communities in the Northwest Territories. Both jurisdictions negotiated the backstop with the federal

government. The result is that they are paying 4.42 cents per litre on gasoline, while here, in the Northwest Territories, we are set to pay 4.7 cents per litre. Likewise, Yukon and Newfoundland and Labrador are paying 5.37 cents per litre on diesel while we will be paying 5.5 cents a litre. It turns out that taking the federal offer would have saved us money on gas, the expense that most NWT residents are most concerned about.

Our government has made much of the total rebate on home heating fuel, yet Newfoundland and Labrador has that, too, and there are also exemptions on aviation fuel, off-grid diesel electricity generation, and marine transportation, as well as fuel used for forestry, fishing, mineral exploration, and municipalities. Exemptions in the NWT are much less comprehensive. In short, we lost out. Why didn't the NWT emerge from negotiations with a similar sophisticated and comprehensive system of rebates and incentives?

Yukon and Newfoundland and Labrador started working with the federal government soon after the pan-Canadian framework was introduced in 2016. As a result, there was ample time to consult residents and write legislation. There was also time to create buy-in on the need to respond to the climate crisis at a personal level. In the NWT, the Finance Minister was unable to provide comprehensive and timely information that would have enabled the Standing Committee on Government Operations to do its job. The result is that the only public hearing was held in Yellowknife. Consulting Yellowknife is obviously not consulting the territory, given the number and diversity of communities in the NWT, and I understand why residents outside the capital feel short-changed.

Mr. Speaker, we are also losing out on rebates. In Yukon, there are specific rebates for a host of entities including individuals, businesses, industry, municipalities, and First Nations. Yes, the NWT plans to provide rebates, but -- and this is an important but -- the NWT Association of Communities predicts that the meagre rebate to municipalities will result in increased taxes levied in the regional communities and Yellowknife, who are tax-based. In Yukon, government is asking municipalities to pay a 0.5 percent tax on their fuel, and in return, they get 1 percent of carbon tax revenues. Why can't it be the same way in the Northwest Territories?

A vexing question for the Standing Committee on Government Operations has been management and reporting on the money collected. Yukon's response was to create a revolving fund, so that we could tell whether the money collected as a tax on carbon was being used to reduce carbon. That could have happened here. We have several revolving funds in place now, including for Yellowknife Airport and for Marine Transportation Services.

Mr. Speaker, let's turn to rebates. The GNWT is offering an individual rebate on the carbon tax, but the federal backstop rebates are more generous than those being offered in the NWT, by \$80 a year for a family of four when fully implemented. Both Yukon and British Columbia offer additional rebates for individuals living in northern and remote areas. That is not a feature of the NWT legislation, even though the cost of living is obviously higher in those areas and a larger rebate makes sense. Other jurisdictions also apply means tests to their rebates so that there is more help available for low-income families than high-income families. BC provides benefits to low-income families by redistributing the carbon tax income. Again, that is a good idea, but it is not part of

the NWT plan. Much more could have been done to shield residents in small communities from the impact of a carbon tax. After all, they currently have the fewest alternatives to burning fossil fuel.

There are then the rebates to large emitters, the industrial operations that produce the bulk of greenhouse gases. Newfoundland and Labrador set targets for individual industrial facilities to reduce their emissions by 2 percent a year from 2016-2017 benchmarks, and to engage in a cap and trade program. This system applies to iron ore mines located in Labrador, pulp and paper mills, and to electricity generation. In the NWT, by contrast, large emitters can expect a rebate of 75 percent of the tax paid and access to a fund for innovation, funded by the remaining 25 percent. They are being given a pass that is unprecedented in Yukon or Newfoundland and Labrador. The arrival of mines on the tundra increased our GHG emissions substantially. Why aren't we making polluters pay? Newfoundland and Labrador is doing it with mines that are nearly as remote as ours, located at the end of a 600-kilometre dirt road. Let's not forget, the Mining Association of Canada is on record in support of carbon taxes. They see carbon reduction as a necessary feature of responsible business.

Carbon taxes that are well-designed have a minimal impact on the economy. A study by the federal and territorial governments predict that our GDP will decline by less than 1 percent, while emissions in the mining sector are predicted to decrease by 0.5 percent in the first year and 2.1 percent by 2022 with a carbon tax in place.

The carbon tax proposed by this government is wanting in comparison to other jurisdictions on almost every front, from the public policy rationale through to the implementation. Although our production of greenhouse gas emissions may be comparatively small, our responsibility to reduce them is not. Harm is harm, and action is not an option; it is a necessity to take action. We had an opportunity to negotiate a better plan, better for residents and better for the planet, and we blew it. Perhaps saddest of all, we failed in the opportunity to rally our citizens to take a real part protecting our land, families, and way of life. I cannot vote in favour of this law. Thank you, Mr. Speaker.