

QUESTION 2-19(1):
CARBON TAX IMPLEMENTATION
December 10th 2019

MR. O'REILLY: Merci, Monsieur le President. The last Assembly passed legislation for a Northwest Territories Carbon Tax. Despite detailed questions, the regulations to implement the Carbon Tax were not shared with Regular Members, but came into force on August 29, 2019. I have a number of questions for the new Minister of Finance on the implementation of the NWT Carbon Tax. Can the Minister explain how, if, and when guidelines will be established for the approval and payment of emission reductions grants to large emitters, and will these be shared with standing committee in draft form? Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Minister of Finance.

HON. CAROLINE WAWZONEK: Thank you, Mr. Speaker. The regulations are being currently drafted by the Department of Finance, but also in collaboration with other departments. As they are going through that process, I can assure the Member that, indeed, draft guidelines will be shared with the committees for review. While I don't have a deadline for that, I am expecting that that should be in early 2020 and, at that time, I would be happy to join in terms of making myself available, as well, to the Member in order to participate in the review of those draft guidelines. Thank you, Mr. Speaker.

MR. O'REILLY: I am glad to see that the spirit of collaboration is alive and well in this House. For the record, the large emitters in the Northwest Territories, as set out in the regulations, are Diavik Diamond Mines (2012) Incorporated; De Beers Canada, Incorporated; Dominion Diamond Ekati Corporation; and Imperial Oil Resources NWT Limited. Could the Minister tell us whether there have been any discussions between large emitters and Finance officials on the Carbon Tax and its implementation, and would the Minister provide this Assembly with some details?

HON. CAROLINE WAWZONEK: I can say that there have been some discussions on some level, certainly before the Carbon Tax became law and mostly with regard to the structure of the Carbon Tax regime itself, not necessarily with the implementation of the program or of the draft guidelines, so I'm not sure that the discussions that were had are necessarily going to the substance of the matter that is at issue presently. If there have been any further discussions more recently, I would certainly endeavour to inquire about that, but to date my information is that the discussions were prior to the implementation.

MR. O'REILLY: I want to thank the Minister for that information. It's great that some of these consultations took place before, but I think we need to start that ball rolling again. Will this Minister begin consultation with the public, other sectors, and Regular Members throughout the implementation of the NWT's Carbon Tax?

HON. CAROLINE WAWZONEK: I'm sure, as the Member is aware, there certainly were other consultations that were conducted during the development generally of the Carbon Tax program. These included, of course, both in-person and online consultations. The Annual Report on the Northwest Territories Carbon Tax will be tabled annually in the Legislative Assembly. That certainly does provide the Members of this Assembly with the opportunity to review the implementation and to inquire as to that implementation. In addition, the Northwest Territories Climate Change Strategic Framework itself also commits to an annual emissions tracking system and reporting, which is to be done in collaboration with Environment and Climate Change Canada. I would expect that that item will also be coming before the Assembly in due course, Mr. Speaker, and provide the Assembly with the opportunity to ask questions of it.

MR. SPEAKER: Thank you, Minister of Finance. Oral questions. Member for Monfwi. Oh, sorry, supplementary, Member for Frame Lake.

MR. O'REILLY: Thanks, Mr. Speaker. I guess we're all a little bit rusty here today. I want to thank the Minister for that response. She talked about annual reporting, which is great, and that's what I want to get to next. One of the reasons I voted against the Carbon Tax last Assembly was the total absence of accountability and transparency in implementing the legislation and the inability of Regular MLAs to propose any meaningful changes. The regulations that were quietly introduced on August 29, 2019, do not set out or require any form of public reporting on significant matters such as how much carbon tax is collected, what it's used for, and whether it's actually effective or not. Can the Minister explain to this House what public reporting will be undertaken on the collection, use, and effectiveness of the Carbon Tax and, if not, why not? Thanks, Mr. Speaker.

HON. CAROLINE WAWZONEK: My understanding at this stage is that the type of public reporting that the Member may be inquiring about is still part of the system that is being developed with respect to implementation, and, as I mentioned earlier, the draft of that will be shared with the committee in due course, Mr. Speaker. Thank you.