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HANSARD

Tuesday, April 2, 2019 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

YUKON LEGISLATIVE ASSEMBLY

2019 Spring Sitting

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DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Don Hutton, MLA, Mayo-Tatchun
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Hon. Ranj Pillai	Porter Creek South	Deputy Premier Minister of Energy, Mines and Resources; Economic Development; Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation
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Hon. John Streicker	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
Hon. Pauline Frost	Vuntut Gwitchin	Minister of Health and Social Services; Environment; Minister responsible for the Yukon Housing Corporation
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**Yukon Legislative Assembly
Whitehorse, Yukon
Tuesday, April 2, 2019 — 1:00 p.m.**

Speaker: I will now call the House to order.
We will proceed at this time with prayers.

Prayers

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Introduction of visitors.

INTRODUCTION OF VISITORS

Mr. Gallina: We have a number of guests joining us here today for the Yukon Imagination Library tribute.

I would like members to join me in welcoming them to the gallery today: Leighann Chalykoff, Wendy Tayler, Kells Boland, Karen Barnes, Sue Craig — and I see Councillor Samson Hartland here today. Welcome to the gallery.

Applause

Hon. Mr. Streicker: There are several people who came today about single-use plastics and a petition that has been signed by Zero Waste Yukon. If we could please welcome to the gallery Caitlyn Grey and Marky Grey Bailey, Ira Webb from Zero Waste Yukon, Joy Snyder from Raven Recycling, Erica Heuer, Philippe Mouchet — and someone from my own riding and a real champion around reducing, reusing and recycling, Mr. Mike Bailey.

Applause

Ms. Hanson: I would like to ask colleagues to join me in welcoming — as no stranger to this House — Justin Lemphers, who today is being introduced as the new federal candidate for the New Democratic Party in the upcoming federal election, and his lovely partner, Brigitte Parker.

Applause

Hon. Ms. McPhee: I ask my colleagues to join me in welcoming Dr. Karen Barnes, the president of Yukon College. Thank you for joining us here today.

Applause

Mr. Gallina: I see Katie Swales in the audience today, and I believe that she is here for the Autism Awareness Day tribute and I wanted members to join me in welcoming her here today.

Applause

Hon. Mr. Streicker: I just noticed some other constituents of mine. If we could please welcome Ms. Katherine Sandiford and Ms. Nicole Berger. I note Julia — I'm sorry that I don't know the other young kids' names,

but I will get there at some point and give them to Hansard — if we could welcome them here today.

Applause

Hon. Mr. Pillai: I would also like to welcome Brigitte Parker here today as a key member of our communications team at Energy, Mines and Resources, which is very important to us. She contributes greatly to the Government of Yukon in that department.

Applause

Speaker: Are there any further introductions of visitors?

Tributes.

TRIBUTES

In recognition of the Yukon Imagination Library

Mr. Gallina: Mr. Speaker, today I rise on behalf of the Yukon Liberal government to pay tribute to the Yukon Imagination Library.

In 1995, country music legend Dolly Parton created the first Imagination Library to address low literacy rates in her home state of Tennessee. The program has since spread throughout North America, the UK and Australia.

The Yukon chapter of the Imagination Library was launched in 2007 by the Rendezvous Rotary Club of Whitehorse in partnership with the Yukon Literacy Coalition. Any child in the Yukon between the age of birth to five years old can sign up for this amazing program which provides an age-appropriate book to your child each month by mail until they are five years of age — all for free. The first book a child will receive is *Lessons from Mother Earth*, a story by Yukon author Elaine McLeod.

Last week, my youngest daughter, Vittoria, a subscriber of this program, turned five years old, and she recently received her last book, entitled *On the Way to Kindergarten*. Growing up, Vittoria began to look forward to receiving a new book and it was always a treat when a package addressed to her arrived at the house. Each month, she was rewarded with an adventure to discover and new characters to meet. Mr. Speaker, I know that these books have helped Vittoria's literacy as she ventures into kindergarten and begins an educational chapter of her life.

Of Canadians aged 16 to 65, 42 percent do not have the literacy skills typically needed to complete high school. Between five to 15 percent of Canadian schoolchildren have problems reading, with data to suggest that if they have not mastered reading by grade 3, they may never catch up.

Mr. Speaker, we can and should be doing better to foster our children into competent little readers. It starts at an early age, and it is programs like the Yukon Imagination Library and the hard-working volunteers who keep this program going that can make a difference in developing confident early readers.

In the past three years alone, the Yukon Chamber of Mines has raised over \$100,000 toward this campaign. Each year, the Yukon government, through the Department of

Health and Social Services, matches contributions up to \$50,000. Another important element the Imagination Library delivers on is the Roaming Readers events throughout Yukon communities. Roaming Readers are community-building events that bring families together to compete in fun literacy challenges. Events take place twice a year throughout the territory, and this year, they will be held in Ross River and Watson Lake.

Mr. Speaker, the Yukon Imagination Library is kicking off a registration campaign today, with a goal of increasing the registration of eligible children in Yukon from 66 to 75 percent. This would see the current 1,450 subscribers increase to 1,637. This is about signing up 187 children to this free, valuable program.

With that, I would like to encourage all of my colleagues to, when they are in their communities, connect with families and help them understand the benefits of this valuable program and get kids signed up. I know I will be out this summer rallying support. Together, I believe that we can achieve this campaign goal and continue to help Yukon children become confident, lifelong learners.

Applause

Ms. Van Bibber: I am pleased to rise today on behalf of the Yukon Party Official Opposition to pay tribute to the Yukon Imagination Library.

The year was 2007 when the Rendezvous Rotary Club of Whitehorse, along with the Yukon Literacy Coalition, decided to champion Dolly Parton's free book-gifting program, the Imagination Library.

Ms. Parton, who is best known for her country music, songwriting and movies, started the first library in her home state, Tennessee. The goal was to address low literacy rates and to tribute her father, who struggled with literacy.

The program is so simple. All that is required is for parents to register their little reader. From birth to age 5, the child will receive a free book every month. How amazing is that? But I was startled to hear that not every child has signed on to the program. This reading initiative is in every part of Canada, and in Yukon, over 100,000 books have been delivered to Yukon families in every community. Let's work to double that number.

I am an avid reader and I panic if I don't have a few books around me. Years ago, travelling with the national aboriginal tourism board, several of us women were discussing books and how we loved them so. We shared personal stories. Mine was that when I first moved in with my foster parents, down the long hall and down a long flight of stairs was a small-town library. I could zip down there, and I thought I had my own private book place. A woman from Ontario said that she had her own library card and was so proud and excited that she could get books all on her own.

My friend from Vancouver told how her mother had a card filled out for a children's book club and together, they dropped it in the mailbox. Lo and behold, a book arrived with her name on it — her own personal mail.

Interruption

Speaker's statement

Speaker: Order. Stop the clock, please.

This is an interesting mystery.

The Member for Porter Creek North can continue.

Ms. Van Bibber: The interesting part of this story was that her mother was illiterate and had someone else fill out the card so she could ensure that her daughter was able to do better in her fast-changing world. She won the storytelling, hands down.

So the Imagination Library does this very thing: It ensures that the love of books and reading becomes an integral part of a child's life. Let's help where we can — volunteer, donate and spread the word. Through the hard work of partners, sponsors, volunteers and fun initiatives to make it all work, words are not enough to honour your passion. Thank you.

I end with a quote from Dolly Parton: "Let's share this dream that all children should grow up in a home full of books."

Applause

Ms. White: It is my pleasure to rise on behalf of the Yukon NDP to celebrate the magic of books and the continued good work of the Yukon Imagination Library.

Books take us to faraway places. They teach us about the past, the present and what could be in the future. Books teach us lessons in how we interact and how we should behave. Books teach us about love, acceptance and our differences. We don't need to look far to learn about the power of reading with a child or how it can lead to lifelong learning.

We thank and recognize the incredible work of Dolly Parton, who understood that, for some, books were a luxury that could not be afforded. The Imagination Library has since helped children and families across the world to have access to the magic of books. We thank those who work and volunteer their time here in Yukon with the Yukon Imagination Library to ensure that every Yukon child has access to books — a gift beyond words.

Applause

In recognition of World Autism Awareness Day

Hon. Ms. Frost: I rise today to ask my colleagues to join me in recognizing that today is the 12th World Autism Awareness Day. World Autism Awareness Day is one of the health-specific awareness days that are officially designated under the United Nations General Assembly.

If you do not know, autism — in most cases — affects a person's ability to communicate and interact with people. It can also affect sensory systems and behaviours. The cause remains a mystery but may be triggered by a combination of genetic and environmental factors. The 2018 report on the National Autism Spectrum Disorder Surveillance System reported that, in Canada among children and youth ages five to 17 years of age, it is estimated that one in 66 have been

diagnosed with ASD. Boys are identified with ASD four times more frequently than girls.

There are many activities organized across the globe to recognize this day. For example, today, worldwide, hundreds of thousands of landmarks, buildings, homes and communities will be lit in blue in recognition of people living with autism. Starting today, many autism-friendly events and educational activities will take place all month to increase understanding and acceptance and to foster support from communities around the world. In Canada, Autism Canada is inviting Canadians to participate in Inside Out for Autism, which is the only national fundraiser for autism taking place across Canada. It's a fun way to raise awareness and funds by wearing your shirt inside out for the day.

Today, we are asking Yukoners to see the spectrum differently and to learn how to recognize the early signs of autism. Recognizing the early signs of autism can lead to optimal outcomes and ensure that the necessary treatment can begin early. This event is even more important now that we know that, in 2018, 56 percent of children and youth have received their diagnosis by the age of six, and more than 90 percent of children and youth were diagnosed by the age of 12.

Each person with an autism spectrum disorder diagnosis is unique and will have different abilities. I want to reflect, Mr. Speaker, on my granddaughter, who is diagnosed with autism. She is a very special child. I know how difficult it is, but it also means that each child is special and needs to be recognized as such. We need to take the time to recognize their unique circumstances and embrace that.

So our government understands the importance of providing specific support to people with autism and to their families and to ensure that people on the spectrum can thrive and live their lives to the fullest. This requires a whole-of-government approach, with efforts coordinated by the departments of Health and Social Services, Justice and Education. We also need to work in collaboration with key stakeholders such as First Nation governments, non-governmental organizations, the academic community and the federal government.

In Yukon, our family supports for children with disabilities program provides a range of services to children with ASD, including applied behavioural analysis. This is a therapeutic intervention that focuses on challenging behaviours, communication, self-regulation and social interaction for children and youth, and it has been found to have successful outcomes.

Here at home, Autism Yukon is doing an excellent job of working to provide a better environment for those affected by autism. Founded in 2010 by a group of concerned parents, this non-profit organization provides supports to families and individuals living with autism spectrum disorder and education for families, support workers and educators — really, just creating awareness across the whole community.

I would like to thank the team at Autism Yukon and the other professionals, volunteers and caregivers here in the

Yukon who dedicate themselves to enhancing the quality of life for people with ASD and for their families.

In closing, I urge all Yukoners to educate themselves about ASD. It starts with each one of us to eliminate discrimination and the lack of understanding toward people with ASD.

Applause

Ms. McLeod: I rise today on behalf of the Yukon Party Official Opposition to recognize April as World Autism Awareness Month. Today, April 2, was designated as World Autism Awareness Day in 2007 by the United Nations General Assembly. In recognition of the millions of people around the world on the autism spectrum, this date brings people together to raise awareness, funds and acceptance for autism.

Autism is mostly diagnosed at a very early age, and it is the absence of the usual childhood development markers such as speech, eye contact and social interaction that are the main indicators to parents and caregivers that lead them to health professionals.

Early intervention is key, as it is with many disorders. Having an early and accurate diagnosis allows parents and guardians to establish appropriate supports which can help to temper symptoms and severity for the individual affected, but also supports for family members.

A main goal in autism awareness is to change community perceptions and behaviours. There are so many things that can be done to make life just a little easier for families of those living on the autism spectrum.

Vancouver International Airport has a program that provides identification tools to aid screening agents, crew and staff so that they can better accommodate travellers with autism. It is often gestures like this that will make a world of difference for the families who face struggles day in and day out. Kudos to those companies that not only recognize but mitigate the problems that their customers face.

I would like to thank Autism Yukon and the staff of the Child Development Centre, who continue to be a tremendous resource for families and children. Your continued support and dedication to Yukon families is critical and appreciated.

Applause

Ms. White: I stand on behalf of the Yukon NDP to recognize World Autism Awareness Day and to again challenge us all to realize the importance of the language that we use.

Mr. Speaker, isn't it time to speak, not of autism awareness, but of autism acceptance? This year, I am again sharing ideas from a 2012 essay by Kassiane S. that she shared on the Autistic Self Advocacy Network website.

"Acceptance and awareness come from vastly different mind-sets.

"The gulf between awareness and understanding is as wide as any ocean. Awareness efforts present us as a problem to be solved, and yesterday. Awareness operates in stereotypes

and soundbites, not real people... Awareness is easy. Acceptance requires work.

“Acceptance comes from a place of understanding... Understanding takes work.”

To accept those who are autistic, we first need to acknowledge them as “... individuals — as three dimensional, growing, developed characters.” People with autism are “... not all the same, and... are not just a collection of deficits.”

“Acceptance looks at commonalities we share and at the strength inherent in our diversity.” It involves trying to understand those with autism, trying to know who they are, and not just what their operating system is. I have talked about biases before and I don’t think this is any different. We need to be uncomfortable before we can be comfortable.

Acceptance requires facing that which makes us uncomfortable about those we consider different, including those with autism — thinking about why it makes us uncomfortable and confronting any prejudice at the root of that discomfort.

We need to make a conscious effort to overcome that prejudice and to recognize that our discomfort with those who are different from us is far more our problem to overcome than theirs.

“Acceptance says ‘you are you, and that’s pretty awesome. I am me, and that’s pretty awesome.’ Acceptance seeks to meet those around us where they are.” Acceptance is a constant process. Acceptance is about people who are autistic belonging as they are to the ranks of fully human people.

I wish to live in a world where acceptance is not just a goal, but the reality. In an ideal world, “... flapping will be just as acceptable as smiling, earplugs will be a normal sight...”, augmentative and alternative communication devices “... will be common and everyone will know how to converse with AAC users. In that world, neurodiversity will be just another way that people are unique, and everyone will agree that diversity is part of what makes the world so beautiful.”

So from this day forward, I am going to celebrate acceptance and not just awareness, and I ask that all of you and all listening today join in celebrating the commonalities that we share.

Applause

Speaker: Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Ms. Frost: I have one legislative return for tabling today.

Speaker: Are there any further returns or documents for tabling?

Hon. Ms. Frost: I have two legislative returns for tabling today.

Speaker: Are there any reports of committees? Petitions.

PETITIONS

Petition No. 7

Ms. White: Mr. Speaker, I have for presentation the following petition with 1,689 signatures, which reads:

“This petition of the undersigned shows that single-use plastic bags have negative impacts on the environment and are an easily avoidable component of the Yukon waste stream;

THAT the recycling system for these items is unsustainable. These items occupy valuable landfill space and often escape collection, polluting our local environment and interfering with wildlife;

THAT on October 31, 2018 the Yukon Legislative Assembly adopted a motion urging the Government of Yukon toward eliminating the distribution of single-use plastic, including plastic bags, food and beverage containers, straws, utensils, lids and packaging; and

THAT fees on single-use carrier bags effectively reduce their use and encourage use of reusable alternatives, as seen in similar jurisdictions such as Northwest Territories.

THEREFORE, the undersigned ask the Yukon Legislative Assembly to urge the Government of Yukon to implement a mandatory fee on all single-use retail bags until a ban is in place.”

Speaker: Are there any other petitions to be presented? Are there any bills to be introduced? Are there any notices of motions?

NOTICES OF MOTIONS

Mr. Adel: I rise today to give notice of the following motion:

THAT this House urges the Government of Yukon to expand storage at the Yukon Arts Centre for the Yukon permanent art collection to preserve a broad range of art forms created by Yukon artists to be held in trust for all people of the territory.

Speaker: Are there any further notices of motions? Is there a statement by a minister?

MINISTERIAL STATEMENT

Ministerial Committee on Solid Waste

Hon. Mr. Streicker: I rise before the House today to talk about an issue near and dear to all of us: solid waste. Dealing with waste is costly for Yukoners, for Canadians, for people and for the planet. In particular, I am giving an update on the work of the Solid Waste Advisory Committee.

At this time of year, you don’t have to look far to see plastic bags and other litter along our streets, in our neighbourhoods and even throughout our green spaces. This is just a small part of the problem. Canadians produce almost one tonne of waste per person per year. It adds up in economic dollars and in environmental costs. Waste costs Yukoners

over \$10 million per year — around half is paid by the territorial government and half by municipalities.

The Ministerial Committee on Solid Waste has representatives from four municipalities, including the City of Whitehorse, the Association of Yukon Communities, the Department of Environment and the Department of Community Services. The committee has been working collaboratively on strategies to help deal with solid waste across the territory.

Less than a year ago, the committee released a report with a territory-wide strategy. Cabinet reviewed that strategy and endorsed it in its entirety. Since that time, the committee has now been working on implementation. The main two issues have been regionalization and user fees. We have been working together to assess how to make the overall system more efficient by combining costs into regional landfills. This includes analysis around landfill liabilities and service costs on a per-facility and per-person basis.

With user fees, the committee recommended that we go territory-wide. The concern is that whenever there is a place with tipping fees next to a place where it is free, it will continue to create inappropriate dumping and then added costs to taxpayers. We need to make the system fair for all Yukoners, and the committee is asking that implementation happen as soon as possible for the user-fee system. Our goal is to design the system and engage with Yukoners across our respective communities in 2019.

Another essential component of the user-fee, polluter-pay system is adding to the *Designated Materials Regulation*. As you know, we have implemented new recycling surcharges on electronics and tires at the point of purchase to help offset the cost of disposing and recycling those items. Since this program began in October 2018, it has been performing well. For example, over 120 tonnes of e-waste have been collected for recycling and kept out of landfills.

We are not stopping there. Based on the unanimous resolution passed in this House last fall, I asked the committee to consider how to work toward the elimination of single-use plastics. As a result, we are now consulting with the public on adding a fee to single-use bags.

Thanks to all Yukoners for sharing their views on this subject. We look forward to making a decision once the engagement period closes at the end of this month. The proposed regulation would mean that when a consumer goes to buy their groceries without a reusable bag, they will need to pay a fee for a single-use paper or plastic bag. The intention is to encourage reuse of bags and discourage single use with fees covering the costs of recycling as we move toward the elimination of single-use bags.

Our goal is to reduce single-use bags by 70 percent with this program. Yukoners can find the survey on engageyukon.ca. This is just one step in an ongoing process to bring the Yukon closer to sustainability.

We are also exploring an extended producer responsibility program where industry manages waste created by their products. We are looking to partner with British Columbia on household hazardous waste, which we know is a

real challenge for all of our communities. We're continuing to work on diversion efforts like supporting recycling programs in communities. Together with the Ministerial Committee on Solid Waste, our vision is to move the Yukon toward an effective and efficient territory-wide waste management system.

Ms. Van Bibber: Thank you for the opportunity to respond to this today.

We do support the work and the goal of reducing single-use plastics and waste in general, but we do want to make sure that the government does this work while working closely with small businesses that will be impacted. We would like to see an economic impact analysis to accompany this work as well.

Perhaps it will come back and say that this will not be an issue for small businesses in the territory — and I think that's great if it does. But in the interest of evidence-based decision-making, we ask Yukoners and MLAs that they should have all that information. We asked the government to work closely with the business community to get not just their opinions, but also the data on sales and estimates on how this will impact business traffic and to report back on the economic impacts.

Regarding the minister's reference to an extended producer responsibility program, I am hoping that, in his response, he can elaborate a bit more on what work is ongoing in this regard. We know that the Canadian Federation of Independent Business has expressed concerns about EPR regimes and the burden they can place on small business. For example, here is an excerpt from an editorial by a CFIB Atlantic Canadian branch speaking about EPR and the impacts it could have on a small pharmacy — quote: "Next time you drop in for your prescription or a bottle of shampoo, have a look at the shelves and imagine the task of categorizing all the packaging material, measuring it, weighing it, reporting it and paying a fee to have it recycled. When that's done, wait for an end-of-year compliance report and hope that your forecast was accurate so you wouldn't be fined."

Extended producer responsibility — combined with CPP premiums, increased carbon taxes and the federal changes to small business taxes — has made many small businesses in Canada feel like everything is piling on them lately. I think if the government is examining EPR, it needs to keep small businesses in mind and work closely with them, and it needs to work closely with the Canadian Federation of Independent Business, the Yukon Chamber of Commerce and all the community chambers of commerce.

Small businesses, like all Yukoners, care about our environment and want to do their part, but it's important to remember to keep them closely engaged and part of the conversation.

Ms. White: The Yukon NDP is always happy to hear new announcements about taking action toward waste diversion, so we commend the steps this government has taken in that regard. However, we always can and should do more. For a long time, we've repeated the age-old mantra:

reduce, reuse, recycle. Yet somewhere along the line, we lost sight of reducing and reusing and got stuck on recycling. Most of our waste-diversion efforts, with the exception of things like putting fees or banning plastic bags, endeavour to address waste at the end of its lifespan, but there is just too much stuff for recycling for it to be a sustainable solution.

Single-use products like straws, cups, bags and bottles have become the norm, and we're all responsible for allowing them to take hold and to continue to exist. Consumers can and should reduce their consumption, yet somewhere along the line, that narrative shifted to the point where the burden for waste diversion fell massively on the shoulders of the individual. You see it here throughout Yukon where residents are responsible for ensuring recyclable materials stay out of the landfill, while the corporations, producers and distributors who are actually responsible for the design and delivery of these items get a free pass. It's up to us as individuals and our governments to call on producers, shippers and corporations to design more sustainable products and packaging and to develop more recycling infrastructure. It's up to all of us — the public, business and, of course, government — to make these changes, and we'll continue to focus on this government's actions, like encouraging them to set clear targets for waste reduction, demonstrating how they will achieve those targets and then meeting them.

The Yukon NDP would like to see a wholesale reimagining of Yukon's waste management and recycling infrastructure, and we would like to see bold ideas from this government. Take the Yukon Party's commitment to hit 50-percent waste diversion by 2015. Despite the fact that they missed that goal, they at least had a vision for change that could be tracked and measured. Keeping that in mind, we're encouraged to see movement on the reduction of single-use plastics, but of course, we would like to see that expanded to include things like straws, coffee cups and plastic water bottles.

This government wants to see a reduction of 70 percent, but we would be happy to see reduction of 100 percent. We want to see a massively expanded designated material regulation list that ensures that all items that are costly to process at the end of their life are added to that list. We want to see producers and importers of needlessly over-packaged goods held responsible for their part in bringing in such massive quantities of materials that end up in our landfills, transfer stations and recycling depots through initiatives like EPR and backhaul fees.

As this government introduces user fees at all waste transfer stations, we want complimentary recycling options that incentivises waste diversion rather than just offsetting the costs. We fundamentally believe that these initiatives should be built from the ground up through consultation with community stakeholders, waste-management operators, the business community, municipalities and First Nation governments.

While we appreciate the steps this government has taken, we encourage them to take the bold steps necessary to reduce,

reuse and recycle, because those initiatives will always have our support.

Applause

Hon. Mr. Streicker: I thank both members opposite for their support. Although a very different perspective from each, the thing that I caught in common is that this is a shared responsibility. It is definitely a government responsibility; it's definitely all of us as individuals and it is definitely businesses as well.

What I will say for the Member for Porter Creek North is that we do have some evidence about this because we looked at the Northwest Territories, and they did some work. So we actually have a great example right next door about how that played out for government, individuals and businesses. I also note that when we brought in our last round of *Designated Materials Regulation*, we did work with small businesses. We sought ways to reduce red tape and to provide them options for how they wished to report to make it easier for them, because waste is complex. It is important that we address it, and it is important that we work with the business community.

I would also like to thank the NDP for their position on this. I appreciate that they are seeking to have us move forward more strongly, and I think that is admirable. The *Designated Materials Regulation* is about reducing. Sure, it's about reuse, but its number one goal is about reducing. I agree with the member opposite that, while the short-term goal is 70 percent, the long-term goal is 100-percent reduction. That is the point.

When we talk about a wholesale reimagining of the system, what I want to say is that, when we sat down with our partners — those municipalities that run these facilities here in the city and within the territorial government — we asked them for that wholesale reimagining. That is the point of going through the whole regionalization process. Again, I worked with those individuals — the leaders who we have around solid waste — and asked that very question.

I do think, as well — in a shared responsibility — that there are things that each of us can do. I said earlier, Mr. Speaker, that I encouraged all Yukoners to please reach out to voice their opinion on this engagement process around a fee for single-use bags, but I think that there are lots of ways that we can make sure all of us do our part to reduce what is happening in our landfills. It's not just about bags; it's not just about travel mugs, but it's about all of it. Whether it's about electronics, tires or household waste, I think we can all help to keep it down. I urge all Yukoners to think about how they can reduce their waste in their own lives and to feel free to provide their suggestions to us as a government about how to work together to take steps to better manage solid waste across the territory.

Applause

Speaker: This then brings us to Question Period.

QUESTION PERIOD**Question re: Wildfire risk reduction**

Mr. Cathers: The Yukon government needs to do more to reduce the risk of wildfires. Yukoners, including the Whitehorse FireSmart group, are drawing attention to the fact that we need to rethink our approach to reducing wildfire risk. The FireSmart program is not enough, and controlled burns like the six that government just announced are a very small step.

We all love the natural beauty of the boreal forest, but from a fire risk perspective, we also need to take steps to harvest some of the spruce and pine in communities. This is a serious problem but also an opportunity. If we look through a lens of fire risk reduction, targeted harvesting provides an opportunity to grow the private sector and provide local job opportunities as well as reduce fossil fuel emissions by replacing oil heating with biomass.

Will the Minister of Community Services agree that Yukon needs to do more? What steps is he planning to take?

Hon. Mr. Streicker: I would absolutely agree that we need to do more. I thank the member opposite for his suggestions. They align exactly with the ones that we have been working on.

I have been working with the Minister of Economic Development, the Minister of Energy, Mines and Resources with respect to forestry and with the Minister of Highways and Public Works to look at how we can reduce fuel load, how we can turn that into biomass and how we can heat our buildings with it. It is a good suggestion.

By the way, thanks as well to all those Yukoners who have been stepping up and forming community groups that are saying exactly that thing. It's also important that we get to that risk of fuel loading. We need to move more to prevention. The department has been working on developing a capital project around that over multiple years in order to address the most serious risks. We are in development now.

As well, I think it's about emergency planning, and that work is underway. I don't know if you heard, but the director of Wildland Fire Management was on the radio this morning talking to Yukoners about wildfire and how we are preparing for it. I would be happy to answer more questions in supplementary questions.

Mr. Cathers: Yukoners saw what happened in communities like Telegraph Creek, Lower Post and Fort McMurray as well as in recent fires in BC and California, and it has got their attention.

People are becoming more aware of the need to reduce risk of wildfires in their communities. Targeted harvesting of coniferous trees to reduce risk of fires in and near communities not only increases safety but provides an opportunity to grow the private sector and provide long-term jobs. It has the potential of helping move toward heating more homes, commercial buildings and government buildings with a renewable resource instead of burning fossil fuels.

Does the government support this goal? If so, what steps do they plan to take to increase targeted harvesting?

Hon. Mr. Streicker: I thought I just answered that very question. Yes, we support it. Yes, we are working to — we did a report. We asked a researcher to come up and identify the very specific areas that are at highest risk. We are turning that around now into a capital project and, over time, we will work to reduce those loads.

We are doing many things. We are rebuilding the Whitehorse air tanker base starting this year. We have lined up Operation Nanook with the Canadian military to happen this spring so that we can work with our firefighters as part of that exercise. There is a range of things that we're doing. We completely agree with the member opposite, and we do want to make that investment.

Mr. Cathers: I appreciate the answers from the minister. I think it's important to note that public interest and support in this area gives us an opportunity at this point in time.

Another step which can be taken to reduce risk of wildfires is providing increased opportunity for farming. Increasing Yukon-grown food and agriculture production has many benefits, and one of them is that a producing farm provides a firebreak. Most of the farms in the Yukon are in my riding, and many of those farms would help slow down a wildfire and provide crews a better chance to get it under control if we face that type of situation. Making more land available for farming is a step that can help grow the private sector, increase the Yukon's abilities to meet our own needs and help keep communities safe from wildfires.

Other than agriculture development in the Lake Laberge area, what steps is the government taking to make more agricultural land available for Yukoners?

Hon. Mr. Pillai: Mr. Speaker, I will just touch on two specific areas based on the question from across the way. For one, I think that when it comes to biomass, our commitment — there was a bit of media coverage over the last week. I want to congratulate the team in Teslin for their open house. It was very well-attended.

Of course, we were a large contributor and investor into that infrastructure in Teslin, and now we have, I believe, 11 different First Nation governments that we are working with through the Energy Solutions Centre either on feasibility, analysis of information or actually looking at integration of infrastructure. Of course, that becomes part of that holistic approach to dealing with the adaptation that we have to deal with — the climate change and fire threat — with my two colleagues from Highways and Public Works as well as Community Services.

As the member across is also aware, we are just concluding our agricultural policy update. It has been about 10 years since we have had a renewal in our agricultural policy work. Our team is going back out for discussions with the Yukon Agricultural Association, Growers of Organic Food Yukon and others. There is a language that we are looking to ground-truth, and this is really about what happens with agricultural lands, and therefore, that will define how we develop in our near future.

Question re: Liquor transport

Mr. Istchenko: This year's budget estimates that the Yukon Liquor Corporation's sales will increase by 0.8 percent. At the briefing with officials, we were provided with a document that says the increase can — and I quote: "Be directly attributed to the corporation's effort to reduce the cost of production and transportation." This jumped out at us because we do know that, with the carbon tax coming this year, transportation costs are set to increase.

Can the minister tell us if they have now calculated the impact of the carbon tax on the liquor haul? If they have it, can they explain how the Liquor Corporation's budget is counting on savings to their transportation costs if they don't even know what the impact of the carbon tax will be?

Hon. Mr. Streicker: Yes, we do understand the cost of the price on carbon. We have known it for some time, because as soon as it was said by the federal government that it would \$10 a tonne and then \$20 a tonne, we could start to calculate that.

There is still much more variation in the price of fuel than that, but the calculation goes in — by the way, there has already been a carbon price on the transportation of liquor on the highways in Alberta and already a price on the highways in British Columbia. It has been paid for several years now.

The point I want to make, Mr. Speaker, is the reason that the costs are going down is because we have been working to find a more efficient method to transport. So we have been shifting more of the sourcing of the alcohol from British Columbia over to Alberta, which is closer and cheaper to bring it up here. That is how we are doing it, and I'm happy to keep answering questions on this.

Mr. Istchenko: At the same briefing, we were also told that the current liquor haul contracts are expiring or set to expire and that they will have to go back out to tender. Given that the carbon tax will increase the costs of transportation and given that the liquor haul contract has to go back out to tender — so the government doesn't know what the cost of the new contract will be — can the minister explain a bit more about how the nominal increase in sales at the Liquor Corporation can — as the government documents states — be directly attributed to the corporation's efforts to reduce the cost of product and transportation?

Hon. Mr. Streicker: The member opposite is correct. When we put out an RFP, we don't know what we will get back — that is correct. But we do this analysis work ahead of time to understand where we typically get cheaper prices. We do analysis to look at the cost of fuel. We do analysis to see what the price of carbon is.

By the way, if it happens to be a Yukon company which is a transportation company that has that cost — and we'll be debating this here in the Legislature today — we're rebating those Yukon companies. In my recollection of the numbers — I'll check — and I'm sure the Premier will stand up to speak about it in debate today — but we're rebating more than the amount of money that those businesses pay overall to the carbon price, so there is an incentive.

So yes, Mr. Speaker, we don't know exactly what the price will be through an RFP, but it isn't because of a carbon price — it's because there's a competitive process out there and we want to encourage businesses to apply.

Mr. Istchenko: Sticking with the contract for hauling, the current liquor haul contract is about to expire and we've been discussing this. This is because a decision was made to do the last contract through a one-year deal. During the budget briefing with officials, we were told that the instruction to go with a one-year deal came from Management Board. Now, for those Yukoners listening who are not familiar with government lingo, Management Board is made up of Liberal Cabinet ministers.

So we thought it was interesting that Cabinet had decided to go with a short-term deal instead of a long-term deal that could perhaps provide more certainty on the cost.

Can the minister explain why the Management Board gave instructions to go with only a one-year contract on the liquor haul?

Hon. Mr. Streicker: I'll give a response, and then I will beg the indulgence of the member opposite to go back and talk with the corporation just to get the corporate history on this issue that happened a year ago, because I don't have a note right in front of me. My recollection is that, when we put out for those bids, the British Columbia bid came in much higher than we anticipated.

The other challenge around the British Columbia transportation contract is that we were anticipating that it would come by road but it came, again, by barge. The challenge for that is that it's slower to get here and it's harder for our licensees to make sure that their orders are coming on time. That's my recollection. I'm happy to go back and talk with the department again. It was about making sure that we got the best service for Yukoners, and that is what my recollection is about this.

We always want to make sure that the system is fair and transparent for those people who are applying for these bids, and I think that was what happened last year. I'll be happy to check for the members here and confirm that.

Question re: Emergency room visits

Ms. White: The 2018 Government of Yukon performance plan identified that over 60 percent of all emergency room visits could have been avoided. In any setting — whether it be business, NGO or government — when an inefficiency of that level is found, it should be top priority to eliminate it as quickly as possible, yet here we are a year later, and not only can the minister not identify the concrete steps that she has taken to rectify this issue, but she has not yet been able to tell this House how much those avoidable visits are costing Yukoners.

This year, the Government of Yukon is anticipating that there will be 40,400 emergency room visits and by their own accounting, 24,000 could be avoided.

How much money would the Government of Yukon have saved if they eliminated half of the avoidable hospital visits that they identified in the 2018 performance plan?

Hon. Ms. Frost: What I do want to say is that, in order to quantify and give specific numbers — what I really want to talk about is the programs and services that we provide to all Yukoners in emergency situations, not just to the Whitehorse General Hospital.

The important thing about that is the importance of the relationship and the partnership with the Yukon Hospital Corporation. We are very proud of the care that is provided to the emergency departments, whether in Whitehorse, Watson Lake or Dawson. We are open every day, 24 hours a day, to provide those services, but we do also look at some alternative approaches to best address acute care services. That means that we work with our communities. We work with our health centres, we work on a collaborative approach, and we look at emergency departments as the very last resort in the event that we have an alternative. So clearly we are looking at ways to make our system more patient-centred to address the outcomes.

With respect to emergency room visits, in the relationship that we have with the Yukon Hospital Corporation, we will do our good work to provide appropriate services, bring the specialized services to our communities and enhance the scope of collaborative care in rural Yukon communities.

Ms. White: Mr. Speaker, it is unacceptable that, a year after identifying that a key component of Yukon's health care service delivery is operating at 60-percent inefficiency, the minister responsible cannot identify how much would have been saved by fixing it. It is the responsibility of the hospital to deliver emergency room care, but it is up to the Minister of Health and Social Services to deliver the services necessary to divert avoidable visits away from the emergency room. Yet the steady increase in emergency room visits demonstrates that this government has not taken the steps to do so or we would have seen a decrease, not an increase.

Mr. Speaker, since it was identified a year ago that over 60 percent of emergency department visits are avoidable, Yukoners really want to know how much those unnecessary emergency room visits cost the Yukon health care system.

Hon. Ms. Frost: I certainly appreciate the question. When we talk about the services and supports and when we talk about the diversion of emergency services, we want to really talk about the whole of Health and Social Services, our relationship with our health centres and our relationship with the Yukon Hospital Corporation. We are always looking at ways to make our system have a more patient-centred approach, make it friendly and look for improvements in outcomes. We did that very successfully by signing our agreement with Canada to increase access to quality treatment services. We have increased staff at our mental wellness hubs. We have supported Blood Ties Four Directions. We have worked with the Whitehorse emergency shelter. We provide intensive treatment program services, substance use and rehabilitation services. We have worked with our communities through Jackson Lake, for example. We have worked through land-based initiatives. We have done a lot of really great work in terms of social supports and health supports. I am very proud of that work, and we will continue to do that.

Rather than addressing how much it costs to provide emergency services, I would like for us to consider how it is that we are providing collaborative care, supports and partnerships across the Yukon to better align to service needs of all Yukoners.

Ms. White: I have asked the question of cost at least three other times, and what we would really like to know is what that 60 percent of unnecessary visits cost.

The steady increase in the number of emergency room visits has a real-world impact on the operation of our key facilities. Let's take Whitehorse General Hospital, for example. In the Yukon Hospital Corporation 2015 project report, they stated — and I quote: "A key assumption in project planning was that improved access to primary care services through family doctors, referred care clinics, collaborative care practices and/or drop-in clinics could effectively divert a large number of lower acuity cases from emergency departments to a more appropriate type of care."

The Whitehorse emergency department, built on the assumption that there would be 20,000 visits a year, is now projected to have 30,000 visits this year. The hospital assumed that the steps to deliver improved community-based primary care would see emergency room visits declining rather than increasing.

Mr. Speaker, what are the implications of the runaway growth of ER visits on the long-term viability of Whitehorse General Hospital's emergency department?

Hon. Ms. Frost: Mr. Speaker, I would like to thank the member opposite for those comments. I think something we should strive for is the reduction of emergency room visits, not growing that. We are doing that very effectively and efficiently by working with our partners. We will continue to do that.

I have raised some of the supports that we are providing with respect to the shelter supports, working with our community-based hospitals and working with our health centres on expanding the scope of care. We discussed a bit yesterday about that — the possibility of looking at nurse practitioners, for example, in some of our communities. We are looking at what we can do better in Yukon communities to eliminate and do preventive measures and provide the wraparound supports that clients need so that we can reduce the pressures on the Yukon hospitals.

We have done that by removing some of the pressures by increasing the rehabilitation units, for example, at the Thomson Centre. We have worked on opening up the Whitehorse emergency shelter; we are working with the Skookum Jim Friendship Centre and doing many things across the Yukon to address the pressures that we're seeing — not to grow that, but to eliminate it. We are trying to provide the essential services at the hospitals. They are for acute care — which is what they were intended for.

Question re: Stewart River watershed management

Mr. Kent: Over a year ago, the Minister of Energy, Mines and Resources announced that a subregional land use plan would be developed for a portion of the Stewart River

watershed in response to a YESAB recommendation dealing with an all-season exploration road into some mining claims north of Keno City. As part of this, a planning committee was established, and the deadline for that plan to be finished is March 31, 2020.

Can the minister tell us if the committee is on track to meet this deadline?

Hon. Mr. Pillai: Mr. Speaker, as far as I have been briefed by our department as well as getting feedback from the stakeholders, at this particular time, we are still on track to meet the deadline that was identified at the start of the plan.

Mr. Kent: I thank the minister for that response.

As you know, the Yukon Environmental and Socio-economic Assessment Board, or YESAB, recommended that the ATAC road project proceed, subject to certain terms and conditions. We asked for the terms of reference for the planning committee previously, but only got a high-level objectives document. We know that, at the public meeting held in Whitehorse recently, there were a number of people in attendance who thought this process was determining whether the project would proceed. One of the quotes in local media was that this process would help determine if the road itself was appropriate.

I am just wondering if the minister could clarify this for us: Is this committee determining if the project will proceed or how that project will proceed?

Hon. Mr. Pillai: First of all, I will touch on the fact that there was a joint-decision document that was delivered by both Na Cho Nyäk Dun and Energy, Mines and Resources.

In that, it identified the work around the tote road and the support for the tote road, but it also took into consideration that there were a number of concerns that had to be addressed. The concerns had to do with access, impact and opening up that particular area with an all-season road. At that point, the decision was made to have a further look at this work.

Of course this really stems from the fact that we are extremely behind in the Yukon when it comes to land planning. We were held up on the Peel piece; we are trying to conclude that with all jurisdictions. I actually met the Land Use Planning Council this morning on this topic, and of course we also had a previous meeting this morning with the Chamber of Mines. We do understand the concerns around land planning and the lack of progress we have made. At this particular time, one of things I had to discuss was the fact that we really are trying to respect everybody's concerns — whether it's in Southern Lakes, out at Lake Laberge or in Mayo.

Taking into consideration that land planning has not been done, what are the effects of a road such as this and how can we learn to mitigate them as a road gets built?

Mr. Kent: As I mentioned, we have asked to see the terms of reference for this planning committee previously. So far, as I mentioned as well, the minister has not shared those. He has only shared a high-level objectives document with us. Without seeing those, we are left in the position where we have to seek more details about the mandate and powers of

this committee during Question Period or during departmental debate.

Can the minister tell us if the Stewart River watershed planning committee has the power to recommend that the ATAC road not proceed?

Hon. Mr. Pillai: I look forward to having a discussion about this in our conversations during budget debate. Last year, we — I apologize if there is not deep enough detail — I can remember during budget debate, I think, going through almost every single element of the terms of reference, of the agreement — on record, in Hansard — which was touched upon. Yes, I do know that. But I believe we went through it in its entirety. I look forward to doing that again as we go through Energy, Mines and Resources. Those are the terms of reference; there is not a subset of information that I didn't share. It was provided to me, and I shared it with the Assembly.

We can have a further dialogue during budget debate when we speak to the dollars that have been put toward that project to ensure that it is an appropriate part of that conversation. I look forward to that. This discussion — I do want to thank the parties that have been involved — the teams that have been brought in. I think they have done very strong work. I also want to thank the government staff who have been a part of this very important process.

Question re: Mining sector development

Mr. Hassard: I have some questions for the Premier about the declining investment in exploration here in the territory.

Last October, the Premier said that exploration spending for the Yukon for 2018 was going to be \$172.3 million. His interim fiscal update that he tabled in the House claimed that it was going to increase even further.

Now we know that the Premier has claimed that 2018 was a record year for exploration investment, but of course, we also know that the facts don't support that. As it turns out, the 2018 investments actually came in at \$98.7 million, according to NRCan, or \$73.6 million less than the Premier claimed they would be.

With last year's exploration numbers dropping so significantly, is the government implementing any new initiatives to improve investment here in the territory?

Hon. Mr. Pillai: Once again, we see the Yukon Party doing a disservice to Yukoners by mixing projections with actual spending. Despite all the noise coming from across the way, the facts are that, back in 2016, the amount spent on exploration was less than half of what we saw last year — less than half.

During this same time, the previous government spent hundreds of thousands of dollars of taxpayer money in court fighting First Nation governments instead of collaboratively creating a path forward for the sector. We remember your history on this file, and we will continue to do a better job through respectful and collaborative relationships that foster investment in our territory.

Mr. Hassard: This is not about the blame game. This is about the Premier providing accurate information to this Legislature. It is well-documented that the exploration investment in the territory for 2018 is coming in close to \$74 million less than the Premier claimed. I don't think anyone is happy about that — at least I know that no one in our caucus is pleased with that news, for sure.

But moving to 2019's exploration numbers — NRCan's latest data estimate that investments will decline even further to \$62.5 million. That means that Yukon's share of national exploration investment is expected to drop to its lowest level in five years, Mr. Speaker.

One of the major issues we hear about when it comes to making determinations around exploration investment in the Yukon is timelines and consistency around permitting. Can the Premier tell us if his government will bring any initiatives in, in the last half of his mandate to address these issues around permitting?

Hon. Mr. Pillai: A couple of different points there from the Leader of the Official Opposition — one on data about numbers and secondly, his version of what is happening on the national scene when it comes to exploration. He did not touch upon the fact that what we are talking about is money in the sector. We have a compression across the entire country in the short run. Anybody in the mining sector — I know he talks to some people in Vancouver once in awhile, and the same people can tell him that — whether it is Ontario, Quebec or British Columbia — it is a tough market to raise money.

The Yukon government works collaboratively with Natural Resources Canada to collect, assemble and publish Yukon mineral resource development statistics for consistency and to allow Yukon statistics to be compared across other jurisdictions. In Canada, the Department of Energy, Mines and Resources utilizes Natural Resources Canada's data and public reports.

The October 2018 data, posted on NRCan's website, showed exploration plus deposit appraisal spending intentions for the Yukon in 2018 to be estimated at \$249.4 million. That is what was reported by me at the Geoscience Forum. That is what was included in my briefing book, provided to me by the department, and that is what we published in the news release dated October 15, 2018.

This is a common practice, and these numbers are still available on the NRCan website. There are now updated numbers available online — current as of February 2019 —

Speaker: Order, please.

Mr. Hassard: According to NRCan, exploration investment in the territory is expected to decline to \$62.5 million in 2019. As I have stated, this means that Yukon's share of national exploration investment is expected to drop to its lowest level in the last five years. We really do hope that these estimates prove to be wrong and that those numbers bump up.

But another issue we have heard is that the carbon tax may have impacts on exploration in mining investments here in the territory. For example, it could significantly increase the cost of a project, which means that they are required to

generate more capital. With the growing questions about permitting, this is just another variable.

Can the Premier tell us if he has done any analysis on what the impacts of the carbon tax will be on exploration investment here in the territory?

Hon. Mr. Silver: Mr. Speaker, what we have here is the opposition taking a look at small sections of our economy and small sections of the overall picture of mining and saying that they're voting against basically the mining industry by saying that things are bad. I am going to take the track record of my Minister of Energy, Mines and Resources over the previous Minister of Energy, Mines and Resources any day for the amount of investment that is being attracted.

Again, we had a recession with the Yukon Party. We are now in the lowest unemployment rate — a record low in Canada — here in the Yukon. We have great forecasts moving forward. We believe that the approach that we're using by working with First Nations on resourcing the industry is the positive way to go. We are hearing from the mining industry as well that they are happy with this relationship and this arrangement.

I don't hear a lot of people harking back to the times of the Yukon Party when it comes to mining.

Speaker: The time for Question Period has now elapsed.

Notice of government private members' business

Hon. Ms. McPhee: Pursuant to Standing Order 14.2(7), I would like to identify the items standing in the name of government private members to be called on Wednesday, April 3, 2019. They are Motion No. 415, standing in the name of the Member for Copperbelt North, Motion No. 450, standing in the name of the Member for Porter Creek Centre and Motion No. 403, standing in the name of the Member for Porter Creek Centre.

Speaker: We will now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 33: *Yukon Government Carbon Price Rebate Implementation Act* — Second Reading

Clerk: Second reading, Bill No. 33, standing in the name of the Hon. Mr. Silver.

Hon. Mr. Silver: I move that Bill No. 33, entitled *Yukon Government Carbon Price Rebate Implementation Act*, be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 33, entitled *Yukon Government Carbon Price Rebate Implementation Act*, be now read a second time.

Hon. Mr. Silver: I am pleased to rise this afternoon to begin debate on the *Yukon Government Carbon Price Rebate Implementation Act*.

This legislation is the result of a great deal of work and many conversations here in the Yukon. It represents clear action on a key commitment toward providing good jobs in a sustainable environment.

Mr. Speaker, climate change will be a defining challenge for our generation. How we address it will determine our success or failure in meeting this challenge. We need to be standing on the right side of history. We need to change our energy consumption as we move toward a cleaner future. We must do this for our children and for our grandchildren.

I'm fully aware that change is not easy. Some individuals and industries might find it difficult to adapt to change — more difficult than others. But we must not reject a better future simply because it's challenging. We must embrace change as we move collectively to improving our future.

I want to use a historical example — one from Victorian England days — that I think has parallel with today's challenge. It's hard for us to imagine today, but as England rapidly urbanized in the 1800s, it did so without the luxury of municipal sewers. Large periodic outbreaks of cholera and, to a lesser extent, typhus and malaria started occurring. England was experiencing a health emergency.

While scientific analysis was in its infancy at the time, initial medical reports concluded that a lack of sanitation was responsible not only for the outbreaks, but also shortened lifespans and stunted growth. The medical leaders of the day suggested a modest property levy to build basic sewer lines.

Strong opposition erupted from a group of property owners who attacked the validity of the science. The property owners argued that the levy would leave them in an uncompetitive position and destroy the economy. Now, today, it's hard to believe that society would argue in favour of open-ditch sewers and high-density urban outhouses, but in Victorian England, arguments against the levy to build sewer lines won the day for almost two decades.

What happened during this period? The cholera outbreaks grew even more frequent and more deadly.

Eventually, the levy was put in place and the sewer lines were built. Following this, a rapid transformation took place. People stopped dying of cholera, they lived longer and they even grew taller. All the while, the Victorian economy continued to grow rapidly.

Those who resisted the change were standing on the wrong side of history. Today, we have a difficult choice, and I believe the right choice is to take the necessary steps to ensure that Yukoners continue to have good jobs and live in the sustainable environment.

In early 2016, all Canadian Premiers, including the Yukon's Premier, committed to the Vancouver Declaration to a series of actions to address climate change, including transitioning to a low carbon economy by adapting a broad range of domestic measures, including carbon-pricing mechanisms.

Now, later in 2016, a mere six days into our mandate, this government endorsed the *Pan-Canadian Framework on Clean Growth and Climate Change*. This multi-faceted strategy outlines Canada's commitment to address the impacts of

climate change. Today, we are discussing one aspect of the framework: a price on pollution.

Yukon agreed that a federal levy would apply in Yukon if Canada recognized and addressed our unique circumstances in the north. In turn, Canada agreed to return all revenues it collected in Yukon. The commitment of our government was to return 100 percent of the revenues from carbon pricing to individuals, businesses, municipal and First Nation governments. I am pleased that we are meeting this commitment today with this bill before us.

This bill reflects the principles of the pan-Canadian framework. It is informed by the conversations and engagements that we have had with Yukoners. It addresses the findings of analysis done on carbon pricing.

Mr. Speaker, our government believes in the principle of transparency and accountability to the people of Yukon. To this end, this legislation creates the carbon rebate revolving fund. This means that every penny received related to Canada's carbon pricing will be deposited into this fund for the sole purpose of providing rebates. It also means that every year there will be a discrete accounting of the transactions of the fund presented in the Public Accounts of Yukon, audited by the Auditor General and tabled in this House. This fund will show that carbon revenue is rebated to all rebate groups on a revenue-neutral basis, demonstrating our commitment to transparency and accountability.

Under the provisions of this bill, carbon rebates will be directed to the following groups: individual Yukoners, First Nation and municipal governments, and the business sector. Rebates for Yukon businesses are further divided into a mining rebate and a general business rebate. The Yukon and federal governments themselves will not receive or retain any rebates related to carbon levies paid in Yukon. We are diverting this revenue to other sectors because we believe that large governments have greater capacity than others to reduce their carbon footprint. This action will also ensure that we meet the principles in the *Pan-Canadian Framework on Clean Growth and Climate Change* that speak to competitive issues for businesses and concerns related to vulnerable people.

Mr. Speaker, rebates for individuals will start this year. One will be distributed in October, and another will be sent in April 2020. Each of these payments will include \$43 for every Yukoner. Beginning in July 2020, rebates will be paid quarterly on an annual cycle. The value of the basic rebate will rise to an estimated \$284 per year in 2023. These payments are not considered income and, therefore, are not taxable.

In designing the rebate, we collaborated with Canada on their impact-analysis report. We learned two significant things through this analysis. First, while higher income households spend more on average on carbon-based fossil fuels, this isn't the case when expressed as a share of income. Second, Yukoners outside of Whitehorse have slightly increased energy needs and reduced access to alternative transportation options.

Mr. Speaker, we have been very cognizant of these two findings in designing rebates for Yukon individuals. To

address them, individuals will be allocated the largest share of the revenue from groups not receiving rebates. On average, individuals will receive 155 percent more than they paid in the levy. We estimate that this means that the bottom 85 percent of income earners will receive more rebates than they pay in the levy. It also means that the lowest third of income earners will receive approximately 175 percent of what they pay, ensuring that rebates protect more vulnerable Yukoners. As well, Yukon residents who live outside of Whitehorse will start receiving a remote supplement of an additional 10 percent per quarter beginning in July 2020. This is in line with the average expected cost between urban and remote Yukoners.

With respect to the business sector, there are two distinct rebates for Yukon businesses — a general one and one particular to the mining industry. When the federal government released its carbon-pricing framework, it created two separate methods for pricing carbon on business activities. The first is the general levy, and the second was the creation of the output-based pricing system.

The output-based pricing system is Canada's solution for pricing carbon emissions for large industrial emitters that sell their product on the world market at world prices. For these emission-intensive, trade-exposed industries, Canada will set a standard for allowable emissions per unit of production for each industry. In order to incentivise efficiencies and address carbon leakage concerns, a charge will be applied only on the emissions above 80 percent of that standard.

To go further on that, carbon leakage occurs when there is an increase in CO² emissions in one country as a result of an emission reduction by a second country with a carbon policy. The output-based pricing system will be mandatory for mines that emit more than 50 kilotonnes per year while in production. It will be optional for mines that emit between 10 kilotonnes and 50 kilotonnes per year while in production. Mines that emit less than 10 kilotonnes per year will pay the general levy.

The Yukon government recognizes that many mines in Yukon, especially placer mines, face the same global competitive challenges that larger mines face, yet they do not have the scale to participate in the output-based pricing system. We also recognize that there are extra costs in developing and closing operating mines in the north. That is why we are providing certainty today for the mining industry with our mining rebate. Placer miners will receive 100 percent of their levy costs back in the form of an annual rebate. Quartz miners will receive 100 percent of their levy costs back for the first six kilotonnes of emissions and 50 percent on their next four kilotonnes of emissions. The quartz mining rebate will also apply to any mine in development and reclamation phases.

Now, Mr. Speaker, this is unique in Canada. We are pleased to hold this up as one of the many successes of our rebate framework. This is our recognition of the competitive challenges faced by northern mines. By providing a rebate during development, it will reduce the development costs

during the period when these projects are most cash-flow negative.

In addition, we are expanding the mining rebate program by segregating any money generated through the output-based pricing system to be first used by the industry in carbon-reducing investments. We do not expect any revenues from the output-based pricing system in the next several years. In the meantime, we will work with industry as we develop the required regulations envisioned by this aspect of the bill.

I want to turn to the general business rebate for a second. As members know, Yukon businesses come in many different forms — from single tradespeople with trucks full of tools to large organizations with multiple locations and numerous employees. A business can exist in many legal forms — as a corporation or through a partnership. It could also run as a sole proprietor. Our solution has considered all of these factors.

In addition, Mr. Speaker, we have heard in our discussions that the rebate should recognize the relative carbon intensity of different industries. It should also provide an incentive for businesses to reduce their emissions. We believe that we have met this objective today.

We will be providing Yukon businesses that are not receiving the mining rebate with a refundable tax credit regardless of whether they are incorporated, operating through a partnership or operating as a sole proprietor. Our rebate will apply both in years when a business earns money and also in the years where they have a loss. Our plan recognizes that not all businesses can simply pass costs on to their customers. Many of their customers may be in export-focused industries, subject to global price competition. Many businesses have entered into long-term contracts that may not have contemplated a price on pollution. The rebate will address this.

Our rebate will be based on business investments in Yukon. The more a business invests in Yukon, the larger the rebate. Specifically, we are targeting investments in newer equipment and buildings that consume fossil fuels. This is a balanced approach that best matches carbon intensity to the amount being rebated, while at the same time preserving the price signal related to carbon pricing. New equipment or buildings and upgrades offer the greatest chance for energy efficiency gains; therefore, it makes sense to target the rebate for these activities.

There is one other aspect of the business rebate not tied to fossil fuel consumption, but targeted at investments encouraging reductions. This legislation creates a super-green credit to support Yukon businesses as they invest in green energy generation. The largest annual credit will be for green investments, such as investments in active solar heating equipment or ground-source heat pump systems, small-scale hydroelectric installations, heat recovery equipment, wind energy conversion systems, photovoltaic electrical generation equipment and geothermal electrical generation equipment.

We are providing these incentives for businesses to make green investments without growing government to administer the program. The *Income Tax Act* already provides accelerated

depreciation for those green investments. We are leveraging that existing feature to provide incentives to invest without the need to overburden Yukoners with administrative needs. There is no need to hire staff to provide this incentive. Businesses will not have to spend time or money applying. There is no waiting period for approval. All that is required is for businesses to make their investments and identify that they have done so while completing their tax returns.

Mr. Speaker, I want to thank Yukon's business community for engaging with us on discussions on carbon rebate. These engagements have helped inform the design of the business rebate measures that recognize the importance of the mining industry to our economy, the exemption for aviation fuel within the Yukon and incentives for green investments in our economy. Overall, approximately 120 percent of what the business community pays in the carbon levy will be returned to the sector.

I noted earlier in my remarks that the Yukon and federal governments themselves will not receive or retain any rebates related to carbon levies paid in Yukon. The same is not the case for Yukon First Nation governments and municipal governments in the territory. We recognize that they have less capacity due to their smaller size, so these governments will receive rebates. It is estimated that Yukon First Nation governments will pay about 0.5 percent in a carbon levy. They will be receiving one percent of the revenues raised in that levy. Similarly, municipal governments are estimated to pay about 2.5 percent of the total levy, but will be receiving three percent of all those revenues back.

Our government will be continuing our discussions with municipal and First Nation governments over the course of this year on their ideas and preferences for allocating the rebates among themselves. We are looking forward to these conversations and developing regulations based on discussions with these governments.

Mr. Speaker, a price on pollution is an important component of moving to a greener economy. It is not, however, the only action the government is taking. We are investing in renewable energy projects in several communities through the innovative renewable energy initiative and other programming. We are spending over \$14 million this year on retrofitting Yukon government buildings to increase their energy efficiency, and there is further funding available for Yukon homes. The Arctic energy fund will provide \$50 million over the next 10 years on projects to decrease our reliance on fossil fuels.

The climate change, energy and green economy strategy now being developed will provide a framework for making our communities more resilient, reducing greenhouse gas emissions and planning for Yukon's energy needs and economic future.

In conclusion, a great deal of work has gone into the bill that is before the House today. I want to thank Yukoners for sharing their views and the government officials who have worked to develop the bill. This legislation recognizes the price of pollution and helps move us to a cleaner economy with good jobs for Yukoners and a sustainable future. It

recognizes the challenges that we face in the north. It protects Yukoners with low incomes. It provides incentives for green actions, and it ensures that our territory remains competitive as we transition to a low-carbon economy.

Mr. Speaker, this legislation puts us on the right side of history. I recommend it to the members of this House, and I look forward to the debate.

Mr. Cathers: It will come as no surprise to the Premier and his colleagues that we don't share their views on this. I do have to point out that making grandiose statements, like claiming to be on the right side of history, and comparing applying a carbon tax to basic sanitation to stop a cholera epidemic both displays arrogance and a degree of hubris.

I would note that some of the problems with this structure are that it does reflect the Premier's lack of understanding of small business and what actions government takes that have a negative impact on small business. To say to a small business owner that the government is going to take their money, but not to worry because they can apply to get it back at the end of the year as an income tax credit — this is a tax on small business. If it turns out that, due to their financial situation, they don't end up being eligible for that tax credit because they didn't make a profit, it creates a situation where —

Some Hon. Member: (Inaudible)

Mr. Cathers: The Premier can kibitz off-mic, but the Premier is simply showing his lack of understanding of the realities faced by Yukon's small business owners and the challenges they face.

For example, I had the owner of a farm just this morning ask me for information on what the carbon tax would mean for them and what exemptions were in place. The Premier did provide some information, but I do have to point out actually that the link that he provided in the legislative return did not work; it went to an error page on the federal website.

If the Premier can't describe to a Yukoner who is in the farming sector what they will get back, what tax credits they may receive and where they will simply be out of pocket for elements — such as increased cost of fence posts, increased costs of fencing, increased costs of chicken feed, of horse feed, of veterinary care, irrigation equipment, buildings material and farming equipment and so on — these are genuine concerns that I am hearing from my constituents who are wondering how much their cost of living and of running their small farm will increase.

The complexity of this tax itself is a bit of a burden on small businesses. I do have to again remind the government — when the Premier likes to pull out grandiose statements like claiming that he's on the right side of history — that when we see the basic exemptions from carbon tax provided to a coal power plant in New Brunswick that produces more carbon emissions than the entire Yukon economy, it does demonstrate that those words ring hollow.

We see as well that if the Yukon government is absorbing a portion of the federal costs, that is effectively doing two things: It's reducing the resources government has and effectively — if that money is simply being transferred to

someone else — it is no different from just cutting a cheque directly to Yukoners and providing some rationale for doing so — but it does look like an attempt at hoping people will thank the government for being so gracious and forget that it was their money in the first place.

Mr. Speaker, I do have to note as well that the Premier has said that there won't be additional staff added to deal with the carbon pricing. The Premier already added a large number of staff to the Department of Finance. We know that a number of those staff have been working hard on the details of this carbon tax as well as understanding — doing modelling on what impacts they predict on businesses, coming up with the details of the structure, the briefing materials and so on and so forth. While we want to note that we appreciate the work that those staff have done — though we disagree with the government's support for carbon taxation, we do recognize that staff have been directed to work on this and that they have been working hard on it. But the fact that the Premier has already significantly added to the size of the Department of Finance to add people who are working on the carbon tax proves the inaccuracy of the Premier's statement that he is not growing government to deal with the carbon tax.

I would point out just a few other things before we go into Committee of the Whole. I note, for Yukoners who are listening and reading, that all of the government's statements about claiming that people get money back is based on averaging; it's based on modelling that hasn't been proven, and it's certainly not equal, nor is it based in reality. For a business owner who is forced to wait until the end of a fiscal year to claim an income tax credit — for the previous 12 months, they are paying the costs of this tax with no relief.

The Premier may not see that as a big deal, but that simply reflects the fact that he doesn't understand what it's like for small business owners who are starting up a company as an entrepreneur, who are struggling to balance the books at the end of a month and who may be forced to avoid decisions such as investing in equipment, hiring staff or doing other things that would be beneficial to their business, because the government is holding on to their money and is telling them that they might give it back to them at the end of the fiscal year.

I would also note, based on what we understood from the briefing with officials, that in fact the tax credit that a business would get back is itself taxable. The Premier can correct that if I misunderstood what officials had said. Our understanding is that, while rebates to individuals will not be taxable, rebates for businesses will be. So even if you get your money back as a small business owner, you may have to write a cheque to government the next tax year.

I would note as well that, because there are not exemptions for NGOs, this is a tax on NGOs. It is a tax as well on health care delivery. It will cut into the hospital's bottom line, where we already see that the government has, for three years in a row, underfunded the needs of the hospital and shown a disturbing lack of attention to the health care needs of Yukon citizens in doing so.

I would note as well that, when we look at the overall anticipated costs of this carbon tax scheme — by the government's own documents that they provided — we know that it is going to be a \$26 million tax on Yukoners; we know that it will hurt those least able to afford it the most — those who can't afford to let the government keep some of their money for a good part of the year and hope to get it back.

It is unfortunate that the Premier and his colleagues are continuing blindly down an ideologically driven approach without even recognizing the fact that even the academic studies and models related to carbon pricing are not the same thing as the model that they are actually implementing here, along with their federal colleagues.

Just in wrapping up my comments, I would note that the government should be reminded of the fact that the Yukon Party Official Opposition does support taking action on climate change and reducing fossil fuel emissions. I would point out that, in a recent legislative return provided by the Minister of Energy, Mines and Resources, the minister himself acknowledged how successful some of the energy programs initiated under the Yukon Party have been. Those have been incentive-based programs. While we would agree that government needs to do more to build on those programs, the very legislative return provided by the Deputy Premier and Minister of Energy, Mines and Resources notes that an incentive-based approach works.

That wasn't how he characterized it, but in the documents that he provided, they include statements such as the following: "Over the last decade, Yukoners who have received Good Energy rebates have saved over \$9.7 million in energy costs and prevented 40,000 tonnes of greenhouse gas emissions. The energy efficiency incentives are making a significant impact. We have collectively saved enough energy to power over 2,400 non-electrically heated homes for one year."

I will also again quote from the legislative return provided by the Minister of Energy, Mines and Resources on March 19. The document that the minister tabled included the following statement about our successful microenergy program: "The Government of Yukon is leading the way in supporting and developing locally-sourced renewable energy to meet our growing energy needs and promote energy self-sufficiency.

"We are successfully working with First Nation governments, communities, Yukon businesses and individual Yukoners to adopt and implement renewable energy generation projects across the territory.

"The Government of Yukon's popular micro-generation policy has led to Yukon experiencing high adoption rates for small-scale energy-generation projects.

"As a result, we have witnessed major growth and development in locally-sourced renewable energy and a significant boom in our local solar energy industry since the policy was implemented.

"As of January 2019, there are 218 different micro-generators using mostly solar energy to generate 2,309 megawatt-hours of new electricity annually."

In concluding my remarks — so that we can move on to Committee and address some of the many, many questions that Yukoners are still demanding answers on with regard to the Liberal carbon tax — I would point out, since the Liberal government often attempts to mischaracterize the Yukon Party Official Opposition position, that we do support taking action on reducing fossil fuel emissions. But we do contend that an incentive-based approach has proven to be successful and that other initiatives that the government could take which would reduce fossil fuel emissions — such as the one discussed earlier in Question Period today when I spoke to both the Minister of Community Services and the Minister of Energy, Mines and Resources and encouraged them to support taking a targeted approach to harvesting trees and fuel wood near Yukon communities to provide both the benefits of reducing the risk and wildfire, providing economic opportunity for Yukoners and in fact moving toward the opportunity for both the private sector and the public sector to reduce the consumption of heating oil for heating those businesses and instead replacing that fossil fuel with a renewable energy opportunity.

Again, it is through an incentive-based approach and through actions that support the private sector instead of penalizing the private sector that we believe government should be focusing its effort. Of course we do not believe that the government is anywhere close to getting it right with this approach.

Last but not least, I should again point out that, when the Premier talks about an increased incentive for rural Yukoners, it does — it is a model that treats all Yukoners outside of Whitehorse as “one size fits all” — that averaging has not even been as flexible as the medical travel subsidy, for example, which at least breaks the Yukon down into different zones outside Whitehorse. It simply classifies everyone as having exactly the same costs whether they live in Lake Laberge, Marsh Lake, Haines Junction, Watson Lake or Dawson City.

With that, I will conclude my remarks. I look forward to getting into Committee of the Whole and to the opportunity to ask some of the many questions which this government has still not provided answers to the public on.

INTRODUCTION OF VISITORS

Speaker: I will just take a brief opportunity to welcome Bill Mooney, a constituent of mine, to the Assembly.

Applause

Ms. Hanson: I’m rising today on behalf of the New Democratic Party to speak to Bill No. 33. In beginning my remarks, I want to note that we’re talking about the *Yukon Government Carbon Price Rebate Implementation Act*. The title itself is very clear. This is not a carbon pricing act; it’s a rebate act.

It is a clever — but unnecessary — escape valve for this government. I say that advisedly, Mr. Speaker, because I think many Yukoners have rightly questioned why this government — this government that knows well the impact of climate

change in the north — has chosen to abandon the notion of the use of carbon pricing to address climate change. Despite the Minister of Finance’s comment that this is about placing a price on pollution, this is not about placing a price on pollution. This is not carbon pricing. This is an attempt by this government to avoid — not confront — the ideologically driven *Taxpayer Protection Act* put in place by the Yukon Party in the mid-1990s — legislation that really was trying to reinforce the illusion that any tax is bad.

One of things that we have learned in North America, and particularly in Canada, is that taxation actually can be what we pay for a civilized society. Although it is true — under the Yukon Party and now I see under this Liberal Party — there is a bubble because revenues continue to rise. There are no real choices being made by this government. I say that advisedly, Mr. Speaker, because when I look at the fact that this government appointed an independent Yukon Financial Advisory Panel which did present them with an array of revenue-generating tools, the advice included in that panel’s report also included how this government could use carbon pricing as a progressive, rather than a regressive, form of taxation.

With this legislation, it is clear that the government has decided to turn from the battle against climate change, rather than embracing it and showing their commitment to the seriousness of the need to transition away from our reliance on fossil fuels. What the Premier and his caucus have implemented is in fact an elaborate shell game — simply amendments to the *Financial Administration Act* and the *Income Tax Act*. It establishes a revolving fund and stipulates that the only thing the money can be used for is providing rebates. But even at that, there are key areas in terms of how the rebate is applied — there are gaps — and I will come back to that in a bit.

What I see here is that this is an astounding lost opportunity by this government — more astounding given the knowledge inherent in the fact that a member of his own Cabinet authored the *Yukon Climate Change Indicators and Key Findings Report 2015* that found that our winters are four degrees warmer than they were 50 years ago and that these temperature increases would continue. It’s more astounding given the reaffirmation by the report entitled *Canada’s Changing Climate Report* that was released — perhaps leaked — this week from Environment and Climate Change Canada that confirmed findings that Canada is, on an average, experiencing warming at twice the rate of the rest of the world and that the north is warming even faster than the national average.

Rather than using the opportunity to create a progressive carbon-pricing model — one that would at least generate some revenues to mitigate the increasing impact of climate change on our lands, our waterways and our infrastructure, this Yukon government has chosen — because of fear of perceived backlash — to “tax”, to duck and hide, to create a complex and potentially costly system that neither addresses the need to reduce fossil fuel consumption in Yukon, nor does

it provide for revenue sources for increased investment over time in renewable energy infrastructure and technology.

To cite with pride yet more reliance on federal government transfers for the Arctic fund — surely, we've worked beyond being program managers and program delivery agents for the federal government. This is the north. We should be doing our own.

What is also astounding is that, in crafting this legislation before us today, the Minister of Finance has again ignored the findings of the independent Yukon Financial Advisory Panel, which noted the following regarding Yukon's fuel tax regime — and I am quoting here: "Taxes on gasoline are low in Yukon — indeed, they are the lowest in the country."

They went on to state — and I quote: "In addition to low rates, the Yukon government exempts various activities and industries from fuel taxes. The exemptions mean that fuel taxes in the territory raise roughly two thirds of what they would if broadly applied, at a cost of about \$4 million in foregone revenue. This makes fuel use in Yukon the lowest taxed of any jurisdiction in Canada by a wide margin."

The Yukon Financial Advisory Panel noted that not everyone pays the same taxes on fuel — and I quote again: "Off-road commercial activities in areas such as mining, tourism, logging, sawmills, hunting, farming, fishing and trapping are exempt from the territory's fuel tax. There are also exemptions for fuel used for heating."

The panel noted that some exemptions may be defensible on equity grounds, especially for heating fuel used in remote communities or on fuel use for traditional hunting, fishing or trapping activities, but exempting fuel use for certain commercial or industrial operations may be less defensible. As noted, a tax exemption is a subsidy, and they went on to state — and I quote again: "To the extent that there is a strong public policy argument to subsidize any particular industry, a more transparent (and less distortionary) way to do so is by providing a direct cash transfer rather than incentivizing the burning of fuel."

That is an important point, Mr. Speaker. Why would we look to incentivize the burning of fossil fuels? We are doing that already with our exemptions that we provide. On top of the incentives to burn fossil fuels that we already have built into the existing system, this government is now proposing, through this legislation — and through its rebate implementation act — that it will be further incentivizing the burning of fossil fuels.

So we are going to be looking to both the Minister of Finance and the Minister of Environment to explain how this government's rebate program, on top of already-existing fuel tax exemptions for industrial sectors, achieves any of the intended outcomes with respect to building environmental resiliency, reducing fossil fuel consumption and providing government with any base of own-source revenue to incentivize the transition to renewable energy.

You know, normally when you see a piece of legislation, you see purposes and objectives. There are no purposes and there are no objectives set out in this legislation. As I said at the outset, it is simply of piece of legislation that is a

mechanism to rebate money. Unfortunately, in doing so, it has uneven consequences and uneven application.

So the Minister of Finance indicated that a number of incorporated business partnerships and sole proprietors would be receiving rebates, but nowhere was there any mention of any provision with respect to unique circumstances that may arise. I raise this in the context of social enterprises. The Minister of Finance will no doubt be aware of — but I will cite for the record — concerns being expressed by one of Yukon's major recycling processors in the Yukon, Raven Recycling. I will read — and make available to Hansard — a copy of a letter from Raven Recycling dated January 29, 2019. They raised a number of concerns with the proposed framework set out in the *Yukon Government Carbon Price Rebate Implementation Act*.

When we went to the briefing — just as an aside, this is not in the letter — we raised the question about a social enterprise and why this wouldn't apply to Raven Recycling. We were told that this is because they don't file the T2 corporation income tax return. I think that this is a narrow reading and is one of the reasons why I want to put on the record the facts around what Raven Recycling's efforts are and what Raven Recycling contributes, not just to the economy, but to the overall battle that we're facing in this territory with our waste-reduction policies and programs — and the implementation of the same — which is all part of that whole continuum of action around climate change.

I am looking to the Minister of Finance and the Minister of Environment to clarify why we have taken such a narrow view here. If we are taking a whole-of-government approach to how we're addressing climate change, then this would have been included and they would not have been excluded.

I am quoting here: "Raven Recycling Society is a non-profit social enterprise. This means we are a revenue generating business with social and environmental objectives where we reinvest all profits for those purposes."

As a registered charity, they do not file a T2 corporation income tax return and therefore are not eligible under this bill — Bill No. 33, *Yukon Government Carbon Price Rebate Implementation Act* — for a rebate. However, they are in direct competition with their for-profit competitor, who would be eligible. What this means and what the implications are — and this is where the whole-of-government approach has to come into play here, I would suggest — and I look to the minister's office to explain how this has been taken into consideration — is that Raven's exclusion from a rebate simply due to their organizational structure is an "oversight". They are much more generous than I am, Mr. Speaker.

It is an oversight "... that puts our organization at a severe disadvantage to our direct competitors. Furthermore, the Government of Yukon has been encouraging the growth of social enterprises in the territory. To disadvantage these enterprises by excluding them from a carbon-price rebate based on their business model does not make sense."

This is coming from Raven Recycling.

The society goes on to say that "... the guiding principles of the proposed carbon-price framework include targeting the

rebate to meet environmental goals and rewarding Yukon businesses for taking ‘green’ actions.” Raven Recycling — and we know this, Mr. Speaker — “... is an enterprise that strongly supports the local green economy. Recycling generates green jobs and keeps resources in the economy via a closed-loop process.”

They are reducing virgin non-renewable resource use and decoupling material use from economic growth. Recycling has lower environmental impacts compared to producing virgin materials and helps — as we talked about earlier today in the discussion around waste reduction and the petition that was presented today — waste diversion, helping to avoid costs associated with landfills or incineration.

The fact of the matter, Mr. Speaker — and Raven Recycling’s letter cites this — is that they have invested heavily in renewable energy by installing a wood biomass boiler system to reduce their fossil fuel use. They have been active in the green economy in this territory since 1992.

The third position that they take is that “... as a medium-sized enterprise and the primary recycling processor for the entire Yukon Territory...” Raven Recycling incurs “... significant fuel cost to process materials and ship them out of territory for recycling. Incurring a levy on fuel consumption without chance for a rebate will create additional costs that will severely affect...” their “... ability to process and recycle materials. Currently, roughly 45-50% percent of...” Raven Recycling’s “... shipping costs are fuel surcharges (approximately \$200,000 annually).”

“From 2016 to 2018...” Raven Recycling’s “... internal fuel costs were \$43,000 per year on average. Internal and shipping fuel costs will increase in line with the proposed fuel charge rates, as shipping companies will pass on carbon taxes paid to the customer. On top of this, the shipping companies we work with...” — and they gave examples of local companies — “... will be eligible for a carbon-price rebate, but as customers, they will not benefit from this rebate.”

Mr. Speaker, Raven Recycling goes on to cite both the federal and Yukon governments’ statements that they recognize the competitive concerns of industries that compete in international markets. We have heard that in this Legislature numerous times.

“Recycling is a global industry heavily governed by international commodity prices. Raven Recycling competes to ship materials in these international markets and as such, we believe the same logic used to justify rebates for placer and quartz mining operations should be applied to justify a 100% rebate for our organization.”

I will look to the Minister of Finance and the Minister of Environment to explain why that is not the case.

Mr. Speaker, Raven Recycling asked a number of months ago that the Government of Yukon alter the proposed provisions of Bill No. 33, the *Yukon Government Carbon Price Rebate Implementation Act*, to provide for the social enterprise to ensure that they would receive a carbon-price rebate.

Mr. Speaker, the notion that this legislation is anything other than a bookkeeping exercise is not credible. We

appreciate that the government has done — not the government, but the officials — have done a yeoman effort in terms of working to try to achieve the objective of not having a tax, of not having it clearly related to carbon pricing — without having objectives set out clearly in a legislative form — basically, to ensure that there would be amendments made to the *Financial Administration Act* and the *Income Tax Act* to establish this revolving fund and the requirement to amend the *Financial Administration Act* to allow a deficit in funds — because of the payment schedule, which means money won’t be coming back — we’ll be paying out money before there is money in this revolving fund because, as the minister said, it will be going out effective in July.

The complexity of the legislation — and it is complex — comes from trying to stay revenue neutral. I appreciate that the officials and the Department of Finance have done a yeoman amount of effort and work to follow the policy direction of this government.

But I would disagree strongly with the Finance minister’s assertions at the outset that this is a piece of legislation that moves the bar in terms of the notion of carbon pricing as a mechanism to change behaviour, to reduce fossil fuel consumption and to promote conservation or efficiency and cleaner alternatives. There are no objectives in this legislation that speak to that. There is just no purpose to that. This is simply an act to rebate money that the federal government is collecting. I think we should stick with the facts.

While doing so, it would be great if the Minister of Finance could clarify — in terms of the scope of the application of this rebate — whether or not they will in fact ensure that Raven Recycling, as one of our key entities that serves the purposes that one would think, if we’re talking about carbon pricing, that we would want to ensure would be covered by the ability to access the rebates.

We will go into it further when we get into Committee of the Whole.

Hon. Mr. Streicker: I’ll start with a report that was released yesterday called *Canada’s Changing Climate Report*. When I read through the high-level statements of the report — it’s a long report and I haven’t had a chance yet to read it fully — but it talked about what’s happening with climate change here in Canada. It discussed how we’re warming faster than other countries and that the north is warming faster within Canada — three times the global average.

One of the things the report identified — and again, I’m waiting to dive deeper into the report — but it talked about extreme risks of weather extremes increasing, and in particular, it pointed at wildfire risk. There is a purpose to this act and a reason that we are here, and it’s about reducing the risk of climate change.

Earlier today, we had questions around single-use plastic bags and we had a whole conversation about the price on pollution. That is what this is about. That is where it starts — putting a price on pollution. I agree with the Leader of the Third Party that it is a federal government initiative to put a price on pollution and that we are rebating it. That is exactly

what it is. However, there is a purpose to that, and I wish to speak about that. Thank you, Mr. Speaker.

One of the ways that I want to talk about it is to reference back to a decade ago. A decade ago, I was invited to act as an expert witness to a parliamentary committee looking at how to shift the energy economy. That day, I was there to talk about the issues of the north — in particular, the Yukon — and what issues we were facing. I happened to sit in between two economists — one who was Canada's preeminent sceptic about climate change and one who was Canada's preeminent economist, who was arguing that climate change was real. There are many economists — in fact, to give a sense that this is a debate that is still ongoing is kind of weak. But that day, those two professors happened to be on either side of me and, amazingly to me, both of them argued that, as we work to shift the energy economy, the right way to do it is to put a price on carbon. That was a decade ago. I wish that this would have happened many years ago.

Just after going down to present, then-Prime Minister Stephen Harper addressed the United Kingdom Chamber of Commerce, saying — and I quote: "... our plan will effectively establish a price on carbon of \$65 a tonne, growing to that rate over the next decade..."

Where is that? I am looking for it. I am looking for where, under the Conservative government, we were going to end up with a price on carbon. The reason I want to do it is because, when you put a price on pollution, you incentivize across the whole of the market economy, and there should be a way, or there can be a way, in which to reduce our emissions. It is very effective. We have examples. One of the ways that we see this as an example is we see that British Columbia has had a carbon price in place since 2008, and they have reduced their emissions somewhere between seven and 15 percent as a result of that price on emissions.

We have examples from other northern countries, just like us, that have to deal with heating and transportation issues. We see those economies doing well. This is really about how to balance the economy and the environment and to make sure that we can progress our economy, while at the same time treating our environment so that it is going to be more sustainable and that there is environmental stewardship over time.

I am going to get to the rebates — in particular, I will come back to it when I speak about the comments from the members opposite — but effectively, this is a user-pay system, just like when we were talking about plastic bags — a price on pollution, which we rebate to people.

How does it work? What is the evidence that this works — other than some examples I have just given? The federal government did analysis here to see how this price on carbon would work. What they estimate — and we have tabled that report here in the Legislature — is that by 2022, when we are up to \$50 a tonne, there would be a five-percent reduction to our greenhouse gas emissions with no cost to the GDP. Why would there be no cost to the gross domestic product? Because we are rebating those dollars back to Yukoners, Yukon families and Yukon businesses. In that way, we don't affect

the GDP, but we do put out an incentive. It is about taxing the bad things. It is not about us taxing income or jobs or those things that we want to increase; it's about taxing those things that we want to decrease, and we send a price signal across the economy.

Let me just talk for a second about some of the myths and facts about this idea. We have evidence. The Official Opposition has asked, "What's the evidence?" We tabled a report that talks about how we would reduce emissions here in the territory. The myth is that this is a new idea. I have already said that British Columbia has had it since 2008, and before that, we have seen other examples. The Premier used an example about sanitary sewers that goes way back, but if you want them from within our lifetime — acid rain and ozone. Those were examples of where we put restrictions and costs on the chemicals that were leading to an environmental cost, and we just added a price to it. Look at how much it changed.

Another myth is that the dollars need to be high. Well, British Columbia's carbon price is \$35 per tonne, and that is achieving seven- to 15-percent reductions.

Another myth is that it is hurting families. The Premier has just described how, when we are rebating to individuals and thus to families, the rebate is going to be 50 percent higher than the average. The Member for Lake Laberge was talking about how inside Whitehorse is one rebate and outside of Whitehorse is an additional 10 percent and that there is no difference between Marsh Lake and Mayo. But through the rebate mechanism, we are increasing what is paid by the average Yukoner by 50 percent. That will certainly help low-income Yukoners.

There was a myth — the Member for Lake Laberge was talking about big polluters getting a break. That's not what I have seen. My understanding is that there is an output-based price mechanism that will be put in place and will deal with large polluters. They are just treated in another way, but they are still paying.

There has been some discussion that this is a way of growing government, and the Member for Lake Laberge again was talking about the Department of Finance. Well, it grew because we put the Yukon Bureau of Statistics in it. It didn't grow because of carbon pricing.

We have made a commitment all along that we are returning all of this revenue to Yukoners. It was a campaign commitment.

There are comments about other policies being better. I again heard the Official Opposition talking about incentive-based mechanisms. Well, let me just say this: It has been my experience, dealing with this issue for the past 30 years — when I have talked to the people who deal with the economic measures around climate change, they basically say that, if you are not going to put a price on carbon or a cap and trade system in place, then basically you are not serious. That is my sense of this.

I don't have a sense that the Official Opposition is actually serious. I believe that they believe in climate change. I just think that they don't want to actually deal with it. I am

worried that leaves us in different risks, and I will talk about those in a moment.

Finally, one of the myths that I will talk about is that there is — you know, that we are a small jurisdiction and it's not really that important. We don't need to put a price on carbon for us — that we are special, somehow. This is a global issue, and it is the biggest tragedy of the common issue that exists. By the way, the average Canadian and the average Yukoner has about four times the emissions of the average citizen from China — who, by the way, this past year, introduced a price on carbon — amazing.

We argue this so much, and I really believe that we need to move on to what the values are that we are trying to achieve.

I think the values we are trying to achieve are about economic diversification with environmental stewardship. Carbon pricing is the most effective way to reduce emissions and to drive innovation toward a low-carbon future. We have heard from the Mining Association of Canada; we have heard from the Business Council of Canada, and now we have heard from an economist who got the Nobel Prize. We in the Yukon — and Canadians generally, but certainly northerners — are already experiencing the impacts of climate change. We need to show the leadership necessary on this issue.

We made a commitment through an election to say that we would rebate 100 percent of this money to Yukoners — that we wouldn't grow government, that we would make it revenue neutral to us as a government. We are doing that by not only rebating municipalities, First Nation governments and businesses for what they pay into it on average — and then some — but very particularly for Yukon citizens by adding 50 percent additionally to that rebate to make sure that we are supporting low-income Yukoners.

Let me turn for a moment to some of the comments from the opposition parties. First, with respect to the Third Party — yes, we asked the federal government to introduce this price. We did that so that we would not have to add to administration and to create a very simple overhead. The point is that as soon as that price signal comes into the marketplace — whether or not it's rebated — it incentivizes all of us as Yukoners to find solutions. That is how we got elected — with that commitment.

We are working to put in place programs — the independent power production policy, the retrofits — by the way, I will just remind the members of this Legislature that we said that we were going to grow the amount of dollars we are investing in retrofits up to \$30 million a year. The Third Party suggests that it be \$10 million a year, and the Official Opposition said \$20 million a year. We do believe in putting in place programs to reduce emissions, and that is the whole point. Once this program comes into place — the price on carbon — what will happen is that incentive will have Yukoners looking for how to reduce their emissions. That is our job — to help them do that. It doesn't mean that the most efficient way of reducing emissions is by growing government.

I don't know if that is fair. I think that it's often the smaller groups that can do it — businesses, smaller governments, individuals — they have a way to pivot. Rebating the money doesn't mean that there is no opportunity for folks to reduce their emissions. The whole beauty of a price on carbon is that everybody can come at it at whatever level works for them because the market signal is there.

So it is not just a simple rebate; it is definitely about incentives. So when we talk about the broader picture — yes, again, I agree with the Leader of the Third Party that it is a federal tax 100-percent rebated by us, and that is what this act is doing. But it's about putting a price on pollution to provide the incentives so that we can all as Yukoners — as Yukon businesses and as Yukon governments — work to reduce our footprint.

In speaking to comments from the Third Party — they talked about not understanding the risks to small businesses. The rebate has in it that we are, on average, rebating more than 100 percent back to businesses, including small businesses. I know that the Premier and I — and other members of this Cabinet — sat down with the chamber of commerce and its committee on addressing these very issues, and we talked back and forth about how they would like to see that working, although we did stipulate right up front that we did not wish to grow government. We did have good conversations with them about it.

I acknowledge that there is a cash-flow question in that the rebate will come at the end of the tax year. That is correct — that's true — although I do disagree with the member opposite who was saying that if a business didn't earn a profit, therefore they would have this rebate pulled back. I do not believe that to be correct at all.

The risk I want to talk about is the risk of not doing something. The part that we seem to miss here is that we are going to shift the energy economy; it is going to happen. We are going to move from a fossil-fuel based energy economy to a low-carbon and ultimately a no-carbon economy. That is where we are heading. The challenge that I perceive for all of us, including Raven Recycling, is that if they were to get an exemption — so: "Hey, I don't have to worry about that" — they will stay dependent on fossil fuels. That is the problem.

As the economy starts to shift, if we in the Yukon are left behind sitting in the old system, we are in trouble. There is a saying which is that the Stone Age didn't end because there was a lack of rocks. It's not about that. It's about how we have to move forward and that we need to work together. This is an important piece of the puzzle. It has been so long in coming.

I am excited today to be able to stand up and speak to this. I think that the Premier and the Yukon — forget the Premier, the Yukon — is on the right side of history here.

I think that this is about writing cheques to help small businesses. I think this is about writing cheques to help low-income Yukoners and that, through a price on carbon, they will be incentivized to help reduce their footprint and we are going to work with them.

Speaker: If the member now speaks, he will close debate.

Does any other member wish to be heard on second reading of Bill No. 33?

Hon. Mr. Silver: I want to begin by thanking my colleagues in the Legislative Assembly for expressing their opinions and their respective parties' positions on a topic that has embraced Canada for up to five years — as far as a serious endeavour from a federal government to come forward with an actual plan to put a price on carbon.

In general, I guess what I have heard today is that the Yukon Party thinks we have gone too far and the Yukon NDP feels that we have not done enough. So that is an interesting perspective.

I want to keep my comments today to the fact, again, that this is not a bill where a territorial government is imposing a carbon-pricing mechanism — whatever you want to call it — a levy. It is us committing to our campaign promise, based on the reality that we all know, as we went door to door in the last election campaign, that there was going to be — under a Liberal government in Canada — a carbon price. Also the fact that, under a federal Liberal government, they would be imposing a federal mechanism to those jurisdictions that had not done it already — of course Yukon being one of those.

So I do agree that this bill does exactly that — it talks about the rebates — and that is what we are here today to debate.

Where to start? I will start with how it does more than just rebate. The NDP have said that all it does is rebate the money directly back. I would say no, it does more than that. They didn't talk about the super-green credit that was developed by working with the business community to put money toward an acknowledgement of growing investments in the Yukon that are of a green technology base. I listed them off in the speech. So it does more than just rebate; it does incentivize.

They didn't mention, as well — with the output-based pricing system — that we are expanding that mining credit program by segregating any monies generated through that output-based pricing system to be used up front, to the industry, and only if this is for carbon-reducing investments. Again, the NDP glazed over that point of this legislation.

I will go back to the election campaign where I think the fundamental differences between the NDP and the Liberals — which were the two parties that actually seriously took a price on carbon into an actual conversation as opposed to just sticking their heads in the sand — the difference was that the NDP wanted to keep half and give half back. We wanted to give all of it back. The difference is that we don't think the government should be the ones to decide how to spend that money. We believe that Yukoners and Yukon businesses would make a better decision with all of that money.

It is interesting to hear that, even though the NDP would only give half back, they still believe that we are not giving enough when it comes to some of the social enterprises. With the social enterprises, they do get money for operations

through the Yukon government. Raven Recycling specifically does a tremendous job. Again, when they negotiate and come forward with their total costs, well then, those conversations will be had, Mr. Speaker.

But again, we made a commitment — we made a commitment to Yukoners and Yukon businesses and we will stick to it. But I think the fundamental difference between the NDP and the Liberal Party is that we thought the businesses and the Yukon individuals are better set to use that money and to use that price signal as opposed to us coming up with initiatives through this funding.

Now, the NDP has taken swipes at the fact that we've gone to Ottawa — with the First Nation governments as well — during Yukon Days and negotiated to have millions of dollars in extra investment in the Yukon. That's an interesting criticism. It's a very interesting criticism — but for me, I think that this plan is comprehensive because not only does it include the best individuals for making those determinations of the monies rebated and exempted, but it also went further and found these other pockets of money for retrofits, buildings and other initiatives as well. I believe that's a good thing — getting more money from Ottawa for that.

I'll agree to disagree with the NDP on that. I do appreciate the thorough investigative process that they've gone through when contemplating federal carbon pricing, but again, it's interesting that they think that the way we're doing this bill is somehow something that they wouldn't have to do if they were going to implement their rebate plan. They still would have had to sit here in the Legislative Assembly and work through a bill that would have identified the changes to the specific acts — of which there are several — that would have to change based upon our or their rebating program. It's an interesting criticism, and I will definitely be on record giving my side of that.

I'm going to turn to the Yukon Party. The Member for Lake Laberge has made some interesting statements after listening to the fact that we've said our rebate will apply in both cases — whether a business earns money or loses money, they will still get a credit. It still will happen. But yet it seems that the member opposite didn't hear that.

I hope that, when he's talking to his farming community in his riding of Lake Laberge, he is telling them that — that he is telling them that 120 percent of the money that is put in by businesses will come back to businesses. I hope he's telling them as well that farmers are exempted from this. I hope he's telling his constituents that, because that is the truth, Mr. Speaker.

Also, we've been on the floor of the Legislative Assembly a few different times on the hires for Finance and what their job descriptions are. We've gone over that so many times, so I think, at this point, it's ridiculous for that narrative to still be in there — that somehow the Department of Finance is growing itself to deal with the carbon pricing. It's not, Mr. Speaker. It absolutely is not.

So we've gone over the job descriptions. Those hires were for the fact that the Yukon Party had a budget office. The Yukon Liberal Party has a Department of Finance, and

they have a Department of Finance that has job descriptions that don't put the individual human resources in a conflict of interest when they are figuring out the budget. These are things that have to happen if you are to consider yourself a government that's mature and a government that's open and transparent. It didn't have anything to do with the carbon pricing. We were negotiating those carbon-pricing mechanisms and how we were going to work with carbon pricing with the business community — but after we made these hires. We talked about these hires specifically during Committee of the Whole when they were in the budget bill. We talked about it during general debate. We went through every single job title and specifically defined what those jobs were for. They are not for carbon pricing.

So again, the members opposite can just not listen to that and keep their narrative going, but I think that less and less Yukoners are believing this narrative because they know that we have been open. We are not shying away from this debate. We continue to go down that road to say, "No, the member opposite is incorrect." We have gone to great extents. When we are working with the business community, for example — when we have said, "Look, we want to work with you" — to make sure that we rebate, not 100 percent of what businesses put in, but 120 percent of what businesses put in — because of two things. We can offer that much more back because we are not going to grow government. "Please help us when we are developing this rebate mechanism because we don't want to grow government. We want to know what you have to say about this." We worked together and we came up with the rebate system that was with a tax credit.

We also — by working with the business community — came up with a super-green credit. Again, as I described in my opening speech, we have a system in place already that deals with assets so that we don't need to grow government. The members opposite can keep on saying that this is just not true, and they can call me names and call me arrogant, if they want. I don't see it. I see a government right now that is working with businesses, working with individuals and rebating this money because it is the best thing to do.

Now, here is the complete irony of the debate from the Yukon Party. In 2008, all premiers, all territories and all provinces went to Vancouver and signed on to a Vancouver Declaration — big photo ops. That Vancouver Declaration did one thing — it did a few things, but it did one thing for sure — it committed the Yukon to putting a price on carbon. Let me say that one more time, Mr. Speaker: The Yukon Party signed on with all other provinces and territories to a document that committed the Yukon to carbon pricing. I think that's fantastic, but here's the thing: On a national stage, they will take the photo op, they will do the press release and all of that, but then when they come back here, they'll say, "We don't want to put a price on carbon." So which one is it? On the national stage — is that the Yukon Party signing on to carbon pricing? Or is it actually that they don't want to put a price on carbon? If they don't want to put a price on carbon, why would they sign on to a national document with all of the other premiers in Canada? Why would they sign that? It is

written right in there. I encourage any Yukoners to take a look at the signatures on that document. I encourage Yukoners to look at the Vancouver Declaration and see what it commits to.

I would then assume that the argument later would be: "Okay, well it's not the Liberals' carbon pricing rebates and exemptions for miners that we want. Here is what we would propose instead as far as putting a price on carbon."

Instead, they cite old articles about how we are going to keep on being more efficient — just keep on being more efficient. But yet scientist after scientist after scientist is saying the exact same thing: The status quo is not working. We can quote all of the documentation that shows that global warming in the Yukon, let alone in Canada — Canada being double and Yukon being even more — the status quo does not work. You can continue to talk about energy efficiencies, but this is the piece from an international community that has set us forth onto a path that is actually going to allow us to move toward a non-fossil-fuel future.

Again, I will take the comments from both parties — the Yukon Party and the NDP. The NDP has a plan for putting a price on carbon. We had a plan for putting a price on carbon that we are seeing right here, and I'm pretty proud of this, actually. I am proud of the work that has been done by the Department of Finance over the last two years. I am proud of the fact that Yukon will be on the right side of history, and I will say that over and over again because it is true.

I just think that we are on the right path. I think that what we are doing is a good way of making sure that Yukoners with lower incomes are not negatively affected and instead are actually incentivized by this. I will stick to the fact that we have done all of the consultation needed for the business community. We have had a thorough conversation with our stakeholders. This bill does more than just rebate; it also considers how we can incentivize the economy, how we can incentivize green builds and how we can use the money earned when the output-based pricing system kicks in to incentivize businesses in the mining industry to be as environmentally conscientious as possible.

Mr. Speaker, with that being said, I believe that is all of it.

There is one other thing. I need to correct one thing in the record from the Yukon Party. Again, I said it in my opening speech and I have said it many times before: Payments are not considered income, and they are therefore not taxable — period, Mr. Speaker. We hear the Yukon Party saying otherwise. I hope that, after this debate, the Yukon Party will at least let people know what this is as opposed to what it isn't. Thank you, Mr. Speaker, for your time. With that, I hope we see unanimous consent here.

Speaker: Are you prepared for the question?

Some Hon. Members: Division.

Division

Speaker: Division has been called.

Bells

Speaker: Mr. Clerk, please poll the House.

Hon. Mr. Silver: Agree.

Hon. Ms. McPhee: Agree.

Hon. Mr. Pillai: Agree.

Hon. Ms. Dendys: Agree.

Hon. Ms. Frost: Agree.

Mr. Gallina: Agree.

Mr. Adel: Agree.

Hon. Mr. Mostyn: Agree.

Hon. Mr. Streicker: Agree.

Mr. Hutton: Agree.

Mr. Hassard: Disagree.

Mr. Kent: Disagree.

Ms. Van Bibber: Disagree.

Mr. Cathers: Disagree.

Ms. McLeod: Disagree.

Mr. Istchenko: Disagree.

Ms. Hanson: Agree.

Ms. White: Agree.

Clerk: Mr. Speaker, the results are 12 yeas, six nays.

Speaker: The yeas have it. I declare the motion carried.
Motion for second reading of Bill No. 33 agreed to

Hon. Ms. McPhee: Mr. Speaker, I move that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Speaker: It has been moved by the Government House Leader that the Speaker do now leave the Chair and that the House resolve into Committee of the Whole.

Motion agreed to

Speaker leaves the Chair

COMMITTEE OF THE WHOLE

Chair (Mr. Hutton): Committee of the Whole will now come to order.

The matter now before the Committee is Bill No. 33, entitled *Yukon Government Carbon Price Rebate Implementation Act*.

Do members wish to take a 10-minute recess?

All Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 10 minutes.

Recess

Chair: Committee of the Whole will now come to order.

Bill No. 33: *Yukon Government Carbon Price Rebate Implementation Act*

Chair: The matter before the Committee is Bill No. 33, entitled *Yukon Government Carbon Price Rebate Implementation Act*.

Is there any general debate?

Hon. Mr. Silver: I would like to welcome the officials from the department here. We have Chris Mahar and Clarke LaPrairie. Before I get in here, I do just want to give a special shout-out to the whole Department of Finance but specifically Mr. LaPrairie for his work on this initiative.

I had an earlier conversation with Clarke where he said that he peaked too early in that, when he was young, he was responsible for knocking the tooth out of Jim Carrey, the star of *Dumb and Dumber*, and he figured that was a great achievement, but I would say that this achievement dwarfs that.

It was a legendary effort among efforts. We've had great response to our efforts on cannabis legislation, LGBTQ2S+ legislation and the ATIPP act, but I think this was a Herculean effort — 20 months not growing government, back and forth getting Ottawa to hold fast to their commitments to the uniqueness of the north, all the while rivaling Stephen Hawking's ability to demonstrate and translate very complicated formulas and codes. Mr. LaPrairie has performed at an elite level. This was surpassing national standards of excellence in this pursuit. He's another public servant in the Department of Finance who makes me extremely proud to serve in the Yukon as Premier and as the minister of this incredible team at Finance. Thank you to him and thank you to the team at Finance.

It's my pleasure to begin Committee debate on Bill No. 33, the *Yukon Government Carbon Price Rebate Implementation Act*. This is a comprehensive bill that creates the *Yukon Government Carbon Price Rebate Implementation Act* and regulations. It also amends the *Financial Administration Act*, the *Income Tax Act*, the *Fuel Oil Tax Act* and the social assistance regulations.

The legislation creates a new revolving fund for money that the Yukon government receives related to the federal *Greenhouse Gas Pollution Pricing Act*. It provides for the rebate of that money on a revenue-neutral basis to individual Yukoners, Yukon businesses, Yukon First Nation governments and Yukon municipalities.

Part 1 of the bill enacts the *Yukon Government Carbon Price Rebate Implementation Act* in Schedule 1, which contains the most substantive part of the rebate plan. Part 1 also enacts carbon price rebate general regulations in Schedule 2 which itself contains various percentages and factors used in determining annual rebate amounts.

Part 2 amends other acts — the *Financial Administration Act*, the *Fuel Oil Tax Act* and the *Income Tax Act*. Division 1 of part 2 contains the amendment to the *Financial Administration Act*, specifically section 76 standing appropriations.

As mentioned at second reading, we are creating a revolving fund that provides non-lapsing budgetary authority to make payments. However, those payments cannot normally be made when funds are not received. We expect that the first payments will be made in October of this year, while the government is not expecting the first payment from Canada until December.

A standing appropriation is authorized to make a payment without budgetary authority. Section 76 of the FAA identifies the allowable payments. A standing appropriation will enable rebates to proceed before receipts, if necessary, by allowing the funds to run temporarily in deficit.

Division 2 of part 2 amends the *Fuel Oil Tax Act* in a few ways. When we get into the details concerning the mining rebate, we will discuss how the administration of that portion of the rebate will rely on several rules and features of the *Fuel Oil Tax Act*.

This bill has provided an opportunity to streamline certain provisions of the act, not only to improve the efficiency of our tax administration, but also to reduce red tape for the fuel distribution industry in Yukon. The fuel distributors are an industry that has had an undue lack of attention in the debate to date. Clearly the *Greenhouse Gas Pollution Pricing Act* has imposed new reporting and compliance duties on this industry. Any improvements that we can make related to the *Fuel Oil Tax Act* will help this sector.

For example, past governments never allowed for a de minimis rule in regard to the *Fuel Oil Tax Act*. We are establishing that capacity in this legislation. Tax administration officials are legally required to account for and collect small amounts that may be owed due to errors or omissions in tax filings. Chasing two- or three-dollar amounts is not a smart use of time for employees in the private sector nor for public servants.

Division 3 of part 2 amends the *Income Tax Act*. This division establishes both the personal carbon-price rebate and the business carbon-price rebate based on various inputs from the carbon-price rebate act that I will describe shortly.

Part 3 of the bill amends the social assistance regulations. This small amendment accomplishes two things. First, it ensures that the rebate is not clawed back through reduced social assistance. The second change is not related to carbon pricing, but is an item that we feel is important and has not been dealt with before now. It removes the prohibition that restricted social assistance recipients from being paid by direct deposit. Clearly, this is not a group that can easily wait a few extra days for the mail, especially if one lives in a community or is permanently disabled.

Part 4, on application and transition, contains the necessary provisions required to commence the first year of the rebate program.

As I indicated previously, the schedule deals with the meat and potatoes of the rebate program. Part 1 of Schedule 1 lays out the definitions used in the *Yukon Government Carbon Price Rebate Implementation Act*. Part 2 of Schedule 1 establishes the carbon-price rebate revolving fund. This is a key feature of our plan and ensures both revenue neutrality and a high degree of accountability and transparency.

This legislation ensures that every penny of pollution pricing collected in the Yukon by the federal government under the *Greenhouse Gas Pollution Pricing Act* will be deposited to the fund for the sole purpose of providing rebates. Eventually, this fund will grow to approximately \$26 million in annual receipts and expenditures. We will track

the balance of receipts and expenditures for each recipient group individually. If there are any surpluses or deficits in these individual groups, those amounts will factor into future rebate amounts to ensure revenue neutrality.

Part 3 of Schedule 1 illustrates how the rebates to individual Yukoners will be derived every year. Each carbon rebate year is defined by the period running from July 1 to June 30 of the next year. Under the legislation, by November 1 of each year, the Minister of Finance must provide the amount of the rebate that begins the next July 1 to the Minister of National Revenue. This is for both the basic personal rebate and the remote supplement. The bill sets out the formula for determining the basic personal rebate amount. The general business rebate works the same way, with the only difference being that estimates of business investments in Yukon are substituted for population numbers.

We have established a balanced approach that recognizes the different carbon intensity of different sectors, while still providing numerous incentives for businesses to reduce their carbon footprint. First, our plan does not alter the important price signal from the federal levy. Second, our plan returns money to businesses which they can invest in new and more efficient equipment or building improvements. Third, we are offering the largest annual rebate for businesses that invest in green assets such as solar heating equipment or geothermal electrical generation equipment, to cite two examples.

At second reading, I spoke in detail about why we have a separate rebate method for the mining industry and why our Yukon program addresses local concerns and competitive challenges of operating in the north, while competing on a global basis. Today, Mr. Chair, I will focus on how this rebate is structured and how it will deliver certainty to the industry.

Our mining rebate recognizes the challenges faced by placer miners, while at the same time dealing with the fact that some quartz mines may be subject to the federal output-based pricing system instead of the standard levy. Placer miners must have a class 4 placer land use permit or a leasing agreement associated with a class 4 permit to be eligible for a mining rebate. A licence issued under the *Yukon Quartz Mining Act* will be sufficient eligibility for quartz miners. Once per year, placer miners will receive back every dollar paid in the levy for the purpose of mining. It will be a simple annual application process that they can apply for as soon as the calendar year is done.

As I mentioned earlier when I discussed the amendment to the *Fuel Oil Tax Act*, we will be relying on existing administrative and compliance provisions of that act to administer the mining rebate.

We are leveraging existing and well-understood processes to efficiently and effectively introduce a new program without growing government. The quartz mining industry is both larger and more complex than the placer mining industry. Our plan responds to these facts. Quartz mining could either be subject to the general levy or the federal output-based pricing system once it is in production. The output-based system will be mandatory for mines that emit more than 50 kilotonnes per year while in production. This is roughly equivalent to

19 million litres of annual diesel consumption. The output-based pricing system will be optional for mines that emit between 10 kilotonnes and 50 kilotonnes per year while in production. Mines that emit less than 10 kilotonnes or the equivalent of about 3.8 million litres of diesel consumed per year will pay the general levy. The output-based pricing system can be thought of as the carbon price and the rebate mechanism combined into one system.

Mr. Chair, our plan for quartz mines recognizes and addresses two competitive challenges facing Yukon quartz mines. First, some mines will not be of a size to enter into the federal output-based pricing system and therefore will be placed at a comparative disadvantage to larger mines. Without the rebate, Mr. Chair, a Yukon mine that emits 9.99 kilotonnes could have faced five times the carbon charge as an equally efficient mine that emits 10 kilotonnes. Our plan corrects this inequality.

Second, the federal system only applies once a mine is in production. We recognize that costs are higher in the north and that it takes considerable time and money to both open and close a mine in the Yukon. Therefore, our rebate will apply to any quartz mine before and after it is in the output-based pricing system.

Quartz mining operations will receive a rebate of 100 percent for the first six kilotonnes of emission and 50 percent between six and 10 kilotonnes. Mines emitting more than 10 kilotonnes are eligible for treatment under Canada's output-based pricing system. At 10 kilotonnes, this is equivalent to an 80-percent rebate or \$400,000 per year by 2022.

Mr. Chair, in developing this legislation, we have had lots of conversations with individual Yukoners, businesses and other organizations. There are two groups with which we will continue to have conversations during 2019, and they are First Nation governments and municipal governments. While we have stated how those governments are part of the overall plan, we still need to hear from both of those groups about their ideas and preferences for allocating among themselves respectfully. We are looking forward to those conversations and to developing the regulations that come from them.

I am proud of the fact that we have developed a comprehensive and balanced plan that fulfills our commitment to return 100 percent of all money collected to Yukon individuals, businesses, First Nation and municipal governments. Our plan preserves the pricing signal of a price on pollution while meeting all of our commitments to Yukoners and to Canadians.

Mr. Cathers: In rising to speak to this legislation in Committee of the Whole, I do want to thank the officials who have worked on this for their efforts. I want to again emphasize the fact that, when we are criticizing the policy decisions made by the political leadership, we are not in any way, shape or form intending to reflect on the work done by officials in carrying out the direction that they are given. I would like to welcome both Chris and Clarke to the Assembly. I have enjoyed working with both of you in the past and hope to have the opportunity to do so again.

Mr. Chair, I would just note as well that, when it comes down to the system, one of the reasons that there are so many questions from Yukoners about this — and so many concerns that we as the Official Opposition are bringing forward and reflecting — is that people are very skeptical when they hear government saying, “Just give us some money. Don't worry, we are going to hold on to it for a while, but we are going to give it all back and maybe a little bit more.” This is a very complex structure.

There are Yukoners in various businesses across the spectrum — from placer mining to quartz mining exploration, farming, the forest product side of things, retail and so on — who are asking questions because it simply is not clear to them what they are actually going to pay and what they are going to get back. The assurance from government that they are going to get all of their money back is one that people, quite understandably, find doubtful.

When looking through even the details of government's own documents, the high-level narrative quickly evaporates when one looks at it and realizes that not everyone is going to get back what they paid. From their own documents on the rebate for businesses, I would note — and I will quote: “The tax credit will be based on a weighting of assets that either consume fossil fuels or displace the consumption of fossil fuels. In doing so, businesses will receive larger rebates for investing in the territory.”

The argument, of course, behind that is that it encourages investment, but what the Premier hasn't seemed to realize — and again, his lack of experience with knowing what the world looks like when you are a small business owner is showing here in that he is out of touch with their needs and their concerns. The fact is that, if you are an entrepreneur who is just struggling to get your company going and you are leasing space to operate your business, you are leasing some of the equipment or renting it or perhaps, in some cases — and this does happen — people borrow equipment from friends to operate their business and they scrimp, they save and they work hard to make ends meet and have difficulty doing so — those are perfect examples of the small business owners who can't afford to simply give government more money in a carbon tax and wait for 12 or 14 months to get back some of the money that they have paid in doing so.

That is one of the fundamental problems with the claim that you won't really be paying more. If you are barely keeping your head above water as a business owner, this carbon tax is just one more weight on your shoulders pushing your head under.

Yukoners know as well that there is no government money. It is all taxpayers' money. If you get a cheque from the government, either you paid that tax or someone else did.

So we will be asking a number of questions related to this legislation which have not been answered. I would also note that, in addition to the fact that this is complex, expensive and certainly it took a lot of time on the part of government staff to develop this work — based on what is going on in the federal scene, it looks like there is a good chance that this legislation is going to be a moot point by fall as a result of the

SNC-Lavalin scandal and the actions of the Prime Minister in that area, including the announcement today that the federal Liberal caucus had kicked former ministers Jody Wilson-Raybould and Jane Philpott out.

The questions that I will begin with — I am going to begin with two questions for the Premier on this. The question is: If the federal government loses the election, is the Premier going to take steps to bring in a carbon tax of his own here in the territory and directly impose taxation on Yukoners, or is this legislation going to become a moot point?

Secondly, I will ask the question: Since this carbon tax is being applied as an increased cost for the manufacturing sector here in Canada, does the Premier not recognize that imposing this type of tax on manufacturers here in Canada in fact encourages the trend toward manufacturing going overseas to countries like China, where the increase in China's carbon emissions — according to the most recent statistics, the increases within a few short years significantly outstrip the production of the entire Canadian economy's carbon taxation?

I will just start with those two questions there for the Premier.

Hon. Mr. Silver: As far as the carbon rebate for businesses goes, Yukon businesses other than placer and quartz operations will be receiving their carbon rebate as a refundable income tax credit. When they are filing their tax return, the tax credit will be based on the weighting of assets that either consume fossil fuels or displace the consumption of fossil fuels. Businesses, as a result, will receive larger rebates by investing in the territory. We think that is an important piece, Mr. Chair.

Also, the super-green credit is an important piece as well. It will be included in the tax credit to support Yukon businesses as we transition to a cleaner economy. This will encourage investment in green technology and equipment. For example, investments in technology like solar panels will benefit business owners through a larger rebate, while also contributing to fewer emissions.

Mr. Chair, it is very simple. I agree with the member opposite as far as small businesses and sole proprietors — they sometimes have trouble making ends meet. The member opposite is completely wrong in thinking that I have no experience in that. My father was a dry cleaner and I worked in the business of dry cleaning for many years with my father, and so I do know the limited amount of money that some businesses use and get. It was my father who said, "No, you are not taking over the business. You are going to get a university degree and you are going to be a teacher." Again, I spent many years working with my father and so did my whole family. My mother worked in the business as well. We know what it means to be poor growing up in a small business, Mr. Chair. So I disagree that I am somehow out of touch with that from my background — let alone my constituency work in the Yukon and let alone my current occupation as Premier and the ability that it affords me to go out and talk with the private sector and to talk to the small business sole proprietors. He is completely wrong when it comes to that.

Again, our plan is giving 120 percent of the revenues collected from a business back into their pockets — whereas I don't know what the Yukon Party's plan was. What would have happened once the federal government implemented this federal tax or this federal pricing? Who is to say how much money would have gone back to the businesses? Who can say, under the Yukon Party, how much of that money would actually find its way — or how it would find its way — back to a business community? They have been absent in that dialogue.

Again, I am not going to speculate on federal elections. The member opposite seems to be able to predict the future. I am going to stick to debating this bill in the Legislative Assembly here. We don't have a huge manufacturing component here in the Yukon. We have done some windows. We have done some different things here and there. We have had a small but strong manufacturing sector over the years, but what we do have is a mining industry.

The concept that I can relate to from his questions would be that question about carbon leakage. Again, we've explained quite a few times here what carbon leakage is. We've also explained how our rebate system for both the placer miners and the quartz miners addresses carbon leakage by making sure that we're rebating 100 percent of the money back to the placer miners and that we've gone through the system. I'm happy to repeat it on the floor again — as far as a carbon levy and then how that is applied through the zero to five kilotonnes, with 100 percent of the money coming back — sorry, from zero to six kilotonnes — how they get 100 percent back from that levy. Then, from six to 10 kilotonnes per year, they will get back 50 percent. Also, the consideration from the output-based system — once that gets triggered at 50 kilotonnes and money is being collected, how that money can then incentivize these industries to be more energy efficient.

Again, we've dealt with carbon leakage, which is a concept that the member opposite is — I would say that the carbon leakage consideration for placer and quartz mining definitely needed a lot of scrutiny, and that's why we set up our rebates as such.

Mr. Cathers: I appreciate the Premier explaining what he did in working in his father's dry cleaning business, so I will simply revise my point and say he may have understood what it was like to run a small business but clearly he has forgotten what it's like, because the approach that is being taken is out of touch with the challenges faced by small business owners.

If the structure under which small businesses are eligible to claim an income tax credit when they file their taxes at the end of the year creates a situation where — I have to point out that if you're running a small business and you're having great difficulty making ends meet — which is quite common for businesses, especially entrepreneurs in start-ups, but it can happen even to long-running businesses during challenging economic times — when those things occur — when those situations of money being tight and someone is trying with great difficulty to make ends meet, a tax credit at the end of

the year after the government has charged you more money in a tax and held on to that money for the entire year — getting a tax credit back at the end of that time doesn't do you much good if you had to close your business down in October or December because you couldn't pay the bills.

I'm going to go to a few specific questions. The Premier likes to mix and talk about direct costs and indirect costs and talk about which ones are coming back. I'm going to ask this specific question. I'm going to use farming as an example because this is something I've heard from a number of constituents, including earlier this afternoon. A constituent contacted me with specific questions related to agriculture.

The reason that we're asking this is because the Premier has talked about how farmers may be able to file for an exemption from the federal tax in some circumstances. I'm going to just note that, when we debated this on the 21st, the Premier talked about — and I quote: "... specific exemptions from Canada, those are under the purview of the Canada government. We don't set those parameters..." Then the Premier provided information in a legislative return — March 25 is the signed date, and it was tabled March 26.

It says, "When certain conditions are met, farmers and commercial fishers may access upfront relief through the use of exemption certificates issued by the federal government." The link to the federal form seeking exceptions is available on the federal government's website. I'm sure it was just a technical glitch — which happen from time to time — but the link the Premier provided didn't actually work. It went to an error page. I would appreciate if that information could be provided with the updated link for those exemptions.

Even that part doesn't really provide clarity to someone who is a farmer and who is wanting to understand if they're going to be eligible for a tax credit on their fuel. If they're going to be eligible for either a rebate or an exemption on the portion that relates to their fuel, what happens for the rest of their costs? For someone trying to run or develop a farm, if the cost of fence posts, fencing, building materials, chicken feed and horse pellets — and so on and so on — is going up, will they receive a tax credit or a cheque for any of those costs, or are they simply going to have to absorb those items that are indirectly taxed in some cases?

The other question I will ask — again, just specific to the farming example: If you have a farmer who is developing a farm and they're putting up the fencing — they have building materials and so on and they have seen an increased cost as the result of the carbon tax — if they have paid an additional \$5,000 — for the sake of example — in cost as a result of the carbon tax, how much are they going to get back in a rebate or tax credit, and how and when will that occur?

Hon. Mr. Silver: I will start by talking about the exemptions in general. Our government has been in negotiation with Canada for a long time — since 2016 — to ensure that Canada recognizes our unique circumstances here in the north. These negotiations resulted in targeted relief from federal carbon levies on all aviation fuel in the north, for diesel and for electricity generation in remote areas. Canada has provided a full exemption to commercial fishing and

agriculture as well as relief for commercial operations of greenhouses.

During Canada's public consultation period in November of 2018, the Government of Yukon requested that the targeted relief for diesel used in electricity generation in remote communities should also extend to LNG. We're still waiting for a response from Canada on that request.

If the link I gave to the member opposite did not work, I apologize. I have the form here right now from the Canada Revenue Agency. It is pretty easy to go online and get this. It provides the form that the farmers and the agricultural folks in Yukon need to provide themselves with that full exemption.

I will give a little latitude on this. Maybe there are some Yukoners who are hobby farmers and who may or may not be considered. I am not sure, but let's say that there is some type of situation where somebody in the agricultural industry here wasn't allowed to have that exemption. I can't see where that would be. However, if there is a business in the Yukon, they would then be put in the business levy rebate system. The member opposite speaks about \$5,000, but it would depend on the type of assets that I have already talked about — when we would be determining how much of the 120-percent rebate that the particular business would get if they were not in the exemption. Of course, full exemption for agriculture — so if you are fully exempted, then you wouldn't be able to apply for the rebate system.

Mr. Cathers: It sounds like, from the Premier's answer, if there is a full exemption, you wouldn't be able to apply for the rebate, but the problem is that if the cost of fencing, building materials and farm supplies is going up, those businesses that are trying to grow food here locally and in agriculture are paying more money, and it has become less affordable to do so.

One of the things that I specifically heard was from a farmer asking for information about how farmers would be affected by the carbon tax and how the Yukon will model the exemptions — the person who contacted me noted that they had contacted the Agriculture branch and didn't get any information providing clarity. I would encourage the government to help provide more information for farmers and others in other businesses on how it applies and, if they are eligible for an exemption, how they can apply for that. If they are paying those increased costs but are theoretically exempt from carbon taxation, what does that actually mean for someone who is trying to grow crops here in the territory in terms of whether or not they will get anything back after the cost of everything required to develop their farm just went up due to carbon taxation?

I am just going to touch on a few other areas to give the Premier and staff supporting him time to look for that information. I do have to point out that again, as we have noted, when there are exemptions from carbon taxation for just a single coal plant in New Brunswick that produces more carbon emissions than the entire Yukon does, it does give an increased lack of confidence to anyone that this is really about putting a price on pollution. It seems to be more about

exemptions being available for provinces where there are more federal seats at risk.

I just have to correct the Premier. He did earlier misrepresent the Vancouver Declaration, which he has done before. I do have to point out and correct for the record that anyone who pays attention knows that Premier Brad Wall of Saskatchewan never signed on to support a carbon tax. I would also just briefly point out in response to specific comments made by the Minister of Community Services that, on the issue of taking action on climate change, when we point to the incentive programs that we rolled out, we have actually done something. These have been proven to succeed, whereas the government is now pointing to a carbon tax as a panacea for climate change, yet they are still wrestling with not being able to give a plain-language explanation about how it applies to individual businesses.

Again, this is an area where Yukoners are asking questions and are concerned about the fact that the imposition of a carbon tax on Canadian businesses again does seem to make it harder to manufacture and produce local products and compete with products imported from China and other countries that are not subject to the same type of taxation.

Contrary to the Minister of Community Services who was lauding the Chinese government for supporting carbon taxation, I do have to say that, with certain foreign governments, including that one, the proof will be in the pudding as to whether or not they follow through with their commitments or simply sign on to something and allow the rest of the world to increase the cost of doing business.

I am going to move to a few specific questions in addition to the ones that I laid out here. In a document that the government issued in January about the proposed framework for a carbon tax in the Yukon, it states — and I quote: “Yukon First Nations governments are estimated to pay about 0.5% of the total levy, but will receive 1% of the revenues.” Can the Premier tell us how that was calculated?

The same document says, “Municipal governments are estimated to pay about 2.5% of the total levy but will receive 3% of the revenues.” Can the Premier tell us how that was calculated?

Last but not least, can the Premier explain why, according to that document, First Nation governments will get back double what they paid in carbon tax, but municipal governments will only get 20 percent more?

Hon. Mr. Silver: There was an awful lot there before a question was asked.

Again, I will not take the bait on what is happening in New Brunswick and other areas. We didn't negotiate New Brunswick's carbon-pricing rebate mechanisms. Again, the federal government has a system in place. We are going to keep our answers to this legislation that has been presented in the Legislative Assembly here today in Yukon.

I will say that I think that the member opposite might have missed my point when he had to come back and say that Brad Wall didn't sign onto it, so therefore, Saskatchewan didn't sign on. He is correct. If I misled, then I'm sorry. But

again, my point was that Yukon did. The NDP did sign on to carbon pricing.

My point is that, if you signed the Vancouver Declaration, then what is your plan? What is your plan to deal with carbon pricing? As the Leader of the Third Party somehow wants to speak over me — she will have her chance to talk on this.

Some Hon. Member: (Inaudible)

Hon. Mr. Silver: I am so sorry — the Member for Lake Laberge said it, not the NDP. I apologize.

Again, my point about bringing up the Vancouver Declaration is that if you sign on to the document that commits the Yukon to carbon pricing, you should probably have a plan.

The specific question was: Where did we get the numbers for the municipalities and the First Nations? That is Statistics Canada data that we used. We basically rounded up both of those numbers so that they are even numbers. That is where these numbers came from. In both cases, that is more money than the municipality is putting in as a government and also more money than that the First Nation governments are putting in as well.

The member opposite also spoke a bit about indirect costs when it comes to the carbon pricing. Again, I would say, with a full exemption for agriculture — that's a full exemption, but it does mention that he is talking about feed and other things being an expense, this being an indirect mechanism of carbon pricing — one of the reasons why we gave back more than the businesses put in is to make sure that businesses are not adversely affected. The business community will be putting in 100 percent, and we will be rebating back 120 percent to help deal with that.

Even more, if you take a look with a broad perspective from region to region in Canada, every charge from a government — whether it is for WCB, for property tax or income tax — all of these things become indirect costs in products. Carbon is no different from those, so we made considerations as we were dealing with this type of pricing. Suffice to say at this point that Yukon is a low-tax area, and that is key for businesses in Yukon. We have made commitments to lower taxes for small businesses and for the corporate tax rate for these considerations.

Again, we believe that by giving more back to the businesses than what they put in, it helps out with indirect costs. But again, Yukon does very well right now as far as a low-tax area in Canada.

Mr. Cathers: That seemed like a bit of an ominous statement on the Premier's part in talking about how Yukon businesses do well in the taxation environment currently, referring to it being a low-tax environment. I just have to note that the explanation that the Premier provided is not really clear in plain language for somebody who is a small business owner. On one hand, there is a complete exemption for agriculture, but the Premier also, I believe, said — and he can correct me if I misheard him — that they wouldn't be able to apply for any tax credit or rebate because of that exemption. That is at odds with the fact that, if you are paying more for

fencing, building materials and everything that is necessary to develop a farm or feed your livestock, those costs are coming out of your pocket. If there is no ability to get them back, you are not exempt from a carbon tax.

The Premier didn't answer the question about why there is a disparity between what the First Nations get and what municipalities get under the new regime. With regard to the funds for municipalities, the government's document estimates that the rebate for municipal governments will be \$230,000 this fiscal year, increasing to \$470,000 next year. Can the Premier explain how this money will be divided up among all municipalities? Secondly, with regard to the funds for First Nation governments, the government's document estimates the rebate to First Nation governments will be \$80,000 this fiscal year, increasing to \$160,000 next year. Can the Premier explain how this money will be divided up among all First Nation governments?

I am going to then go to a rural example that is provided, since the government chose to reference the example of a family in Mayo in their documents.

In the instance of a family of four in Mayo that pays \$150 extra in the 2019-20 fiscal year due to the carbon tax — can the Premier tell me if they would get all that money back?

Hon. Mr. Silver: Again, I did answer the question from the member opposite. We used Statistics Canada's data when determining the percentage of the whole levy that would be paid by a municipality or First Nation governments. When we came back with that, we got numbers that had decimals and so we rounded them both off. The initial intent obviously is to give back 100 percent of what they paid in. As an accounting treatment, we rounded them both up. By rounding them up, they both get a boost of 0.5 percent. Again, that is why we did what we did. I explained to the member opposite that if you are exempted, then you are not getting a rebate because you didn't pay into it. If you are exempted from the carbon-pricing levy, then you are exempted, and so that is not an indirect or direct cost. You don't pay, and so you are not getting a rebate.

The member opposite talked about indirect costs of grain and these different things — because why? The two provinces which these grains come from don't have — oh no, they do — they do have a carbon price already in place, so there would not be an increase there. But there might be some increase, somehow, to that cost. But again, we believe that just working in the north is expensive, so that is why we decided to give back 120 percent of the rebate as opposed to 100 percent of the rebate.

Again, I am not really sure where that extra cost is coming from when we have done some things to alleviate that pressure. We have reduced the small business tax rate. We have reduced the corporate tax rate. We have also increased the rebate to businesses to 120 percent of what the businesses are putting in. If you are agriculture, then you don't have to pay at all because it is a complete exemption from the federal government.

I think that was the question. Other than that, to say how we are going to decide among the First Nations and the municipalities how that money gets translated back — those

conversations are ongoing and will continue. What we want to do is basically say to the First Nations and to the municipal governments, "How do you want this to be rebated? We don't want to grow government, so let's have that conversation." We could make our own suggestions and we could rebate it directly back as much as we possibly could, or we can have a conversation with the municipal and First Nation governments to see if there is a different plan that they want to use to give back that money.

Mr. Cathers: Again, we got a lot of words, but we didn't get an answer. For the Premier to say that agriculture is exempt — that you don't have to pay at all — he still hasn't provided an explanation of how that works when they go to purchase fencing, building materials and feed. Who is giving them this exemption? Where are they getting the cost reduction when they go into a local store and are actually paying more money?

The Premier didn't provide an answer to my question about a family in Mayo.

I am going to ask another question: Does this legislation allow for the GST that is charged on top of the carbon tax to be rebated? We know that Yukoners are going to be paying more money and paying a tax on a tax.

Another question that I'm just going to move to as well is that, according to research by the federal Library of Parliament: "The Pan-Canadian Framework includes the commitment that revenues from pricing carbon pollution will remain with the province or territory of origin. These revenues do not include those in respect to the GST charged on products or services that may have embedded carbon pricing costs in them."

This means, essentially, that there is a tax on a tax. The documentation says that the total levy paid in 2023-24 will be \$26 million. Doing a rough calculation — I would be happy to have the Premier provide more precise figures — applying GST on top of that amount appears to be \$1.3 million in extra goods and services taxes that are being taken from Yukoners. Has he raised concerns with Ottawa about GST being applied on top of the carbon tax? Did he ask Ottawa to return GST revenue generated for their carbon tax as well, or are Yukoners just going to be paying more for the Liberal tax on a tax?

Hon. Mr. Silver: If somebody goes to Home Hardware — their local Home Hardware — and buys from there and expects that now they're spending more because of carbon pricing — that local business is rebatable. The rebate that goes to businesses is 120 percent — not 100 percent, not 80 percent, not 50 percent, but 120 percent — of what businesses put in. Of course there are different considerations based upon the assets and the type of assets, but there is more money going back into businesses than what they are paying.

As a whole, that increase is much more than the consideration for GST — from this concept that the member opposite is talking about. Again, there are no extra costs as these goods come up through BC or Alberta because they already have a carbon-pricing mechanism. Our businesses here that would have an extra indirect cost — we are giving

them more than they pay in to hopefully alleviate that pressure as well or this concern that the member opposite has about GST — 120 percent is a lot more back than the GST “tax on a tax” concept that the member opposite is trying to wrangle with.

Now, with the individuals — I’ll go on that for a bit — Yukoners will receive their first rebate payment, as I said, in October 2019, and they will receive \$43 with this payment and another \$43 in April, which on average, will be more than they have paid into the carbon levy over those first nine months of the program. We estimate that individual Yukoners will have paid, on average, \$84 in carbon pricing.

Beginning in July 2020, rebates to individuals will be issued quarterly by Canada Revenue Agency using the same payment methods as the individual tax return: by cheque or direct deposit. This means that we will not grow government to administer that rebate.

Again, there was a great analysis on *The National* last night about different options for beer. They use beer to get Canadians’ attention when they showed the differences here. You have a beer that has an average cost of \$5, you have another beer that’s \$3 and you have another beer that’s \$7. The bar gives you a credit for \$5. Well, that’s the concept. You can put that credit toward your beer and buy a cheaper beer and get money back. You can put it dollar for dollar directly if you’re in that \$5 range, or you can go for the \$8 knowing you’re only getting back the \$5 credit.

When the member opposite asks if a specific family in Mayo will get back, dollar for dollar, exactly what they’re putting in, he knows very well they are not — or he doesn’t understand carbon pricing as a mechanism.

We have said what the numbers are here. To be clear, by 2023-24, the annual rebate is estimated to grow to \$284 per year per person, and that’s going to be almost \$100 more than the average individual will pay in those carbon levies. Again, as he talks about indirect costs — I believe this bill accommodates for those indirect costs and puts all the money back into the businesses and individuals, because we believe they are the best ones to use that money to reduce their emissions and make those decisions — as opposed to a beer, make those decisions as opposed to windows in their houses and hopefully utilize some of the government programming for these initiatives for retrofits to make their homes more energy efficient.

I’ll leave it at that, although I believe there was another question I didn’t respond to — it was one about business. No, I think I responded to them all, but I was just remiss. There was something else I just remembered, but I forgot as quickly as I remembered. Maybe I’ll remember it again when I get back on my feet.

Mr. Cathers: The Premier knows very well that, in terms of when I asked him the question about the family in Mayo, I understand how the system works and how it doesn’t work well for some Yukoners. We’re trying to get him on record stating his view on it so that he can’t pretend otherwise.

We know that not every business is going to get 120 percent back of what they pay. It’s incredibly naïve or

disingenuous to think that businesses won’t pass the cost of a carbon tax on to customers, especially since, after handing government that money, they have to wait until the end of the year to hopefully — maybe — get money back in a tax credit. There’s a cost to those elements for businesses.

Again, will every business get 120 percent back under the carbon rebate?

Moving on to the government’s placer mining rebate — it requires placer miners to keep and submit all their receipts to be eligible for the rebate. At the same time, the Premier has said that there will be no added burden or cost on the administration of the Government of Yukon and has claimed that none of the positions added already have anything to do with the carbon tax scheme. So who will be reviewing the receipts from placer miners? Is the Premier saying that no one is going to look at them? Will the receipts be audited? How will they be reviewed and audited without increasing the administrative burden on the Government of Yukon? How long will placer miners be required to keep their receipts?

I would also ask — we understand that the rebate for placer mining is tied to a class 4 operating permit, which means that not all operators can even get the rebate. Can the Premier confirm his understanding of how the rebate will work?

Hon. Mr. Silver: I appreciate the question from the member opposite. Right now, there are already exemptions for the placer industry through the *Fuel Oil Tax Act*. This new consideration is going to be a very seamless process through that because these parameters are already set up. However, with that being said, Finance has worked diligently to work to review the *Fuel Oil Tax Act* and to work with the fuel distributors to look for efficiencies to make sure that, as we apply the carbon pricing — through the very same streams that the placer miners already have for their current exemptions through the *Fuel Oil Tax Act* — that we are as effective and efficient as possible in doing that.

The placer miners will receive a 100 percent rebate of all funds paid in the carbon levy. The Government of Yukon’s carbon-pricing rebate act provides for opportunities, as I talked about, to create those efficiencies. That is the benefit of taking a look at this out of this act. Returning carbon levies to Yukon placer and quartz mining will help them remain very competitive in the global market. That is why we made this consideration.

If we take a look at the access volume here, it is not going to be a lot more volume. It may be 10 claims per month — very small. I appreciate the member opposite doing his role as a critic, but he is wrong in assuming that any of the new hires had anything to do with the carbon pricing. Also, the expected volume, as I said, is very small. Working with the department on finding efficiencies will help alleviate any of that extra pressure for an expected extra 10 claims per month.

Mr. Cathers: Again, there has been a lot of work on this legislation. Clearly, someone had to do it. There will be a lot of work in reviewing the receipts from placer mining unless the government is simply requiring those businesses to hang on to the receipts and submit them but isn’t actually even

reviewing them. Doing that paperwork requires a significant amount of administrative burden. The Premier's claims on this — the reason why we are questioning him on it is that his narrative does not line up with logic on this.

Moving on to a few other areas of funding — we have seen that this government — we have taken them to task for freezing funding for a lot of NGOs, especially under Health and Social Services, for taking over an NGO and hiring 40 staff to do it and the shortage of funding for the hospital. We also notice in the carbon tax scheme that NGOs have been excluded from this. Why have non-governmental organizations been excluded from the rebate mechanism when it is already tough enough for many NGOs to make ends meet?

I would ask as well — we have noticed that the Northwest Territories have an exemption for home heating fuel. Was the Yukon offered a similar exemption? Did the Premier ask for an exemption? Is it fair that the Northwest Territories home heating fuel is exempted, but in the Yukon, it is not?

As well — as it pertains to fairness — we have talked about the exemption for aviation. The Premier said he negotiated and asked for it, but when asked why he didn't negotiate or ask for a trucking exemption, he said Ottawa decided it and he had no role. Can the Premier clarify for us: Did he ask for an aviation exemption? If yes, why did he not ask for a trucking exemption considering the fact that, in some cases — for delivery of goods to Yukon communities — those industries are in direct competition with each other?

Hon. Mr. Silver: Again, whether it is New Brunswick, Northwest Territories or Nunavut, there are considerations that are jurisdiction-specific. One of the interesting differences between us and the Northwest Territories is that we rely heavily on hydro power here in the Yukon.

Also, there are some situations and considerations that do transcend right across all three territories. Starting east and coming west, the aviation industry in the north is essential for the transportation of people right across the north. That exemption was northern — right across. I don't know if the member opposite would have us not want that exemption, but we were happy to take that exemption, as it was a consideration across all three territories.

The member opposite is now wondering why we are not funding NGOs. I don't know if we are painting the picture of what their plan would look like — if money would go back to the NGOs under a Yukon Party carbon price. The not-for-profit sector is a very diverse group consisting of everything from religious organizations, sport governing bodies and various societies — just to name a few. These groups are not only diverse in the services that they provide, but also in how they receive their funding. Many groups are funded by their members.

In designing a rebate program, this group would require new reporting systems and staff to implement it. We are being told by the Yukon Party a lot to not grow government. In this case, that would grow government. It seems like that would be a colossal thing to sift through. By designing a rebate system

that effectively overfunds individuals, businesses and other levels of government and that supports the non-profit segment, we have designed what we believe is a very effective and efficient system for all of Yukon.

The members opposite know as well that, when NGOs come to different departments or to the government or different governments, they will forecast their costs for that year, and that will be part of those conversations as far as funding allocations as well.

I am not going to necessarily compare us to different jurisdictions. We believe that what we did was an effective system that gave back all of the money collected in a way that didn't grow government, and I think that we did a tremendous job in accomplishing the considerations of the pan-Canadian framework, the unique circumstances of the north, not growing government and giving all the money back to Yukon individuals and Yukon businesses.

Mr. Cathers: As the Premier knows, we don't support growing government for the carbon tax. When it comes to an exemption for NGOs, I think it would be perfectly clear from what we have put on record that we support an exemption from the carbon tax for everyone in the Yukon. We do not believe that a carbon tax is the right mechanism here for the territory. We will continue to argue that an incentive-based approach, even by the Liberal government's own admission, has a proven record of results.

I am going to move on. We know that the government, as part of their poor working relationship with NGOs — a number of NGOs have had their funding levels frozen, and they are seeing an increase due to the carbon tax, which will add to the difficulties that they are already facing with an increased cost of living and an increased demand for services in many cases. It is disappointing to see that.

We were going to ask, as well — the Premier didn't provide a real answer in the area of home heating fuel and why it is fair for people in the NWT to have an exemption from the carbon tax for their home heating fuel, yet that doesn't apply in the Yukon. I'm going to ask the Premier as well: How will the carbon tax rebate scheme differ for a First Nation-owned business versus a non-First Nation-owned business? For example, using two local companies in the waste business — one is First Nation-owned and one is not — that compete directly, how will the rebate work for a company like General Waste Management versus how it would work for Pacific Northwest Waste Removal? Would they receive identical treatment, or would the taxation and rebate structure be different?

We understand that for exploration companies and the mining sector the carbon tax will be done through a tax credit. It appears that this means that if they don't own or lease assets, they won't be able to collect from it. Can the Premier either confirm that this is the case or correct it? For other businesses that lease or rent their assets — since the structure of the rebate gives a benefit for the ownership of assets, does that mean that a business that rents or leases all its assets will not be eligible for money back?

Hon. Mr. Silver: I remember what I thought about before. The member opposite talked about the credit to the business community. When we engaged with the business community on how we were going to be rebating, we were happy with going either way — either by having a cash rebate or having some kind of tax incentive. It was working with the business community where we determined that this was desirable. Again, it could have gone either way, but with engagement and consultation with the business community, the tax credit system was picked as the preferable option.

If Norcan — to the member opposite's question — owns an asset, they get the rebate. If they are renting it out to someone else who is using it, it is still an owned asset from that company.

With the differences between a First Nation business and a non-First Nation business — there is no difference between a First Nation business and a non-First Nation business. Our rebate back to First Nation governments is to First Nation governments — I don't know if the member opposite was confusing that or not. If you are a First Nation citizen of the Yukon who owns a business or if you are a non-First Nation citizen who owns a business, there is no difference in how the rebate is structured.

Mr. Cathers: I appreciate that the Premier did provide partial answers to my questions.

I am going to ask a few other questions with regard to what businesses get back if they are leasing their assets.

I will give an example of a hypothetical company. If they lease vehicles from a rental company such as the one the Premier mentioned and they lease their office space and their office equipment is either leased or of negligible value, do they receive anything back in a tax credit, and if so, what would that look like?

Secondly, when it comes to tax credits or rebates received by businesses, depending which type of business they are, is that tax credit or rebate considered taxable income?

The third question I will add at this point is: Since people are being charged a carbon tax, they see when they pay the goods and services tax — you see that on your bill. In some other jurisdictions, there is information provided on bills about what you have paid in a carbon tax.

Are Yukoners going to see on their receipts how much they have paid in carbon tax, and if they are going to see that, has the government looked into how much that administrative burden will be on Yukon businesses that presumably will then be required to ensure that the bills and receipts they provided customers clearly disclose the cost of the carbon tax? Since that, in some cases, may be a complicated calculation, depending on the various costs of whatever they are selling, how is that actually going to happen? Is government going to assist those businesses, or are they going to be left trying to sort out some sort of complex formula on their own to ensure they are complying with such a requirement?

Hon. Mr. Silver: That was an awful lot of questions all together. I will answer the first two and I will ask the member opposite to repeat the other ones. As far as the concept of leased assets, it is very well-defined in the act that the Yukon

carbon rebate is based upon a particular business's assets. There are definitions in there, and as we go through line by line we can talk about outside of Yukon compared to use inside the Yukon. When it comes to leasing out an asset that you own as a business, the person who owns that business — whether they rent that thing out or lease that equipment out, they will get the rebate. They have the ability to pass that cost saving on to a lessor as they are leasing these things out. Another company that is using fuel but still has assets will still be eligible for a rebate, but they are not going to be able to use somebody else's equipment if that money for that rebate is going to that business. You can't double-dip and say that one tractor or one Zamboni or whatever is going to get a double-dip. So it will be the owner of that asset who will get the rebate and hopefully we will be able to pass that on.

The other question was about income tax. The question was whether or not this would be recorded as income for income tax purposes with the businesses. The member opposite is correct, but the amount will wash out with that tax credit. With the tax credit being put out afterward and with it being 120 percent of the money put in, that particular bump in income tax considerations would be a washout and the particular business would be getting a tax credit in the end. On average, Yukon businesses will be getting back 120 percent of the amount that the businesses put in to begin with.

Mr. Cathers: I appreciate the explanation. The problem with that though is that, first of all, it doesn't align with the government's own narrative about businesses getting back, on average, 120 percent of what they put in. Because if they are then getting the money back — and the Premier confirmed that it is taxable income — that puts a business in a situation where, if at the end of the year, you finally receive back, let's say, \$10,000 that you paid to government in carbon tax and then, because you ran a profit for the year, the government claws all of the money back, you didn't actually get your money back. You gave the government that \$10,000 for a full calendar year; then whatever profit you actually had left you have to pay taxes on at the end of that year. So in some cases, you might be in a situation where you are either not making money or you are getting taxed on your own rebate back at the very least and at least paying a percentage of that back to the government in tax.

For the Premier to suggest, as he repeatedly has, that businesses that may be eligible for a tax credit or rebate are going to pass on that directly to consumers or other businesses doing business with them and not reflect the fact that they have to wait for an entire year to get money back from the government is naïve about the way that businesses operate. It will increase costs. It will, in the case of — as I believe we have heard now from the Premier — that a business that effectively leases all of their assets for operation is not going to get back a rebate on any of that. It is going to be favouring the company that owns the assets. It does create a situation where it is pretty tough for a small business to operate in that environment since that entrepreneur is not getting money back. I would just ask the Premier if he could clarify that.

Hon. Mr. Silver: Basically, you are getting a tax break for paying the levy. So an exploration company, for example, would get a deduction because they can claim these things as expenses. They are getting an exemption up front for this particular expense.

Mr. Cathers: I am just going to briefly thank the officials for their work, and in the interest of cooperating with the Third Party, although I do have more questions, I will cede the floor to the NDP.

Ms. Hanson: I thank the Member for Lake Laberge.

First of all, the Premier, the Minister of Finance, made a number of laudatory comments about the officials from the Department of Finance and I too share those. As some sort of joked at the briefing, the level of detail that is involved in a piece of legislation like this is enormous.

But the minister pointed out that part 3 of the amendment is this social assistance administration regulations. One of the things that the former deputy minister had pointed out was that this had been a personal bugbear and a mission of Mr. Clarke there for 27 years — the crazy notion of having a prohibition on direct deposit. We're pleased to see that persistence can win out in the public service.

Mr. Chair, I just want to come back — there are a number of areas, and I'm not sure we'll get through them all this afternoon, but we do have several questions relating to the rationale for the decision to implement certain provisions that are contained in this legislation.

In our briefing, most of the discussion relating to the legislation was technical in nature — as is very clear — on how the rebates work or how the tax credit works. Little was shared regarding the underlying greenhouse gas emissions data that we believe should be driving such legislation.

Can the minister share the data and the analysis that was used to determine what this legislation will do to curb our greenhouse gas emissions, particularly with regard to the transportation sector?

Hon. Mr. Silver: Thank you to the member opposite for her question. Again, I apologize for confusing the Yukon Party and the NDP. I will try not to do that ever again.

So the data we received is from the federal government document, entitled *Carbon Pricing in the Yukon — Potential Impact Analysis*. I will share this documentation with the members opposite. There are numbers here — estimated emissions impacts in the Yukon from a carbon levy that show the estimated impacts of the carbon levy on greenhouse gas emissions by sector.

In 2022, the largest reductions are in the transportation sector — which is freight, railway, pipelines, et cetera — about 9.4 percent or 22.7 kilotonnes below projected business-as-usual levels. The next largest impacts are expected in the air transportation sector, which is 5.4 percent or 5.6 kilotonnes, then in the wood and woods product sector — 9.4 percent or 1.9 kilotonnes below business-as-usual levels.

Ms. Hanson: Can the minister share with this House how those targets or those projections square with Canada's, the provincial governments' and the territorial governments' commitments under the *Paris Agreement*?

Hon. Mr. Silver: Just to clarify, sorry — those numbers were before the aviation exemption, so they will be tweaked a bit from there as well.

As far as the Paris commitments — it's well-known that the federal government has never hit their targets, year after year, in the past. So how do they square to those? We do know that there have been questions back and forth as to whether or not these targets are going to hit the targets moving forward. We know that, in the past, there hasn't been a federal government that has hit the targets necessary from the environmental scientific community.

This is a pathway forward that will increase our abilities to get to those numbers.

Ms. Hanson: That is true. For over 25 years or more, we have not, as a country, even come close to meeting targets. I guess my question would be: As a northern jurisdiction — as we keep repeating in this Legislative Assembly and as I heard the member opposite and the Minister for Community Services speak to — that is most dramatically affected by climate change, what role does this northern jurisdiction have in lobbying the Government of Canada so that these targets are met?

It is one thing to say that the federal government has never met these targets, but does it mean that we are going to keep beneath the surface and that we are satisfied with that? That is the impression that I'm getting from this government — that we are satisfied with the federal status quo. We, as northern people, are not satisfied; Yukoners are not satisfied; our land and resources are not satisfied with that answer. I am looking for something a bit more robust.

Hon. Mr. Silver: No, we are not satisfied by not hitting the targets either. Again, carbon pricing is only one of the mechanisms that were debated and comprehended on a national level through the *Pan-Canadian Framework on Clean Growth and Climate Change*. Through our investments that the members opposite don't like — these extra investments from Ottawa to help us retrofit our buildings, look at alternatives to fossil fuels and work with a new independent power production policy and with First Nation governments to have a suite of options to get us off of fossil fuels — there are lots of initiatives that we have been advocating for, through the federal government, to say that, no, we need to more. Ottawa needs to — whether it be through reconciliation mandates or through mandates for modernization in technologies — there is a lot that we can do, beyond a price on carbon, to do a better job — to retrofit our buildings and make sure that we are entertaining more options that are not fossil-fuel based. I agree with the member opposite that, in the past, there has not been enough done. We believe that we are going to effectively, through many mechanisms — not just rebating with a carbon-pricing mechanism, but a whole suite of different options, whether through the Department of Environment or the Department of Community Services working with municipalities and First Nation governments — maximize the amount of assets, capital builds and things that we want to accomplish together that are of a consideration to reduce our greenhouse gas emissions.

One of the biggest things is that, when we are talking about housing and preparing for the future, we are not only replacing buildings and replacing housing; we have to create them to a whole new standard now because of the environmental considerations.

Carbon pricing is one of those factors, but through our partnerships with the federal government and other governments, we are working diligently in every department to reduce our greenhouse gas emissions.

Ms. Hanson: Just to clarify, the NDP has not indicated that we do not support Yukon — our — investments. What we do find puzzling and challenging is that the Liberal Government of Yukon is reluctant to generate its own revenue and that it is increasingly dependent on extra dollars from Ottawa to finance investments in renewable energy and green energy solutions.

In the document *Proposed framework for the Yukon Government Carbon Price Rebate*, it says that this rebate will not have any impact on the government's books after the implementation phase and that the rebates will be revenue neutral.

However, it is our understanding that this legislation will not be revenue neutral. The Yukon government is forgoing collecting their portion of the revenue, which we understand comprises almost 10 percent of all Yukon emissions and therefore 10 percent of all monies paid into the carbon-price rebate. My question is: Why is this government forgoing collecting their rebate, and how much does the Yukon government anticipate it will pay for the carbon price in the first year at \$20 a tonne, then \$30 a tonne, then \$40 a tonne and then \$50 a tonne?

Hon. Mr. Silver: With our investments in the tourism strategy, with our investments in technology and with our investments in mining, we as well are not content to just get the allowance from Ottawa. We are moving on many different fronts to make sure that we are trying to expand our abilities and our private sector's abilities to make income and to keep that income in the Yukon. I take offence to the member opposite's point of view that we are not doing anything to try to increase our revenues. I definitely don't agree with that.

Specific to our commitment from our campaign — we did commit to giving 100 percent back to Yukoners and Yukon businesses, so that is what we did. That is what this bill does; it gives 100 percent back.

With the federal government and as a territorial government, we have the ability to look at efficiencies internally to make sure that we do the most we possibly can so that the amount of money per year, which is roughly 10 percent of all the amounts per year — that we find those efficiencies and that we use those federal dollars to make our buildings more energy efficient. We hope to reduce the amount of money that is paid into this levy on an annual basis by making those reductions. So with those two things together, that is the reason why.

I don't have the specific numbers in front of me as far as what the government's contribution will be per year, but the total rebate per year is — for 2019-20, the total levy would be

\$7.8 million — so 10 percent of that. In 2020-21, it would be 9.6 percent — but if you round it to 10 percent of \$15.01 million, the total rebate would be \$20.2 million in the year 2021-22 — so 9.6 percent of that. I can do the calculations right now, but we would run out of time. For 2022-23, the total rebate is \$25.41 million, so 9.6 of that, and then 2023-24, the total rebate would be \$26 million, and again, it would be 9.6 percent of that.

Ms. Hanson: I would appreciate it if the minister opposite could provide that in writing because it is confusing. He is giving these figures, these percentages, and I believe what he is telling me is the total for the territory and that a percentage of that — that 10 percent or whatever percent is attributed or the equivalency for the territory — and that is really what the gist of my question was.

The Minister of Community Services said today that the reason Raven Recycling won't be exempted from the carbon price is because then they won't be incentivized to reduce their fossil fuel use. With respect, I would suggest that this nonsense. We either exempt all emissions-intensive trade-exposed industries or exempt none of them.

I would like to hear the rationale from the Minister of Finance why he believes that one subset — and this is a social enterprise business that is emissions-intensive and it is a trade-exposed industry. I would like to know from the Minister of Finance why he believes that one subset of emissions-intensive trade-exposed industry with prices set by international commodities should be exempted while another should not be.

I do understand that this social enterprise doesn't file under whatever section — doesn't file a T2 form under income tax. However, they do have significant costs associated with the utilization of fossil fuels and the cost of shipping utilizing fossil fuels — because that is what they have to use in the current market.

It makes no sense. The reply given to us earlier today didn't jibe, so we're looking for a rationale that would explain why we would be effectively penalizing this social enterprise that we rely upon as a territory.

Hon. Mr. Silver: I won't speak on behalf of the Minister of Community Services, but what I heard was a fundamental consideration of carbon-pricing mechanism as a whole. It was in the context of a question about this particular social enterprise, but what I heard was more of a concept in general.

Let's just say this instead, Mr. Chair: We are relying on federal definitions for emission-intensive industries, and because we're relying on those definitions as we negotiate our rebates and the exemptions from a federal carbon price, a social agency or organization such as Raven Recycling is caught in a definition that does not put them in that categorization. Add to that, as well, the not-for-profit sector in general being a diverse group — and we already spoke about this in the Legislative Assembly today — with all these different types of organizations, it would be a huge task for us to figure out, for the not-for-profit sector, how they would

receive their funding and whether they're funded by their members or not. It's a very diverse group.

We really believe that we have designed the most efficient system. In the case of Raven, they do provide an amazing service and they do compete with private sector markets. Suffice it to say that those two things are true. We don't want to grow our government, but we also are bound and determined by federal definitions.

I will say this as well: There is a federal review of the carbon-pricing mechanism that is baked into the federal policy, and there is a territorial review as well. When NGOs come and talk about increased funding, those things are considered on a basis when they come looking for the monies from the territorial government to provide services. It might be not good enough to say that there will be a review later on, but I have defined and identified the two rationales and reasons why an organization like Raven Recycling is caught in a non-definition that allows them for that rebate. Also, the bigger picture of not-for-profit societies which contribute to an estimated 0.5 percent of all carbon emissions in the Yukon — we really didn't think that we should spend that much money and effort on a complicated system for that estimated 0.5 percent of those carbon emissions.

Ms. Hanson: I guess the unfortunate thing is that it is a social enterprise that, as the Minister of Finance has made clear, does have to compete with a for-profit company. That is true. The Minister of Finance has made it abundantly clear that they were prepared to go to extraordinary lengths to assist other sectors in this territory — the quartz mining and the placer mining sectors — for reasons of importance to this territory. One would think that we would seek to do exactly the same thing for an entity that is contributing, leading the way — and has since 1992 — with respect to one of the key objectives when we deal with the issues of climate and climate change — with waste reduction. Why wouldn't we be making an extraordinary effort to aid this entity as well? It boggles my mind.

I guess what I'm looking for from the minister is a commitment and a timeline for when this review will occur and what effective monitoring he will commit to, to ensure that the negative repercussions of this for this entity — or has he assessed what would happen if Raven Recycling is forced out of business? Who is going to take it up? Is the slack going to be taken up by government?

Hon. Mr. Silver: As far as the territorial review, we don't have a defined time for that. We will be waiting until the federal government does their review, and then we would do ours after that. If the federal government is going to change certain mechanisms based upon — there are different regions in Canada that are in favour of carbon pricing and that have different opinions as to whether certain increases are going to effect the same linear progression of changes and behaviours. That is what the federal system change will look at. Once that is determined, quickly after that, it wouldn't take much time to do a turnaround for a territorial consideration.

Seeing the time, Mr. Chair, I move that you report progress.

Chair: It has been moved by Mr. Silver that the Chair report progress.

Motion agreed to

Hon. Ms. McPhee: I move that the Speaker do now resume the Chair.

Chair: It has been moved by Ms. McPhee that the Speaker do now resume the Chair.

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

May the House have a report from the Chair of Committee of the Whole?

Chair's report

Mr. Hutton: Mr. Speaker, Committee of the Whole has considered Bill No. 33, entitled *Yukon Government Carbon Price Implementation Act*, and directed me to report progress.

Speaker: You have heard the report from the Chair of Committee of the Whole.

Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

The time being 5:30 p.m., this House stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:30 p.m.

The following legislative returns were tabled April 2, 2019:

34-2-198

Response to oral question from Ms. McLeod re: alcohol and drug services — wait-lists for detox services (Frost)

34-2-199

Response to matter outstanding from discussion with Ms. White related to general debate on Vote 52, Department of Environment, in Bill No. 210, *First Appropriation Act 2019-20* (Frost)

34-2-200

Response to matter outstanding from discussion with Mr. Istchenko related to general debate on Vote 52, Department of Environment, in Bill No. 210, *First Appropriation Act 2019-20* (Frost)

The following written question was tabled April 2, 2019:

Written Question No. 35

Re: number of licensed physicians and nurses practising in Yukon (McLeod)