

## ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

### QUESTION 490-18(2): GNWT POSITION ON CARBON PRICING

February 2, 2017

**MR. O'REILLY:** Merci, monsieur le President. My questions are for the Premier on a carbon pricing scheme for the Northwest Territories. Can the Premier explain his change in position from opposing carbon pricing made in June 2016 to when he signed the Northwest Territories onto the Pan-Canadian Framework On Climate Change in December 2016? Merci, Mr. Speaker.

**MR. SPEAKER:** Masi. Honourable Premier.

**HON. BOB MCLEOD:** Thank you, Mr. Speaker. It's interesting. The Member and the MLA for Centralization were talking about higher carbon taxes. We didn't change our position. We weren't just going to roll over and let the federal government impose carbon pricing willy-nilly. We're here to look after the best interests of the people of the Northwest Territories, so we felt that we negotiated a better position for our territory when it comes to carbon taxes. Thank you, Mr. Speaker.

**MR. O'REILLY:** I appreciate the response from the Premier, but I guess the facts speak for themselves. He signed onto a news release that said he opposes a carbon pricing scheme, and then in December he signs onto a national agreement that says it's okay.

I guess I'd like to know precisely what is Cabinet doing to develop carbon tax for the Northwest Territories, or will we wait for Ottawa to impose something?

**HON. BOB MCLEOD:** Our government is doing some significant research, looking at the various carbon pricing mechanisms that have been imposed by or have been proposed by the federal government. We are looking to see what kind of models are out there. We are doing modelling to see how it could work. As I've said many times in this House, we have gone out to consult with the people of the Northwest Territories with regard to a new climate change strategy, a new energy strategy. If the Member would prefer to have us impose one on the people of the Northwest Territories, from his Member's statement, that appeared to be so. We are going and having these different consultations, and we will work with the Government of Canada to make sure that we all understand how a carbon price or carbon tax would affect the people of the Northwest Territories before we implement one.

**MR. O'REILLY:** So let's talk about imposing things. I was at the consultation session here in Yellowknife. A carbon tax wasn't even mentioned there, so I'm not sure who the Premier is consulting because he's certainly not consulting with this side of the House or the residents of the Northwest Territories on a carbon tax.

I guess I'd like to know whether the Premier has actually asked the federal government to ensure that any carbon tax revenues collected here will not adversely impact our territory formula funding, and what was the response from the federal government.

**HON. BOB MCLEOD:** We are consulting with the people of the Northwest Territories, and I can send the schedule of all of the consultations to the Member. I have offered and written to committee offering a briefing. I expect that there will be briefings on it. The request was for a written briefing earlier. We provided that. We are also offering a briefing. The Government of Canada, the first question that we raised was we didn't want it to affect our formula financing. That was one of our conditions for signing on. They reassured us it would not impact us on formula financing. Certainly, they also confirmed that, whatever carbon pricing mechanism would be in place, all of the revenues would stay in the Territories and would be spent in the Territories.

**MR. SPEAKER:** Masi. Oral questions. Member for Frame Lake.

**MR. O'REILLY:** Mahsi, Mr. Speaker. I appreciate the response from the Premier. I think we are getting somewhere now. I am glad to hear that he has assurances and he has said now in this House that any carbon pricing scheme is not going to affect our territorial formula funding. That is a good thing. I guess I am really wondering what the schedule, then, is and whether there is an intention to actually work with this side of the House in developing this carbon pricing scheme, because I haven't seen anything. I went to one of the consultation sessions. The Premier seems to think I am not even aware of them. I actually went to the one in Yellowknife. The words "carbon tax" weren't even there. I would like to know from the Premier: is there actually a schedule? When does he expect to report back and work with this side of the House in terms of developing a carbon tax system for the Northwest Territories? Mahsi, Mr. Speaker.

**HON. BOB MCLEOD:** Thank you, Mr. Speaker. I guess I will have to clarify what actually happened at the consultation. I was hearing that those who attended from Yellowknife were supportive of a carbon tax, and similarly in Fort Smith. I will have to clarify what exactly came out at those meetings. As I have said, we have written to committee and offered a briefing. At that time, I see it as a start of developing. We will have the results of the consultations by that time.

The Government of Canada has indicated that their federal budget will be out early in February, so I expect probably within the next week or so we can expect more details on carbon pricing. Certainly, we know that the national standard is to reduce greenhouse gas emissions by 30 per cent over 2005 levels. As a government, we have already done that. With the moratorium on oil and gas, it certainly would make our job a lot easier. Thank you, Mr. Speaker.