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HANSARD

Thursday, October 20, 2022 — 1:00 p.m.

Speaker: The Honourable Jeremy Harper

YUKON LEGISLATIVE ASSEMBLY

2022 Fall Sitting

SPEAKER — Hon. Jeremy Harper, MLA, Mayo-Tatchun
DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Annie Blake, MLA, Vuntut Gwitchin
DEPUTY CHAIR OF COMMITTEE OF THE WHOLE — Emily Tredger, MLA, Whitehorse Centre

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Sandy Silver	Klondike	Premier Minister of the Executive Council Office; Finance
Hon. Tracy-Anne McPhee	Riverdale South	Deputy Premier Minister of Health and Social Services; Justice
Hon. Nils Clarke	Riverdale North	Minister of Highways and Public Works; Environment
Hon. John Streicker	Mount Lorne-Southern Lakes	Government House Leader Minister of Energy, Mines and Resources; Public Service Commission; Minister responsible for the Yukon Development Corporation and the Yukon Energy Corporation; French Language Services Directorate
Hon. Ranj Pillai	Porter Creek South	Minister of Economic Development; Tourism and Culture; Minister responsible for the Yukon Housing Corporation; Yukon Liquor Corporation and the Yukon Lottery Commission
Hon. Richard Mostyn	Whitehorse West	Minister of Community Services; Minister responsible for the Workers' Safety and Compensation Board
Hon. Jeanie McLean	Mountainview	Minister of Education; Minister responsible for the Women and Gender Equity Directorate

OFFICIAL OPPOSITION

Yukon Party

Currie Dixon	Leader of the Official Opposition Copperbelt North	Scott Kent	Official Opposition House Leader Copperbelt South
Brad Cathers	Lake Laberge	Patti McLeod	Watson Lake
Yvonne Clarke	Porter Creek Centre	Geraldine Van Bibber	Porter Creek North
Wade Istchenko	Kluane	Stacey Hassard	Pelly-Nisutlin

THIRD PARTY

New Democratic Party

Kate White	Leader of the Third Party Takhini-Kopper King
Emily Tredger	Third Party House Leader Whitehorse Centre
Annie Blake	Vuntut Gwitchin

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**Yukon Legislative Assembly
Whitehorse, Yukon
Thursday, October 20, 2022 — 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

Hon. Mr. Mostyn: It is my honour today to welcome a number of our librarians to the House. We have: Melissa Yu Schott, who is the director of Yukon Public Libraries; Agyekum Dankwah, the community libraries liaison; Sarah Gallagher, an outreach librarian; Alison Lindsay, a circulation supervisor; and Mairi Macrae, who is a programs librarian, also somebody I worked with for many, many years at the *Yukon News* as she was a contributor. Please take a moment to welcome them all to the House.

Applause

Speaker: Tributes.

TRIBUTES

In recognition of Canadian Library Month and Yukon Libraries Week

Hon. Mr. Mostyn: Mr. Speaker, it is Canadian Library Month and Yukon Libraries Week, and we pay tribute to public libraries. Our territory has 15 public libraries: the Yukon Public Law Library; the Energy, Mines and Resources library; Yukon Archives; the Yukon University library; as well as the many school libraries in our communities.

Each library is unique, with its own resources, clients, community focus, and programming, yet they share books, online resources, and the passionate dedicated staff, volunteers, and board members to bring our libraries to life. It is my experience that library workers and our volunteer library boards are dedicated, enthusiastic, and creative. When I met with the community librarians and board members recently at their workshop in September, I heard the mountain of possibilities offered by our libraries.

Mr. Speaker, I heard how important our libraries are for the overall health of the community — how they are often the only place to make connections, a kind of social network. They are safe spaces. They can give shelter and connect people with supports. Libraries offer possibilities for lifelong learning and education. They have a large reach, and they come at a relatively low cost and they demonstrate value for money. Community libraries offer good jobs that stay in the communities. The dedicated professionals I heard from made an excellent argument for my department to review the current job descriptions for community librarians and to ensure parity

with the library assistant jobs under the public service. I support the request that came to us from the community libraries and my department is exploring how we can meet this request.

As part of this year's Yukon Libraries Week, I encourage every member of this House to pay a visit to the library. On Monday, Whitehorse Public Library urges residents to bring their devices into the library to get help from staff to set up e-books, audiobooks, and electronic magazines. Yesterday promoted the many e-books and audiobooks that our libraries have on offer. On Saturday, the Whitehorse Public Library's open house offers refreshments, contests, and prizes. Children can work on a word scramble and adults can add their recommendations to a "patron picks" display.

Yukon Libraries is also sponsoring a contest this week, the hashtag "YukonLibraryLove" activity. Take a moment to share online or in-person what you love about your community library to win a prize.

So, please join me in thanking our amazing library workers, volunteers, patrons, and supporters. They truly do provide a mountain of possibilities through Yukon Public Libraries.

Applause

Ms. McLeod: I rise on behalf of the Yukon Party Official Opposition to pay tribute to our many libraries, librarians, and book-loving staff during Canadian Library Month and Yukon Libraries Week, celebrated this year from October 17 to 22. There are so many opportunities for Yukoners to explore reading, and dedicated people behind the scenes in each library, who can help people find exactly what they're looking for. The theme for Canadian Library Month this year is "A Mountain of Possibilities". This is such a fitting theme, as libraries are more than just a place to find books. Libraries promote cultural awareness, engage the community, provide educational programs, support freedom of expression, and so much more.

The Yukon government operates public libraries across the territory in many communities. These libraries are set up in a way that allows people to share books between communities. If you can't find what you are looking for, it may be brought in from another library for you.

I would like to give a special mention to our rural librarians and staff. Community libraries are incredibly important to rural Yukoners. Our rural librarians offer services above and beyond: educational programming, summer reading programs, craft programs, workshops, and more.

The Member for Kluane asked me to give his thanks to the St. Elias Lions Club, which organizes a yearly poker run to raise money for their community library — a brilliant way, Mr. Speaker, to raise money for a very worthy cause.

Thank you to all those who keep our libraries in order. Librarians and staff are not only in our public libraries, but in our schools across the territory, the university, the law library, the Yukon Archives, and the Energy, Mines and Resources library.

If you do have a chance to visit your local library this month, please do. Take your children and make sure they have

their very own library card. Enjoy the experiences that our libraries have to offer, and get your kids into reading at an early age to introduce them to a mountain of possibilities.

Applause

Ms. White: I rise on behalf of the Yukon NDP to celebrate Canadian Library Month and Yukon Libraries Week.

Albert Einstein said that the only thing you absolutely need to know is the location of the library. I couldn't agree more. I've held a library card around the world in communities in England, Australia, and France, and across most of western Canada.

Libraries are more than rows of books and computer terminals. They are about more than literacy. Libraries are the hub of communities. They allow people to access and share information. They allow parents the ability to share the magic of stories with their children, seniors the ability to read a paper, and for anyone to be able to access the information from the Internet.

Public libraries are funded by everyone in our community, for our community. Regardless of your income or status, libraries are a place for everyone to access support, knowledge and tools, with no barriers and no cost. You could say that they are, and continue to be, socialism in action. Librarians are community builders. They are our knowledge-keepers.

I laughed out loud when I read that, although Google can give you 10,000 answers, a librarian can give you the right answer, because it's true.

In this age of digital devices, community libraries are still holding strong. In Yukon, we have seen librarians rise to the challenge with interactive programs for youth, focusing on things like graphic novels and innovative ideas like blind dates for books. They also have a pretty great DVD selection and audiobook selection for borrowing.

Libraries and the knowledge they share are so important that, on March 12, 2022, in celebration of the World Day Against Cyber Censorship, the Uncensored Library was released on Minecraft. Minecraft is a video game that is played by millions of people worldwide. This library is an attempt to circumvent censorship in countries without freedom of the press. It connects individuals who live in countries with banned reporting with information that they wouldn't have access to otherwise — countries like Mexico, Russia, Vietnam, Saudi Arabia, and Egypt. It allows people playing Minecraft to access news that they wouldn't otherwise have access to.

Libraries are open to all people, no matter their background or socio-economic class. Libraries are truly public institutions, and librarians the champions of information. Mr. Speaker, I cheered out loud when the minister spoke about working toward parity for rural librarians, because this has been a long time coming.

So, whether you're accessing a local library in the Yukon, or the Uncensored Library through Minecraft, information is power and, knowing that, that makes librarians the superheroes of that power.

Applause

In recognition of Niin k'iit Tsal centre

Ms. Blake: I rise today on behalf of the Yukon NDP and the Yukon Party to celebrate the Old Crow early years program. Today, Niin k'iit Tsal is celebrating their one-year anniversary. Bree Josie, the program coordinator, has done a phenomenal job in developing this program and space for the community.

In just one year, this program has worked with 25 families, supported 30 children, ages zero to five, and supported five families through pregnancy. Niin k'iit Tsal has distributed 200 grocery hampers, 210 boxes of diapers, and over 1,000 books to children of all ages to the community. They have hosted 30 bouncy castle days, 12 story times, 60 gatherings for expecting parents, special events and games on Indigenous Peoples Day, and ran a preschool readiness program.

On top of all of this, the program has also made over 720 family visits, supporting families with young children and guiding them through their child's development. Even in late evenings, Bree is there to help families in Old Crow through emergencies and has delivered everything from Tylenol to food as soon as families need it.

During a visit this summer, I got to witness this work first-hand. I joined Bree in distributing diapers, wipes, period products, and food boxes to families that are a part of her program, and saw the joy and appreciation that families showed for the support they received.

The early years program in Old Crow works closely with the Vuntut Gwitchin Government, the Child Development Centre, Yukon First Nation Education Directorate's mobile therapeutic unit, and Yukon government's healthy families program to build accessible supports to families.

Niin k'iit Tsal is working on plans to add an outdoor space to their play space, and specific equipment inside for children with autism. They are also working on supporting the kindergarten class at Chief Zzeh Gittlit School and the Trinin Tsal Zzeh day home, while also assisting in providing training for those who work with small children in the community.

During my visits to Old Crow, I was able to spend time in this beautiful children's space and witness the number of parents and children who access this program for support and play. It's a welcoming space where the children and parents feel safe and supported. I remember one particular visit when a young mom came in with her two young babies. The babies quickly went to interact with the other children present in the space, while mom continued to bead on a vest that she was beading for her husband-to-be. This is what this program is about: for mom and baby to feel safe and comfortable, to socialize, and to reconnect with our culture.

Congratulations to Bree Josie and the community of Vuntut Gwitchin on celebrating their one-year anniversary of the Niin k'iit Tsal early years program in Old Crow.

Applause

Hon. Ms. McLean: I rise on behalf of our Yukon Liberal government to pay tribute to the Old Crow Niin k'iit Tsal play centre. The Niin k'iit Tsal play centre is part of the Yukon First Nation Education Directorate early years program. The Yukon First Nation Education Directorate launched this

program in October 2021 and opened the play centre in Old Crow in February of this year. This program and play space provide incredible opportunities for the residents of Old Crow. The Vuntut Gwitchin First Nation provided the building and other resources to get this off the ground. The early years program offers indigenous families and expecting parents access to support when they are welcoming a new baby into their lives. The program honours families as children's first teachers and promotes early language skills, bonding, learning, and playing together.

The early years program can connect families with other Yukon First Nation Education Directorate supports, like the mobile therapeutic unit and the First Nation education advocates and other partners. Recently, the early years program and YFNED's mobile therapeutic unit collaborated with the Child Development Centre to share information with Old Crow residents about autism spectrum disorder. The play space houses the early years program in Old Crow and provides a safe place for young residents to play. We know how important children's early years are for their healthy growth and development.

I want to take this opportunity to thank the Yukon First Nation Education Directorate for the important work that they are doing to support families in Old Crow and across the Yukon. I would also like to take this opportunity to thank the community of Old Crow and the Vuntut Gwitchin First Nation for coming together to open this beautiful play centre. I hope that this community space will continue to bring joy and connection into young people's lives. Children are our future, and it takes effort from all of us to ensure that they are well-supported.

Mahsi' cho. Thank you.

Applause

Speaker: Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Ms. McPhee: I have for tabling a letter to the Leader of the Third Party to clarify some inaccurate information that was presented recently in this House.

Hon. Mr. Clarke: I have a letter for tabling from the Yukon Dog Mushers Association dated October 17, 2022.

Speaker: Are there any reports of committees?

REPORTS OF COMMITTEES

Hon. Mr. Mostyn: I have for tabling the *Fifth Report of the Standing Committee on Rules, Elections and Privileges*.

Speaker: Are there any further reports of committees to be presented?

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motions?

NOTICES OF MOTIONS

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

THAT this House urges the Government of Canada to re-establish a full-service weather office in a Yukon community to ensure timely and accurate weather forecasts for the territory.

I also give notice of the following motion:

THAT this House urges the Minister of Community Services to hold an in-person meeting with residents affected by flooding in the McConnell Lake area and develop a plan to mitigate issues for the short and long term.

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

THAT this House urges the Government of Yukon to work with rural librarians to discuss concerns around compensation, support, and work environments.

Hon. Mr. Streicker: I rise to give notice of the following motion:

THAT Standing Order 45(3.2)(a)c. of the Standing Orders of the Yukon Legislative Assembly be amended by deleting the phrase "Yukon Workers' Compensation Health and Safety Board" and substituting in its place the phrase "Workers' Safety and Compensation Board".

Ms. Blake: I give notice of the following motion:

THAT Yukon's chief coroner appear as a witness in Committee of the Whole prior to the end of the 2022 Fall Sitting.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to align the Yukon's human papillomavirus vaccine guidelines with the Public Health Agency of Canada's recommended HPV vaccine immunization schedule and ensure that it is available and free of charge.

Speaker: Is there a statement by a minister?

MINISTERIAL STATEMENT

Early learning and childcare programs

Hon. Ms. McLean: I rise today to provide a statement on the incredible work happening in early learning and childcare programs across the territory.

With our government's initial investment of \$25 million for 2021-22, licensed program operators enthusiastically participated in the new Yukon early learning and childcare funding program, immediately providing affordable early learning and childcare to Yukon families. Our universal childcare system was also supported by the federal government through two funding agreements, contributing an additional \$53.4 million over five years.

Costing less than \$10 per day on average in this first year, families automatically saved up to \$8,400 for each child registered full-time in a licensed program.

I want to take a moment to recognize some of the early learning and childcare spaces in the territory. Across the Yukon, programs are doing amazing work to provide affordable, accessible, and high-quality early learning environments.

There is the Dunya Ra K'ats Inte'Ku located in Pelly Crossing and operated by the Selkirk First Nation, which recently reopened after being closed for two years following a fire.

In Dawson, childcare providers are engaging with the Tr'ondëk Hwëch'in to have elders and knowledge-keepers infuse First Nation ways of knowing, doing, and being through a variety of learning experiences, including introduction to the Hän language.

There is the Dunena Ko'Honete Ko daycare in Mayo, operated by the First Nation of Na-Cho Nyäk Dun, creating a more welcoming space by building a wall tent for elders and knowledge-keepers to introduce and share with children the traditional ways of the Dän K'I. At the Kluane First Nation daycare, children and their families participate in drumming and singing with the Kluane First Nation, drum-making workshops, and learning traditional dancing. There is the Watson Lake daycare, which is building a cultural kit resource library, reflecting and celebrating the many different cultures represented in the program. In Old Crow, Elder Elizabeth Kaye is teaching young children the Gwich'in language at her day home.

This is the Dune'na Zra Sanch'i Ku, operated by the Little Salmon Carmacks First Nation, and the Shawkwunlee daycare, operated by the Champagne and Aishihik First Nations, which both provide child-led programming built on connections with the land and the community.

I hold up my hands to these phenomenal programs and educators working in them. They are making a difference in young people's lives and building a stronger, more resilient Yukon. I thank them for this incredibly important work, to do better, to ensure that all Yukon children, no matter where they live in the territory, have the best start to life.

Mr. Dixon: I'm pleased to respond to this ministerial statement on early learning, especially the issues and progress in rural Yukon. The minister has raised some of the ongoing work being done in rural Yukon, so I have a number of issues that I would like to ask about. I will start with early kindergarten in rural schools.

In a ministerial statement in November 2019, the former Minister of Education said that the Liberal government would make K4 available in every rural school. Since then, we have obtained a confidential briefing note that indicates that this has not yet been achieved.

Can the minister tell us when we can expect to see K4 established in Watson Lake and Dawson City? Have the issues that have been raised by the school community in Dawson about this been addressed, and if so, can the minister explain what has been done?

We are also aware that, depending on enrolment, classes in rural schools may be early kindergarten, kindergarten, or a split

combination. Early kindergarten follows the same class-size maximum — 18 students to one teacher — as outlined in the Yukon Association of Education Professionals collective agreement. We have heard that the YAEP has raised concerns about early kindergarten ratios of teachers to students being different from ratios in early learning or daycare settings, so can the minister please explain how that concern that has been raised by the YAEP has been addressed?

Can the minister also provide an update on the current teacher-to-student ratios in the K4 programs in rural Yukon? I also note that the 2019 throne speech included a commitment to investigate the future implementation of the K4 program in Whitehorse, so we would like to hear from the minister about the progress on that.

I would also like to note that one of the most important organizations when it comes to the delivery of services for children from birth to kindergarten is the Child Development Centre. One of the biggest issues facing the Child Development Centre is the fact that they continue to be shuffled from space to space by the Yukon government, to the point where it seems like it is beginning to affect the delivery of their services. Can the minister please update the Legislature on the status of the current space needs of the CDC and whether or not a permanent solution for them has been found? Is the CDC going to be moved again, and how much longer does the minister estimate they will continue to be dispersed throughout town?

I thank the minister for her update and I look forward to hearing her responses to the questions I have raised.

Ms. Blake: I speak often about children and youth in this House. In everything I do in this role, I am reminded of how the decisions we make here will affect our children and youth across the territory. That is why I am very pleased to have two opportunities to speak on the importance of early childhood education today.

Early years programs and day homes are critical to the health and well-being of families across the territory. I would like to thank all the workers at these programs. They are doing the work each day, sometimes over decades, to create a healthy foundation for children across the Yukon. These programs don't just provide childcare. They provide services and products, including diapers, formula, books, connections to health services, justice support, and more.

In many communities, families, especially young and expecting moms, face a high level of risk. Early childhood programs are doing the work to reduce that risk significantly. These programs ensure that women are not living in isolation. They connect families with networks of support. They also ensure that women facing domestic violence always have someone to reach out to and a safe space whenever they need it. All of this work takes away the shame and embarrassment that many families are taught to feel when they struggle to provide for their children.

Early childcare programs are a step toward indigenizing education. These are programs run by communities for communities.

I think about my own experience of my children going to the Kwanlin Dün learning centre. There, they were exposed to language, drumming, praying, elders, and their history. When I was a new parent, I struggled. Most days I didn't know what I was supposed to be doing, and no one had taught me the skills that I needed. The learning centre gave me the skills I needed, not only to work with them, but to work with my children and teach them what they needed to learn at that age. As someone who didn't grow up with a lot of those teachings, this centre helped me to break the intergenerational patterns that caused hardship in raising children.

Children and families in all rural communities should have access to that education too. It is my hope that every Yukon family will benefit from a program like this, no matter where they live. So, I will wrap up with a few questions for the minister.

There are still many families who struggle to afford consistent, long-term childcare. What is this government doing to work toward truly universal — meaning “free” — daycare for families across the Yukon?

Right now, it can be a challenge for folks in the communities to get the training they need. What is the government doing to provide training to workers in the communities that is unique to what each program needs? How is the minister ensuring that each program has funding to maintain and operate safe facilities? As the programs grow, what funding is being offered for them to find new spaces to operate out of?

I have also heard from families in the communities who have cancelled medical appointments because they cannot find childcare. What is the minister doing to collaborate with the Department of Health and Social Services and early childcare programs to address this gap?

I look forward to hearing the minister's response to my questions. Mahsi'.

Hon. Ms. McLean: Thank you for the comments from the members on the other side of the House. In terms of the early kindergarten and the CDC questions, I would bring back statements on both of those. I want to really focus on early learning childcare today, and I take note of the questions that the member of the New Democratic Party has raised, and I will get to them through my statement in closing.

The Department of Education's Early Learning and Child Care unit is leading the implementation of our universal, affordable childcare model and many initiatives to help improve access, quality, inclusivity, and affordability. There has been a lot of talk in the Assembly lately about the cost of living in the Yukon. By saving families up to \$700 per child each month in childcare costs, we are putting more money in the pockets of Yukon families and making lives more affordable for Yukoners.

Mr. Speaker, we are also investing in the accessibility of care in the Yukon. Since April 1, 2021, we have created 200 new spaces for children, including new programs in Whitehorse, Dawson City, and Ross River. In addition, we are providing funding to daycare operators to reduce their

operational and administrative expenses, such as rent, insurance, electricity or heat. The funding provides 37 percent of building expenses for early learning centres in Whitehorse and 43 percent for daycares in early learning centres in rural communities.

We are also investing in the quality of care that children receive by providing post-secondary bursaries for early childhood educators, developing and accelerating early learning professional development, pathways from the Yukon University, and investing in and enhancing Yukon University course offerings for early childhood educators in rural communities.

Fully qualified early childhood educators in the Yukon are now the highest paid in the country and have access to comprehensive benefit plans and can upgrade their level of education while working in the territory.

The Yukon is leading the country in providing high quality childcare at an affordable price for families.

According to the Atkinson Centre for Society and Child Development, the Yukon is Canada's new leader in early learning childcare, and our universal childcare program ticked all the boxes to address affordability, quality, and accessibility.

This last July, I met with federal, provincial and territorial ministers responsible for early learning and childcare in Burnaby, BC. I spoke with my counterparts about how we can continue to build a high-quality early learning and childcare system in the Yukon. Ministers agreed to establish a federal, provincial and territorial forum on ministers most responsible for early learning and childcare — a first of its kind in Canada — and I look forward to participating in that in the future.

Thank you to the First Nation governments and the Government of Canada and early learning and childcare operators, educators and partners across the territory. It is through their hard work that we are now seeing these investments come to life. The Yukon is becoming a national leader in early learning and childcare in our territory for our youngest learners continuing to grow and succeed.

Speaker: This then brings us to Question Period.

QUESTION PERIOD

Question re: Conflict of interest re Old Crow wellness centre

Mr. Cathers: Now that the Premier has had a chance to review the letter we tabled yesterday from the Conflict of Interest Commissioner, which clearly states that he, and only he, can request advice about whether a former minister failed to comply with the Yukon's conflict-of-interest legislation, will he now agree to write the conflicts commissioner to seek his advice about whether the former Minister of Health and Social Services, Pauline Frost, contravened section 10(4) of the conflict of interest act?

Hon. Mr. Silver: Section 17(d) of the conflict of interest states that the Conflict of Interest Commissioner shall — and I quote: “... investigate complaints made to it by a Member that a Member or Minister is or was in a conflict...”

After reading the response from the commissioner, the Conflict of Interest Commissioner has clarified that this clause only concerns current members. That is fine. The commissioner has also pointed out that the former minister can also seek advice to the commissioner.

If the Yukon Party is so concerned about this matter, they should take it up with Ketza Construction and their employee.

Mr. Cathers: Mr. Speaker, the Premier seems to think that his personal opinion about the interpretation of the act is sufficient. It will come as no surprise that we don't agree. The very reason we have a conflicts commissioner is to seek such advice. The Premier's own mandate letter says: "I will ... actively seek, and abide by, guidance from the Conflict of Interest Commissioner." Yet now, when he is asked to do the very thing he promised Yukoners that he would do, he is refusing.

If the Premier truly believes that his former minister didn't break the law, he has nothing to lose by seeking the advice of the conflicts commissioner. Will he now agree to seek the advice of the conflicts commissioner?

Hon. Mr. Silver: Mr. Speaker, this is much ado about nothing. The issue here has to do with a former minister, who is no longer in office and was subsequently employed by Ketza Construction. The Yukon Party obviously has concerns about Ketza and their decision to hire this particular employee. We do not share those concerns, so I am not interested in contacting the commissioner. It is only the Yukon Party that is concerned about Ketza's decision-making.

The Yukon Party tabled letters yesterday, but they had distorted what the Conflict of Interest Commissioner had said even then. The Yukon Party has been proven unreliable and this is just another example. The Leader of the Yukon Party and the former leader have claimed that I am the only one who can seek advice of the Conflict of Interest Commissioner in this matter. That is not accurate.

The conflict of interest act makes it clear that the former minister can seek the advice of the Conflict of Interest Commissioner. The commissioner himself made it clear in his letter that was tabled yesterday that I didn't get a chance to read on the floor of the Legislative Assembly before today.

Perhaps the Yukon Party didn't read that response in full. This is a responsibility for all members — all former members — to follow the conflict of interest act. That is very clear in the response. I do not plan on seeking advice from the Conflict of Interest Commissioner on this matter.

Mr. Cathers: Mr. Speaker, the Premier is showing a lack of accountability to Yukoners yet again. His continuous refusal to seek the advice of the Conflict of Interest Commissioner is contrary to his own mandate letter and raises the question of why he is reluctant to seek that advice. It appears that this former minister may have broken the law. If he believes that she didn't break the law, he has the opportunity to clear the air. If the conflicts commissioner clears the former minister of any wrongdoing, we will accept that finding. The only reason the Premier has to be afraid of what the conflicts commissioner might say is if the Premier thinks that Pauline Frost broke the law. The Premier is the only person in this

House who can ask the conflicts commissioner to review the situation.

Will he finally do the right thing and agree to seek the advice of the conflicts commissioner?

Hon. Mr. Silver: Mr. Speaker, the members opposite, in the Yukon Party, love character assassination. I am not interested in the conflicts commissioner in this particular case, because only the Yukon Party is making an issue here. We have seen them, without evidence last year, attacking my Attorney General with no evidence as well. This is what they do — absolutely.

Again, it is just beyond the pale, if you ask me. The accusations — without evidence from the member opposite — are astounding. If the Yukon Party is concerned about this matter, they should take it up with Ketza Construction and their employee. The Yukon Party has proven completely unreliable. They have claimed that I am the only one who can resolve this issue; that is inaccurate. The Yukon Party obviously has concerns about Ketza Construction and their employee. We do not share those concerns. It is only the Yukon Party who is concerned about Ketza Construction's employee. Ketza's employee, the former minister, can seek the advice of the Conflict of Interest Commissioner. The Yukon Party should take this up with Ketza Construction and their employee, and if they have any evidence, then they should probably bring that forward, as opposed to just making these accusations.

Question re: Historic sites artifact management

Ms. Van Bibber: Last week, pictures began surfacing on the popular "Yukon History & Abandoned Places" Facebook site of a historic truck dump of the South Canol Road. It appears that the location of dozens of World War II era vehicles has been cleaned up and the historic vehicles have been taken away.

There is a Yukon government sign on the site that indicates that the site is protected under the *Historic Resources Act*. Is the minister aware of what happened to these historic artifacts, and can he tell us if a permit was issued by Yukon government to clean up this site?

Hon. Mr. Pillai: Mr. Speaker, on September 23, 2022, the Government of Yukon became aware that the historic objects from the South Canol truck dump, the heritage reserve managed by the Department of Tourism and Culture, were taken to the Teslin landfill. This reserve is located at the south end of the Canol Road at Johnsons Crossing and consists mainly of World War II era trucks. The nearby interpretive pullout, with additional trucks and historical information, remains intact, and I will continue as we have further questions.

Ms. Van Bibber: A Yukon government sign is posted at the site, which indicates that it is protected under the *Historic Resources Act* and that the site is under surveillance by the Yukon government, so it stands to reason that they would be aware of the activities on the site.

Many Yukoners are quite upset about the damage that has been done to these historic artifacts. Can the minister tell us if the government is looking into options to restore these historic objects?

Hon. Mr. Pillai: Answering the first question, I am aware, and I was briefed on this shortly after it happened. I thank the team at Tourism and Culture for bringing this to my attention — a very sensitive issue.

Again, Teslin Tlingit Council, with funding from CIRNAC, the federal department, coordinated the removal of these historic objects with the understanding that the site is a Teslin Tlingit Council, or TTC, environmental liability. This is a misunderstanding as this reserve is owned and managed by the Government of Yukon.

As a next step, staff will meet with the Teslin Tlingit Council — and I can come back to the House to see if that meeting has occurred — and with the federal government, CIRNAC, to understand why vehicles from this site were removed without consulting the Government of Yukon. I wait for question three.

Ms. Van Bibber: It is indeed very unfortunate that this has happened and that these historic trucks and cars now sit in a heap at the dump in Teslin.

What is the minister doing to ensure that something like this doesn't happen to other historic sites in the Yukon, and will the minister reassure Yukoners that historic artifacts like these don't end up in a dump again?

Hon. Mr. Pillai: Before I go on with additional information on this topic, I think our team consistently goes out and ensures that we look after these sites.

If other levels of government undertake a particular project or process without us knowing, that's a difficult position — to assure Yukoners that it won't happen again. I hope it doesn't happen again. We are going through a conversation — certainly with Crown-Indigenous Relations and Northern Affairs Canada — and we will continue to share the importance of these sites.

It is essential that other levels of government are aware of, understand, and respect Yukon government heritage reserves. Department officials will be reinforcing this message in upcoming meetings.

The Canol-era vehicles brought to the Teslin landfill have now been set aside. The Historic Sites unit is currently undertaking a heritage reserves management priorities planning project to gather information from the public on the importance of the site. That work has been underway, which is even more of a challenge now with this particular situation. The South Canol truck dump is one of 16 sites included in the project.

Again, we do take this very seriously. I agree with the member opposite. It is very unfortunate, and we will make sure that we have the right communication out to the public so this doesn't happen again.

Question re: Food security

Ms. Blake: Often when we hear the words “food security”, people's minds turn to agriculture and local supply; however, food security is much more than that. Imagine that you live in rural Yukon and need to go grocery shopping. You walk to the local store to find that the food delivery didn't arrive. The cost of gas is now over \$2 a litre and the nearest grocery store is hundreds of kilometres away. Most groceries available in rural communities come from the local gas station

where there is neither quantity nor affordability. Food security is about health, dignity, and people not going hungry.

Can the minister tell us just how many rural Yukoners are currently relying on food hampers to feed their families?

Hon. Mr. Streicker: I thank the member opposite for the question. We do indeed have a lot of investment going into agriculture across the territory, and we are promoting it in all corners of the Yukon. I think that is important to note as we work on the issue of food security. Food security also, in some ways, belongs with the Minister of Environment, who deals with harvesting on the land. I should say that, in our programs that we were doing to support Yukoners around the pressures of inflation this year, we donated \$100,000 to Food Network Yukon to continue to support food security across the territory. I don't have the information at the moment about the number of hampers; I will investigate that further.

Ms. Blake: I appreciate that this government prefers to leave the heavy lifting to NGOs, but it is not sustainable. If you talk to folks working to address food security, they will tell you that one of their biggest concerns is the shocking poverty in rural Yukon. Currently, the food bank is supporting more rural Yukoners than ever before. In a time when freight, gas, and food prices continue to increase, that safety net is wearing thin. The already high cost of shipping food to the Yukon becomes even higher when shipping to communities. This is a serious obstacle in accessing affordable, nutritious food in rural communities.

Will the minister work with NGOs and rural food providers to create a subsidy to offset the high cost of shipping food to rural communities?

Hon. Mr. Streicker: I thought I just heard from the member opposite that we shouldn't rely on NGOs and at the end of the question I heard that we should support them more. Luckily, in my first response, I noted that we had given \$100,000 to the Yukon Food Network.

I would also like to say that, when I was at the agriculture demo day and talking with our growers here, across the Yukon, I was informed that previously the amount of food that we grew here in the Yukon was at two percent, and just recently I was told that it is up to 3.9 percent. What that does is it means that we have more local food, and when we have more local food, we have less food having to travel up the highway, and we will continue, of course, to invest in agriculture.

Earlier today in the ministerial statement, I heard the Minister of Education talking about how much we have invested in early learning and childcare, and those are ways in which we are addressing inflation. I talked previously, when I got up, about the rate relief for our electrical bills, and there's a list of what we are doing to address inflation.

Ms. Blake: The minister's answers show just how out of touch his government is with poverty in the Yukon. Low-income Yukoners often survive on a series of social programs that take hours to navigate — from trips to the food bank to NGOs with food programs, all to try to figure out how to try to feed their families. The time tax on the poor is real, and with the cost of food rising, NGOs are now reducing food programs that they can no longer afford to run. That is only going to make

access to food harder and more time-consuming for low-income Yukoners.

What is the minister doing to fix this patchwork that keeps people living in poverty?

Hon. Mr. Streicker: I think that each time I have stood — and I will say it again. What we have done is we have given \$100,000 of additional funding to Food Network Yukon to continue to support food security across the territory. We are investing in our NGOs to support them. We do recognize that costs are higher right now and that there is inflation across Canada — across the world — and we have developed a suite of ways in which we are working to support Yukoners through this difficult time. They include investing in food security.

Question re: Municipality funding and support

Ms. McLeod: A leaked letter from the federal Finance minister to her Cabinet colleagues indicates that federal ministers are to begin looking for cuts in the upcoming federal budget. The letter recognizes that the runaway spending of Liberal governments over the past several years has contributed to the inflation crisis now being faced across the country; however, where these cuts are applied will be important to Yukon communities.

An essential funding stream for Yukon's municipalities was the Investing in Canada infrastructure program, or ICIP. This program is coming to an end soon, with Yukon communities required to identify their remaining priorities by March 31.

With the federal government looking at cuts with the key infrastructure funding stream coming to an end, and with Yukon communities requiring more infrastructure funding, can the minister tell us what the plans are once ICIP is done?

Hon. Mr. Mostyn: I'm happy to talk about investments in infrastructure, which is really what we're talking about this afternoon, and the historic investment that we've seen from the federal government over the last several years, and the great lengths we've gone to make sure that we take advantage of all of that money that the federal government has provided to the Yukon. We didn't hesitate. We took that money and applied it as quickly as we could in investments that have put in new sewer and water facilities, that have fixed our roads, that have fixed our airports, and that have built recreation facilities. We have seen more than \$600 million of investment coming into the territory. Of course, it has been incredible, and it has built our communities from Watson Lake to Teslin to Ross River to Faro, Dawson, Mayo. We've seen fire halls; I was just at fire hall buildings.

This has been an historic investment in the territory. We've never seen anything like it — cranes across the territory. We heard the members opposite talk about inflation and the whole bit. We know that the federal government is turning its eye to making sure that the books are looked after, and we will deal with that as it comes. I thank you very much for the opportunity this afternoon to explain this.

Ms. McLeod: In the letter from the federal Finance minister, she clearly states that any new spending proposals must be paid for with cuts, so Yukon communities are

concerned. With their main infrastructure funding stream coming to an end, they are concerned about what funding will be available to them when austerity hits.

For those who are unaware about how important ICIP is, the types of projects it funds range from waste-water upgrades in Dawson City, to new public works and a fire hall building in Watson Lake. With their federal cousins planning cuts, how will the Yukon Liberals make sure that there continues to be infrastructure funding available to pay for the essentials, like street reconstruction, and sewer and water?

Hon. Mr. Mostyn: The members opposite are doing it again. We're seeing it again. They are peddlers of fear and apocalypse, and that's not what we're seeing here. What we have seen over the last several years is a historic investment in our communities — one that we've heard the members opposite say, "Don't do it" — we did it. My predecessor in this role and I — all of us collectively as one government — have worked very hard to move the territory forward on the infrastructure file. We took advantage of all of the infrastructure money that we received from Ottawa, and it has been historic; it has been incredible.

We have built the territory with that, made it more resilient for climate change, made it easier and safer for people to travel through the territory, and we are going to continue that work. We have a good relationship with our federal counterparts in Ottawa. We are going to continue to build the territory, as we have. Maybe the money — we will see what happens. I am not going to talk about intangibles or hypotheticals this afternoon on the floor of the Legislature. What I know is that we have spent all of our ICIP. We have all the ICIP money committed, and we are going to continue to build the territory as we have for the last five years.

Ms. McLeod: The 2022 federal budget indicated that the government was looking to cut up to \$9 billion, but it didn't say from where.

The federal Finance minister has come to the realization that the Liberals have spent us into an inflation crisis. Unfortunately, this means that essential infrastructure funding for Yukon communities could be put at risk, so what assurances do the Yukon Liberals have that the federal Liberals will not cut municipal infrastructure funding?

Hon. Mr. Mostyn: Wow — I hear the fiscal conservatives across the way talking about fear-mongering on inflation cutting, on actually looking after the books. They can't —

Some Hon. Member: (Inaudible)

Point of order

Speaker: Point of order, the Member for Lake Laberge.

Mr. Cathers: The Minister of Community Services used the term "fear-mongering", which I believe has been ruled out of order in this House. I would ask you, Mr. Speaker, to have him withdraw it and apologize to the member for making that claim.

Speaker's statement

Speaker: There is a point of order, and I would ask members not to phrase their debate in that manner. Please continue.

Hon. Mr. Mostyn: Thank you, Mr. Speaker. Clearly, I am under their skin.

Listen, this afternoon what I am going to say is this: There isn't an economist in the world who would say that the infrastructure spending that the federal government undertook to invest in our communities across the territory has contributed to inflation. What we are seeing is a historic investment in our communities that is making lives better, making our communities stronger for all citizens of this territory, from Watson Lake to Old Crow, and all points in between.

I challenge the members opposite to find a single resident who will object to the investments we have made in their communities. All communities matter, Mr. Speaker, and we have invested that way.

I will say that the members opposite can consult the five-year community plan that we have launched through this government to show the investment — how it is going to continue on for the next five years at least.

Municipalities have benefited from this infrastructure investment. We are waiting to see what investment comes in the next tranche, and I am looking forward to continuing to move the territory forward and build the territory for the citizens of the territory.

Question re: Infrastructure funding

Mr. Hassard: So, as we have discussed, a leaked letter from the federal Finance minister indicates that the Liberals are looking to make major cuts. This, of course, is because the Liberals have been mismanaging money left, right, and centre, and they have spent us into a runaway inflation crisis. The unfortunate part is that this puts at risk major infrastructure priorities here in the Yukon. Take, for example, the Moon Lake clean energy project, which the territorial Liberals are hanging the future of our energy grid and our greenhouse gas emission targets on. This project is contingent on hundreds of millions of dollars of federal funding, but with the federal government looking for billions' worth of cuts, do the Yukon Liberals think that this is realistic, to expect federal funding for the Moon Lake project?

Hon. Mr. Streicker: I rose in the House and spoke about Moon Lake a couple of days ago. I said then and I will say again that this is a very good project, and our intention is that it is led by First Nations — working with First Nations — and it is a strong project. My expectation is that it will find investment from Canada, from here in the Yukon, and from other areas because it is a very strong and good project. We will have to do the diligence work on it. I disagree with the members opposite; I disagree with their suggestion that this has caused inflation.

We have a five-year capital plan. They have always, always disagreed and decried that five-year capital plan, and yet today, they are standing and saying: "Hey, what are you

going to do in the future?" Well, it is the five-year capital plan. That is how we are moving forward as a territory, and we have a 10-year renewable energy plan with Yukon Energy. Members opposite didn't want to hear Yukon Energy in the spring when we invited them to be witnesses. They said, "No, thanks."

So, all good — I think that this is a good project. I think that we will find the funding for it and I am happy for it to be a project led by the First Nation.

Mr. Hassard: It's no secret that the federal Liberals have been spending like drunken sailors and this has thrown our economy into turmoil. As a result of Liberal financial management, mortgage rates are skyrocketing, food prices are through the roof, and now the Liberals are being forced to cut billions in spending. This means that Yukon priorities could be put at risk. Take, for example, the new Dawson City recreation centre. The new Dawson rec centre is expected to cost \$60 million; however, the project isn't even 50-percent funded. The Yukon government has been left hoping that the federal government will come up with over \$30 million for this project.

With the feds now looking at massive cuts, what assurances can the government give residents of Dawson City that this project will receive the funding that it needs?

Hon. Mr. Mostyn: Once again, we see the members opposite peddling fear. That's not what —

Some Hon. Member: (Inaudible)

Point of order

Speaker: On a point of order, Member for Lake Laberge.

Mr. Cathers: This is the third time in Question Period that the minister has run afoul in this area. He was specifically told previously by you, Mr. Speaker, that "fear-mongering" was not in order. The term "peddling fear" seems to be an attempt to say that in a very slightly different way. I would ask you to have him retract that statement and apologize to this House and you for making it.

Speaker: Government House Leader, on the point of order.

Hon. Mr. Streicker: Surely, we are able to use the word "fear" here, because it feels to all of us that this is the message that is coming across. If this is not appropriate, I would just ask that there be an explanation about what we can use to describe the questions coming from the members opposite.

Speaker's statement

Speaker: On the point of order, I will review the Blues with the Clerk and get back to the members.

Please continue, Minister of Community Services.

Hon. Mr. Mostyn: Thank you very much, Mr. Speaker. So, on the questions about the Dawson City recreation centre, again, I encourage the members opposite to consult the five-year capital plan. We have actually spent all of our ICIP money in the territory. This is unlike some provinces in the country, but we, of course, took advantage of that. We did so with deliberation and deliberately. We have decided to fund

projects across the territory. The Dawson City recreation centre is one of those projects that we have committed to under the Investing in Canada infrastructure program.

It's tremendous, actually, Mr. Speaker, and I'm glad the member opposite brought it up. I was recently up at the Dawson City recreation centre, and as part of our project to move the territory forward, we're going to replace a facility that really should have been replaced many, many years ago. We know that the faux sod-turning event in Dawson that the members opposite partook in, just before an election, to sort of lead the Dawson residents to believe that they were going to do something — they didn't do that. We are actually following through on our commitments.

Mr. Hassard: Let's move on to Whitehorse and the Canada Winter Games. The games are expected to cost at least \$200 million. The City of Whitehorse said that they will throw in \$11 million, and the Yukon Liberals have said that they will invest \$49 million. Meanwhile, the Yukon government has asked the feds to provide \$138 million.

We know that the feds are tightening their belts, so what's the status of that \$138 million? If the federal government tells Yukon that, sorry, times are tight, how is the Yukon government going to prioritize our projects? Will they put new arenas ahead of fixing roads, or a clean energy project, or does the minister even have a plan?

Hon. Mr. Silver: What we'll continue to do is to rely on our five-year capital plan, which the members opposite mock.

But I have to take a little bit of time here to talk about this new, unreliable information from the Yukon Party and the Leader of the Conservative Party of Canada, which is, I guess, where they get their marching orders. To say that spending during a pandemic by a federal government causes the international inflation that we're seeing across the globe right now, and completely not referencing the shutdown and all of the money that the federal government gave to Yukoners during that shutdown, and to not even consider maybe that the Ukraine conflict — the illegal conflict in Ukraine — had anything to do with inflation — but to say that federal funding during a pandemic is causing this inflation? Completely unreliable.

Again, there's not an economist around who is going to actually agree with that — well, maybe the economist in the Yukon Party. Again, “spending like drunken sailors” when it's too much money from the Liberals, and then “cutbacks” and “cuts” when it's too little — the Goldilocks theory next door. It doesn't hold water at all.

We'll continue to work with our partners in municipal governments, the federal government, and First Nation governments to continue to supply the capital assets that we need moving forward. I do hope that the federal government comes in with their fair share for the games, because it's extremely important. These assets are extremely important to Yukoners.

Speaker: The time for Question Period has now elapsed. We will now proceed to Orders of the Day.

ORDERS OF THE DAY

GOVERNMENT BILLS

Bill No. 21: *Carbon Price Rebate Amendments Act* (2022) — Second Reading

Clerk: Second reading, Bill No. 21, standing in the name of the Hon. Sandy Silver.

Hon. Mr. Silver: I move that Bill No. 21, entitled *Carbon Price Rebate Amendments Act* (2022), be now read a second time.

Speaker: It has been moved by the Hon. Premier that Bill No. 21, entitled *Carbon Price Rebate Amendments Act* (2022), be now read a second time.

Hon. Mr. Silver: Thank you, Mr. Speaker. Today, we are debating changes to the Yukon government's carbon rebate act and its associated regulations. As part of this bill, we are also debating changes to the *Income Tax Act*. These amendments would sunset the existing mining rebate for any fuel purchased after December 31, 2022. For 2023 onward, mining companies would claim a modified version of the business rebate through their income tax returns. I will talk more at length about those specific changes in a moment.

First, I would like to go over the historical context to help explain why we are here today discussing these amendments. In December 2016, the Government of Canada, most provinces, and the territories signed on to the pan-Canadian framework, which outlines the need for a price on carbon. That framework, Mr. Speaker, laid out the trajectory for gradual carbon price increases so that, by April 1, 2022, the price of carbon would be \$50 per tonne. In that framework, there was also a commitment that the overall approach to carbon pricing would be reviewed by 2022 to confirm the path forward.

After the pan-Canadian framework was signed, Canada subsequently passed the *Greenhouse Gas Pollution Pricing Act*, which, as the name implies, puts a price on carbon dioxide and other greenhouse gas emissions. The federal act lays out two distinct pricing regimes. First is what is referred to as a “regulatory charge”. This is the price on pollution that most people are familiar with. The second price on pollution is comprised of an access emissions charge on facilities, subject to the output-based pricing system, also referenced as the “OBPS” for short. The OBPS was developed to deal with carbon leakage while preserving incentives to reduce emissions. Certain industries are emission-intensive; however, they must sell their commodities on a world market at world prices. This is the concept of carbon leakage.

Placing a full cost on carbon on a major input or sector that does not have the ability to pass costs on to the final consumer, in essence, drives the industry to relocate operations to other countries. In other words, it displaces but it does not eliminate the emissions.

The Organization for Economic Co-operation and Development review based on the 2020 data showed that half of the top 10 gold-producing countries in the world do not have a carbon-pricing regime of any kind. So, without an OBPS, Canadian mines face competitive challenges. The OBPS sets a

performance standard for each sector under this system. A total of 78 output-based standards have been set under the OBPS. These standards cover more than 30 industries right across Canada, but in the Yukon, of the 30 industries that have been identified, only mining and electrical utilities operate here.

The excess emissions charge is basically the regulatory charge that is applied only on the portion of emissions in excess of a standard. This standard is typically 80 percent of the average Canadian intensity for a similar facility. The problem is that Canada — the federal government — despite expert advice, did not provide equitable access to the OBPS. Canada set minimum thresholds for mandatory participation at 50 kilotonnes, which is roughly equivalent to almost 20 million litres of diesel being consumed on an annual basis. Before 2021, no facility in the Yukon had exceeded that threshold since the Faro mine operated decades ago.

Canada did recognize this inequity for two specific sectors by exempting these sectors outright; that is, fishing and farming. This was not the case for mining. With this inherent inequity in mind, we designed a series of rebates that led the nation in incorporating the agreed-upon principles in the pan-Canadian framework with respect to carbon pricing and recycling. Namely, our plan is designed to ensure a few different objectives: First, we want to ensure that a minimum amount of assets could become stranded and maximize cumulative emission reductions; second, our reporting on carbon-pricing policy is intended to be consistent, regular, transparent, and verifiable; third, our policies are designed to minimize impact on competitiveness, as well as carbon leakage, particularly for emission-intensive, trade-exposed sectors; and finally, our made-in-Yukon program is designed to recognize the unique circumstances in the north. With respect to mining, in particular, our plan treated placer mining like farmers or fishers, and it treated the quartz mining in a way that mimicked the output-based pricing system.

Our plan protected the trade-exposed mining sector while maintaining a marginal price signal on larger operators. We kept Canada informed all along the process in the development of our approach. The Yukon government remained, and continues to remain, transparent and accountable.

This brings us to the 2022 review of the pan-Canadian framework first conceived in 2016. Given the commitment by the federal government in the pan-Canadian framework to work collaboratively on meeting the 2030 goals, it was expected among provinces and territories that the plan for 2022 onward would be developed jointly in a manner that was similar to the original plan.

Mr. Speaker, instead, the federal government announced a new plan entitled, *A Healthy Environment and a Healthy Economy*. In it, they created a new test called the “benchmark assessment”. Canada then assessed every province and every territory that had its own carbon-pricing system, and/or rebate programs, against these new standards. Based on these new rules, approaches that were accepted in 2019 were unilaterally deemed unacceptable.

To say that we are disappointed with this approach from the federal government would be quite an understatement.

Under this new approach, Canada identified that the Yukon must either amend its mining rebate or risk losing the entire transfer of proceeds from carbon pricing. For context, we are expecting almost \$26 million this fiscal year alone to fund our local solution to provide rebates to families, to businesses, municipal governments, and First Nations governments.

This amount will continue to grow substantially, even as we achieve our 45-percent reduction as outlined in *Our Clean Future*. In fact, because of the future pricing changes outlined by Canada, this transfer is expected to be roughly \$60 million annually by 2030.

Losing this transfer would mean that Yukon would be treated like Alberta, Saskatchewan, Manitoba, and Ontario. In these provinces, all proceeds are sent to individuals with no consideration for the impact on businesses and other levels of government. In these provinces, no municipalities, no First Nation governments, or businesses receive a carbon rebate. In Yukon, we felt strongly that a made-in-Yukon solution could continue to provide protection and fairness to the business community and mining, as well, in particular.

Given the decision by the Government of Canada, we have been forced to act quickly, and we did. I would like to thank the Department of Justice and the Department of Finance for their ability to turn our revised plan into legislation so quickly.

I will go through the details in Committee of the Whole, but, as I mentioned in my opening remarks, I will outline our revised plan now. I would like to stress that, with this new plan, we continue to keep our business community, as well as our mining industry, in front of our minds. First, for fuel that is purchased on or before December 31, 2022, mine operators will have until September 30 of next year, 2023, to claim their final mining rebate under the existing carbon-rebate system. This is the normal application timeline for annual mining rebates. Any fuel purchased by an operator after December 31 of this year, 2022, would no longer be eligible for the existing mining rebate.

Following this date, and with the passage of these amendments, the existing mining rebate would end. The mining companies would no longer need to fill out an application to the Yukon government to access their rebate; instead, this legislation is proposing that, effective January 1, 2023, we would create a separating mining business rebate within the overall structure of the business rebate. This means that the rebates would be calculated as part of the business tax return and not through a separate application process. This process would streamline the process for miners because they would no longer have to submit all of their fuel receipts. This process is very similar to the current process for all other businesses in Yukon and would be administered on our behalf by the Canada Revenue Agency.

However, it is extremely important to note that we have designed this new mining business rebate in a way that protects mining businesses while preserving a price signal. Under the new legislation, this would create a new account in the carbon-pricing rebate revolving fund, called the “mining business rebate account”. This account would have all the proceeds from mining debited to this account and all payments to mining

credited from this account. It is a separate account from business. This means that this portion of the business rebate will continue to be revenue neutral from the mining sector's perspective.

Mr. Speaker, over the long term, government would not retain a dime of these revenues for any purpose other than rebating. We have been, and will continue to be, open, transparent, and accountable on this. As with the current carbon rebate framework, we will show all the details related to this new account in all future budgets and Public Accounts.

My final point here in the second reading, Mr. Speaker, and one which I cannot emphasize enough, is that our new plan has been reviewed and accepted by Canada in the timelines dictated by the federal government. This choice is binary. This is up to us; it is up to the opposition to either support the continuation of funding for rebates for families, businesses, municipal governments, and First Nation governments, or not.

Again, I look forward to getting into the mechanics of this new mining rebate during Committee of the Whole. Until then I would like to thank all members for their comments that we will hear today in second reading, and I do look forward to their questions as we debate this bill.

Mr. Dixon: I would like to thank the Premier for his second reading speech because it certainly did provide excellent context for the bill that we are debating here today. The questions that we will have in detail will remain until Committee of the Whole, so I will keep my remarks in second reading fairly brief and I will be the only speaker because we do want to get into Committee on this.

Before I begin, I should also thank the Minister of Energy, Mines and Resources for his offer to the placer mining community to host a forum for the Klondike Placer Miners' Association on Tuesday night, via Zoom. It was a fairly free-flowing conversation that involved the minister answering questions directly from industry, which, of course, will be affected by this upcoming change. Put simply, my take on this is that we are making the best of a bad situation — that we are left with very little choice here. I think that the government acknowledges that there are imperfections with the system that they have proposed.

I heard the minister, at the briefing with industry, indicate that they are open to suggestions going forward to improve the system as implementation goes on in the future, but, given the time crunch and the need to have this legislation passed by November 1, this bill needs to pass in its current form. I think that this is a reasonable course of action for us in terms of proceeding, although I do want to note my disappointment with the federal government on this. I would share the Premier's comments and disappointment as well.

I am a bit surprised that we hadn't heard about this disagreement between the territorial government and the federal government sooner, so we would like to talk a little bit about the intergovernmental exchanges between the Government of Yukon and the federal government on this matter leading up to the tabling of this bill.

We did know that there was a review of the structure of the carbon price set for 2022; however, we did not realize that it was going to require such a profound change to the system that we had here in Yukon, nor were we aware that the timelines that had been dictated by Canada were going to be so stringent as to negatively impact our carbon-pricing system and the rebate program in such a short order of time.

We do look forward to hearing more from the Premier in Committee of the Whole about his exchanges with the federal government. The Minister of Energy, Mines and Resources indicated, in his public meeting on Tuesday night, that the Premier brought this — and I quote — “right to the top”, so I look forward to hearing about how those issues were raised between the Premier and the Prime Minister's office, which I assume means the top of the federal government.

With that, Mr. Speaker, we acknowledge that this is an imperfect bill; we acknowledge that this is an imperfect system, that changes will likely be needed in future, and that the industry, while accepting of the reality that we are faced with, do have concerns with the system. There are concerns expressed about the complexity of the system, concerns expressed about the appropriateness of using the undepreciated asset class that they have chosen, and suggestions from industry around alternatives that could be considered going forward, but unfortunately, none of that is going to play into the debate about the existing bill because this needs to be passed so quickly.

Notwithstanding the comments and questions that we will have in Committee of the Whole, we will be voting in favour of the bill, and we do hope that the government calls the bill with the appropriate amount of time so that it passes before the deadline that the federal government has imposed.

Ms. White: Just in the beginning, I just want to congratulate and thank the folks in Finance who, I am told, got this legislation to us in record time — since, I was told, September 22, which is two days shy of a month right now, which is an incredible thing.

My comments that follow are not a criticism to the work that was done by the folks and the team who wrote this legislation, but mostly I have concerns about other things, and how these pieces fit together.

Today, in this Assembly, we have different pieces of legislation on the docket. We have things like the *Clean Energy Act*, which was a commitment to move us toward a different future.

We have things like *Our Clean Future*, which is a report that says what our goals are and how we are going to get there.

The Yukon Climate Leadership Council's recommendations in *Climate Shot 2030* came out, and they also are trying to get us toward this 45-percent reduction.

I appreciate that the legislation that is coming forward right now is to replace a system that we had. I understand that it can't happen right now, but there is a part of me that feels like we are missing an opportunity. I will explain what I mean by that.

The initial legislation, I think, came forward in 2019, so the Yukon government carbon price rebate and the *Income Tax Act* tied together to do this initial thing with the federal

government. But when we have things like the *Clean Energy Act* in front of us, where we are setting that 45-percent greenhouse gas emissions reduction in legislation, it seems to me that, when we talk about a carbon price rebate, there is an opportunity where we can do more. Because right now, the incentive to change habits is only the cost of fossil fuels. Our current system is that if you use less fossil fuel, you will spend less, but you will still get the same amount of money back.

The reason I want to bring that forward is because the rebate that individuals, businesses, First Nation governments, municipalities, and now mining businesses will receive is a return, so it's not based on changing habits. I think that there is a real opportunity going forward to come back to this legislation, look at it, and tie it in so it coincides with the *Clean Energy Act*.

I say this in terms of understanding, for example — I don't know if we have ever had this conversation, but I grew up on placer claims outside of Mayo with my Tante Gina and my Uncle Hans. I spent time there and, as an adult, I worked in quartz mining situations, so I have seen different things on the ground. But we are not incentivizing those changes right now. We are saying that the money is going to come back. There is an opportunity to say, "Look, if you are able to reduce your greenhouse gas emissions by four percent this year, you are going to get 100 percent back" — and as we go forward. I am happy to get the clarification. I asked during the briefing. That is not the response of the Premier and the Minister of Energy, Mines and Resources — just got my attention. But in the briefing, I asked those questions specifically.

I think that when we talk about measures like this and we talk about moving toward this renewable future, all these pieces of legislation have to go hand in hand.

I went as far as trying to figure out, for example, if we could get a review clause in. I mean, this House is not going to be surprised that I think that legislation that is really important should be reviewed periodically, that it should even be mandated — so, for example, five years, two years, three years, or pick a number — because at least then that gives the members of the opposition — I have been here a long time now in opposition, and those clauses have been really important for me to be able to say that this is a chance — we should go back and open it, we should go back and look at it. We set this up initially and this was set out initially, knowing that things might change.

So, we're at a point in history where there have been a lot of really big challenges put in front of us. We're living in a jurisdiction right now that doesn't look the same. It was plus-10 degrees this morning when I rode my bike from home — in October. That is not the October of my childhood here; it's different. The snowpack is different. The fact that there's a high-water advisory now in the Southern Lakes in October is different.

We had landslides, which we haven't seen before, both in the City of Whitehorse and on the way to Dawson City. We had record wildfire. So, all of these things indicate that what we have been told — and I'm so glad we're past the point where, even 10 years ago, it was a bit of an effort to get anyone to say that, yes, climate change is real. That was challenging. The

Premier will remember, because he was also in the opposition at the time.

So, it's good that now we're in the same boat and we're paddling in the same direction, but I think we can take bigger actions. It has always been my hope that we can put these kinds of pieces of legislation together so they work together. I believe that industry wants to do these things, because they say it — I hear them say it — and they are working toward that. So, partially, it's about how do we incentivize? How can we encourage? How can we push a little bit?

One of the things that the Climate Leadership Council talked about is the council's strategic lens on climate action — so, their key principles. The first one really resonates with me, because it says that individual voluntary action isn't enough; governments must lead. So, they can lead through things like legislation; they can lead through their own actions; they can lead through policies. So, there is that aspect.

I appreciate that this is here now, and I appreciate the deadline, and, just in case I have anyone hanging on the edge of the cliff here, we will be voting in favour of this legislation — absolutely. We understand the importance of it and we will not hold it up, but I also want to encourage us to not wait until an undefined time in the future to try to tackle this in a way. We can have this current legislation when it passes and have it sitting there as we try to develop something different. That is rolling through and encouraging those changes, and making sure that rebates or refunds can be tied to — you know, the bigger the action, the more the return.

I feel like we had a good conversation in the briefing. I hadn't met some of the folks in that briefing yet, so I joked a little bit to say that I am going to ask the political question now and then I will speak to it here. The political question, of course, is: What is the incentive to change? What is the incentive to change here? Well, the incentive that I think we all have is that the climate is changing, but it sometimes needs to be more.

I look back on my own personal actions and I would tell you that I got an air-source heat pump installed in 2016 when the rebate at the time was \$500. The reason why I did it is because, at the time, in conversations with the Energy Solutions Centre, they had anecdotal stories but they didn't have the numbers. I said, "Okay, let's do this. Take the numbers. I will install it, and you measure it and you take the numbers." That showed people the reason why we would want to change toward this technology.

When people can see and when people can feel the benefits of those changes or understand the decisions more, people will move to that. So, I think that we are past the point of individuals making the choices because they are the right choice. Sometimes we have to move people along a little bit. I am hoping in the future that we have an opportunity to develop legislation in the territory that really encourages people along, so they can remain in the status quo, for which the only incentive to changing the habits is the cost of fossil fuels, or we can move it forward a bit.

Mr. Speaker, again, I appreciate the very tight timeline in which this was brought forward. I appreciate that the Premier and his government tried to have this negotiation with the

federal government. They were hopeful that they would get to a positive resolution. I understand that we are here because that didn't happen. We won't stand in the way. I am certainly not going to tell people that they are not getting their refunds. I appreciate that it is here, but I look forward to a time when we can push things along.

Hon. Mr. Clarke: It is my privilege and honour to speak to Bill No. 21, *Carbon Price Rebate Amendments Act (2022)*, for the Legislative Assembly's consideration, as presented by the Department of Finance.

Bill No. 21, the *Carbon Price Rebate Amendments Act (2022)*, proposes to create a new mining business rebate account within the existing general business rebate system in order to meet new federal requirements. To better understand the intentions behind this bill, I want to provide some background. Yukon's current rebate system is the result of significant discussions with Yukoners, governments, and industry. It also aligns with the Yukon government's commitments under the *Pan-Canadian Framework on Clean Growth and Climate Change*. After conducting a review of provincial and territorial carbon-price systems and rebate programs, the federal government has now imposed a new stringency requirement that will apply as of 2023, as we have heard so far during second reading debate here in the Assembly this afternoon. If the Yukon does not meet the new requirements by 2023, then the federal government would take over control of carbon rebates in the territory, which would end support to businesses, municipalities, and First Nation governments. With these requirements, amendments are required to be made to our existing rebate program.

Bill No. 21 proposes to amend the current rebate system to meet the new federal requirements. It also ensures that the existing rebates for Yukon businesses, municipal governments, and First Nation governments are also preserved and protected. The proposed rebate mechanism would apply starting in 2023, and mine operators will continue to operate under the existing framework for fuel purchased before December 31, 2022.

The business rebate will continue to have a super-green credit to support Yukon businesses as they invest in clean energy generation and energy efficiency as we transition to a cleaner economy. The amended approach will also reduce administrative barriers for placer and quartz miners applying for rebates.

Currently, mine operators must file an annual application to determine their carbon rebate amount. Under the proposed changes, operators would be able to claim their rebate at the same time that they file their annual tax return. Despite these changes, Yukon's carbon rebate remains revenue neutral, returning all carbon-pricing revenues received back to Yukoners.

We remain committed to ensuring that individuals, businesses, First Nations, and municipalities continue to receive more on average than they pay in carbon-pricing levies.

The Yukon government continues to support putting a price on pollution as a mechanism to reduce greenhouse gas emissions while ensuring that the territory remains competitive

as we transition to a green economy and then a greener economy.

As a government, we have a responsibility to lead on climate action in our territory. As outlined in *Our Clean Future*, carbon pricing is one of many policies and programs that we have in place to take meaningful climate action.

Rebates support Yukoners and Yukon businesses to invest in low-carbon alternatives, ensuring that the territory remains competitive as we transition to a green economy while protecting vulnerable families. There are many opportunities for Yukoners as we build a green economy in the territory alongside national and international efforts.

As local, national, and global demand for green goods and services increases, there are opportunities for Yukon businesses to supply clean energy and to find ways to use energy more efficiently. Ongoing efforts to use energy and other resources more efficiently will also reduce operating costs for Yukon businesses.

As seen most recently with the release of the second annual report of *Our Clean Future*, the Yukon's green economy continues to grow from investments in local renewable energy, green infrastructure projects, and the adoption of clean technologies. The Yukon also has an opportunity to play a significant role in the national response to climate change, as a sustainably mined, domestic source for critical minerals that are key to Canada's transition to a greener economy.

In closing, it has been a privilege to speak to and support this bill, and I look forward to hearing now from other members here today.

Hon. Mr. Streicker: I just want to say a few words on the bill that is before us here at second reading. I want to first talk about — since this came through very quickly, the Premier asked me, of course, to reach out to the mining industry, both the hardrock mining industry and the placer mining industry. I did that, and I wanted to just make a few comments about my conversations with those miners.

I want to say to Yukoners that, when I first became the Minister of Energy, Mines and Resources, I was certain that we needed to transition our energy economy off of fossil fuels, but I wasn't sure how miners were going to take that. What I can say is that I have found — not universally, but broadly — that the miners I have met with understand this, they want to get there, and they are very innovative. They are entrepreneurs. They understand how to try to make do with less. They are very good at figuring systems out to try to make things work.

Just in recognition of that, I think I will note just a couple of concerns that I heard so that they hear me echo those concerns. For example, one of them was that, in the current system, they collect receipts. In the new year, they issue those receipts. By the way, they gave a great shout-out to the Department of Finance folks, because they said that they would submit the receipts on January 2 and they got something back within 10 days or something like that. It was really quite impressive.

They let me know that using the tax system — of course, they had already put in for taxes, but by the time you get your

taxes in, it is much, much later than January. So, there's a little bit of a delay there — six months, eight months, or something like that. That means that there is a cash-flow issue around this rebate, so they had some concerns with that. They had suggestions about other ways that it might work.

The system that we have in place today was derived from conversations that were held with the Yukon Chamber of Commerce and other chambers around the territory — the business community — how we designed the business rebate was by working very closely with their energy subcommittee. They made the suggestion — we are piggybacking on that system because that is what we can get into the Legislature so quickly.

I appreciate everybody's acknowledgement of the hard work of the Department of Justice and Department of Finance. They did do a lot of quick work.

I did say to the industry that, if they thought there were other ways that we could measure the size of mines or mining operations, I would be open to that conversation and take that back to the Department of Finance. I know that it has to go through, for example, the Canada Revenue Agency. It will need to maintain this price signal.

Let me use that to flip to the other comment that I wish to make. This is in response to questions or comments that came from the Leader of the Third Party. Basically, what Canada has said to us is that you have to have a price signal or they are not going to accept it. So, that is what is there. The reason it's there is because you are not tying the rebate back to the amount of fossil fuel used.

You are making a difference between — I try to use examples of stores where people might see a difference to try to see the difference in size. So, if we take, for example, Bonanza Market in Dawson and try to compare it with one of the big grocery stores in Whitehorse, there is a difference. One is large and one is medium. You need a way to judge the difference in the sizes because one employs a lot of employees and the other employs a number of employees. There has to be a way to get that difference, and that is what the work with the chamber of commerce led to, but it does keep the price signal in there. There is an incentive in what is proposed before us for miners to get ahead by reducing their fossil-fuel dependency where they are able. It is our job to work with them to help them to incentivize that further. That is what the Energy Solutions Centre is working on. That is what the minerals branch is looking at — ways to assist mines to make this transition because we all need to get off of fossil fuels in the coming years. Our goal is 2050, but, as we are debating now, what should we set as a legislated target for 2030?

I do think that the cost of diesel and the volatility of it is a big incentive all on its own, but that's not the point. The point here is that this system that will come into place requires that we meet the benchmark, as the Premier referenced. Canada is saying that all of these programs have to have that price incentive in there to support — if people reduce emissions, they get ahead.

So, that is what is in front of us. I appreciate that it is not — even though the system that we're using was developed in

conjunction with conversations with the business community when we first brought this in, in 2017 or so — maybe that doesn't work as well for the mining industry, and I think we can have that conversation.

What I have said to the mining industry is that, whatever the system is, it needs to be simple, it needs to be fair, and it needs to maintain that price signal so that it will be acceptable to the Canada Revenue Agency and the federal government in this initiative.

Thank you very much, Mr. Speaker. I thank the members opposite for their comments today and their appreciation of how hard it was to try to get this in here to avoid a situation where we would lose some of that rebate going to businesses, to First Nation governments, and to municipal governments. I think those are important things, and I appreciate the support that was expressed today.

Ms. Tredger: I would just like to add a few thoughts to add to the comments of my colleague, the Member for Takhini-Kopper King. Of course, we're talking about a price signal here, and that's the problem that this legislation fixes. When this legislation was brought in two or three years ago, the choice was made that mining companies would not have that price signal. I think we could argue a lot about whether that was a good choice or not; I think we have seen that it was not a lasting choice, not one that was sustainable and compatible with moving forward with climate action, and so I'm glad to see that corrected. I think we're all glad to see that corrected so that, in fact, there is that price signal for all Yukoners and all Yukon companies, and no one industry is being given preferential treatment, or treatment that prevents that price signal from being effective.

What we're asking for — what we're saying — is that this is the bare minimum. That's the bare minimum that Canada has laid out that has to be done, and there is the potential for so much more. For example, we know that there are upcoming targets for the mining industry around intensity-based emissions, but, as of yet, we've heard nothing about what obligations or incentives there will be to help those mining companies meet those intensity-based target reductions. This is an opportunity.

I understand that it couldn't happen in this piece of legislation today because we are on a tight time frame, but I really hope that we can consider it for the future.

What if, instead of just getting your carbon rebate based on your asset size, which has very little to do with what efforts you have made to reduce your greenhouse gas emissions — what if you only got your rebate if you actually met your reduction goals? There are lots of ways to play with that idea. It could be proportional; it could be a portion of. But I think there is a lot of opportunity within these carbon rebates to go beyond the bare minimum of a price signal, which, of course, is a good thing, but it is the bare minimum. We need to do creative, innovative things that will help us go beyond that and meet those intensity-based reduction goals.

I have some follow-up questions for Committee of the Whole, particularly with regard to the Yukon Climate

Leadership Council's report *Climate Shot 2030*. I look forward to discussing those in Committee of the Whole.

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

Does any other member wish to be heard?

Hon. Mr. Silver: I will just start by thanking all members of this Legislative Assembly for understanding the situation that we are in and for their indication that they will be supporting this legislation.

To address the Member for Whitehorse Centre, I disagree that this is a bare minimum. There is a complicated factor here as to why we started with a dollar-for-dollar rebate for placer miners to begin with. We have had a lot of conversations in the Legislative Assembly about the term "carbon pricing" versus "carbon tax". When we first started to have this conversation about the pan-Canadian framework, I was in my first year as Premier, and I was also chair of the Council of the Federation, so I am the only Premier left from those original conversations. We fought really hard to make sure that the understanding of concepts — you know, don't force the northern communities to do something that is a tax compared to a price — to get the federal government, through the premiers, actually, to recognize the unique circumstances of living and working in the north when it comes to something that we agree with, which is that carbon pricing is the most effective, efficient way of dealing with man-made climate change, to get people on this pathway that is so hard to explain when you go door to door — about polluter pay versus taxpayers pay. It gets complicated in those conversations. At that time, working with the placer industry, there are not a lot of alternatives to the work that they do and what is out there in terms of the equipment they can use. That technology is moving forward, for sure.

But I remember back in the days when we were having this conversation about the pan-Canadian framework, Volvo was making these big claims that they would have all of these heavy-equipment options in electric options by 2020 — I forget what the time was, but it was within short order. They haven't hit those markets. There are supply chain issues. There are all these reasons why you are still going to tax a part of our industry here because there is no alternative. Then, on the other side of it, you can't, as a placer miner, turn around and say, "Well, I will just increase the price of gold and we'll just go from there".

So, my argument to Ottawa when we went and talked with the Prime Minister this May was: What happened to that? What happened to all the work that I did to make sure that northern unique circumstances — carbon leakage — are extremely important? You haven't addressed these issues — when you unilaterally went and did the five-year review without us. Those questions would remain unanswered, and so that really is how we got to a situation where we are waiting for an answer from the federal government on these things.

I started with my colleagues right across the north, the two former premiers — Taptuna and McLeod — in the north. We had a plan to go to the Western Premiers' Conference and then

to the Council of the Federation before we had the pan-Canadian framework to talk about what it means to be northern, remote, indigenous, and Arctic — and to really define that in terms of the territories. We worked really hard, and we got all premiers in Canada to recognize the unique circumstances of living in the north. If we didn't get that, it would have been very, very hard. I mean, what does it mean to be northern? All of Canada — the Toronto Raptors say that they are "the north" for goodness' sake.

So, to define that line and to give the territories "the north" — to give that recognition to us — it has gone a long way for us, on the pan-Canadian framework, on our vaccinations — remember all that when we were front-end loaded with the vaccines — because of the work we did to identify us as being "the north" — and rural and indigenous and remote. So, that was a lot of work, and then to turn around and to do that five-year review without us — and then decide, "We are going to change this to be the price signal for these reasons..." — it puts us in an awkward situation.

From day one, I have always said that we need to put a price on carbon; we need to do our part, even though we are a small jurisdiction. Other folks might have said that we are too small a jurisdiction for it to matter — everybody needs to be thinking about it. It was a lot of work; it was a lot of work to get that recognition, and then to go and say: "Now the price signal is what matters, and we are going to go ahead with this plan by ourselves" — that was really tough. That's a tough thing to swallow.

Again, in looking at the changes that my Department of Finance worked on, day and night, in a very truncated time frame — also the Department of Environment and also the Department of Justice — it is just remarkable how dedicated our public servants are, for one, but it is also remarkable how they used the ingenuity of what we designed to begin with to allow us to have an option where Canada couldn't say no.

The business rebate that we offer in the Yukon right now — we have been told by the federal government — should be offered right across Canada. It is exactly what they want us to do because it is a price signal. It's not just assets, and then collecting all your dollars of assets. There is a whole list of these assets. I will get into the details of that more in Committee of the Whole, but the more environmentally you think about the assets that you accumulate, the better your rebate is. That's our business model, that's now going to be for our mining model, and what's gone now is that unique circumstance of working in the north. What is now gone is carbon leakage, and we still haven't had the answers to those questions.

So, there's a reason why the placer industry and low-kilotonnage quartz miners were in this consideration. Then, when you take a look at the output-based pricing system, we have thresholds. We have a system that is remarkable, actually. It's not just a checkbox; it's actually incentivizing business to think green.

We have seen this; we have seen accolades from tech mine companies and we've seen accolades from international mining saying that this is a good process, because mining businesses that want to do work internationally already understand the

concept of carbon pricing. Canada, they are happy to see, is finally getting together with a system that is understandable and predictable, because that's what they and their stakeholders want. That's what we want for the environment as well.

So, I'll get into more of the details of that as we go, and we will talk a little bit more, as I said, about that classification of assets to show that it's not just about if I buy a truck that I have this much asset so I get this much money back. No, it has to do with what kind of trucks. Things like, in the business rebate, if you have charging stations, that's an asset. If you have charging stations on your business, then that's a good credit; that helps you with the money that you will be getting back. That would apply now for a mining company. There are certain incentives about what they spend. Solar panels — if you are going to be powering your camp on a non-diesel alternative — those types of things. All of these assets give you more money back.

I think as well — and again, this is a conversation for me to have with the KPMA, and I'm sure the Minister of Energy, Mines and Resources is well on his way with this — the conversation, just in general, about incentives and the conversation about how we can make sure that this model works for everybody.

I'm going to leave that for now, though. There are many conversations to come there.

I will cede the floor for a vote on second reading. Again, I want to thank the departments that worked extremely hard on this. It was a fantastic privilege to watch that dedication. Also, I want to thank every Member of the Legislative Assembly for understanding the unique situation that we are in and acknowledging that this rebate is important, not only for the mining community, but for all of our businesses, all of our individuals, First Nation governments, and municipal governments as well.

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. Streicker: Agree.

Hon. Mr. Pillai: Agree.

Hon. Mr. Clarke: Agree.

Hon. Ms. McLean: Agree.

Hon. Mr. Mostyn: Agree.

Mr. Dixon: Agree.

Mr. Kent: Agree.

Ms. Clarke: Agree.

Mr. Cathers: Agree.

Ms. McLeod: Agree.

Ms. Van Bibber: Agree.

Mr. Istchenko: Agree.

Ms. White: Agree.

Ms. Blake: Agree.

Ms. Tredger: Agree.

Clerk: Mr. Speaker, the results are 17 yea, nil nay.

Speaker: The yeas have it.

I declare the motion carried.

Motion for second reading of Bill No. 21 agreed to

Hon. Mr. Streicker: 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 (Ms. Blake): Committee of the Whole will now come to order.

The matter before the Committee is general debate on Bill No. 21, entitled *Carbon Price Rebate Amendments Act (2022)*. Do members wish to take a brief recess?

All Hon. Members: Agreed.

Chair: Committee of the Whole will recess for 15 minutes.

Recess

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

Bill No. 21: Carbon Price Rebate Amendments Act (2022)

Chair: The matter before the Committee is general debate on Bill No. 21, entitled *Carbon Price Rebate Amendments Act (2022)*.

Is there any general debate?

Hon. Mr. Silver: I'm pleased to rise in Committee of the Whole this afternoon for Bill No. 21, entitled *Carbon Price Rebate Amendments Act (2022)*. It is my intent this afternoon to walk Committee through certain sections of the bill to explain how the new program would work. Before I get down to business, I would like to thank the officials from the Department of Finance for being here. I have my Deputy Minister Scott Thompson, and I also have Clarke LaPrairie, who has done some unbelievable work on this particular piece of legislation. I thank him and the whole department for the work that they have done.

Conceptually, what we're proposing is to replace the existing mining rebate with a new revenue-neutral mining business rebate. The proposed new rebate is structured in the same manner as the existing business rebate. At its core, the concept is quite simple, but, as always, there are complexities in the legislation, so I'm going to go over those items shortly.

First, I would like to reiterate some of the points that I made earlier about the position of the amendments. With the Government of Canada's recent changes to the federal benchmark compliance assessments, the federal government has provided all impacted provinces and territories with a very small window in which to amend their respective legislation.

We have settled on an approach that treats the mining industry in a manner consistent with all other recipient groups in this truncated time frame. At the same time, our approach recognizes the challenges that are facing emissions-intensive trade-exposed sectors and industries identified in the *Pan-Canadian Framework on Clean Growth and Climate Change*.

The challenge that the emission-intensive trade-exposed industries face, however, is that the prices for their goods are set by international markets. Care must always be taken to avoid carbon leakage where the affected industries move elsewhere to avoid emissions prices or their domestic activities decline in response to the higher costs.

Carbon leakage is basically a lose-lose scenario where industry moves away, resulting in an increase in emissions internationally. We also recognize that, in general, given the current state of technology, quartz mining, today, may have a greater opportunity to reduce emissions than placer mining. By modifying the existing business rebate, we avoid the complexity of a brand-new program design. The other benefit is that the existing rules around tax returns, assessments, and appeals, and matters of enforcement and compliance can therefore all remain in place. That would apply automatically.

The proposed legislation also ensures that we will not have to negotiate any agreements with the Canada Revenue Agency or with Finance Canada. In essence, the legislation ensures that we are leveraging the logistics and administrative mechanisms of an existing program that allows for these changes to be implemented in quick fashion.

In keeping with added benefits, this revised program also ensures that placer mine operators, like other businesses, will benefit from being slightly overcompensated, on average. Given the mix of placer mines compared to quartz mines in the territory, we estimate that aggregate placer miners will receive slightly more in rebates for every dollar that they pay in carbon levies.

Under this proposal, out of the top 15 producing placer mines in the territory, nine will be expected to receive more in rebates than they pay in levies, while six will receive less. This is a similar distribution as we have seen in the general business rebates. Under this proposal, in aggregate, quartz miners will receive almost 75 percent of their carbon levies back in rebates. This represents an increase from what they would be expected to pay under the existing rebate framework, based on experience of the existing program. It is also an amount that preserves an incentive for quartz mines that emit between 10 kilotonnes and 50 kilotonnes of emissions to voluntarily join the OBPS, if they so choose — the output-based pricing system.

With these macro elements of the bill covered, I would like to walk everyone through the specific sections of the proposed legislation. We will start with part 1 of the bill, which amends the *Yukon Government Carbon Price Rebate Implementation*

Act. Sections 1 through 3 of the bill establish the fact that the business rebate account will be divided into a general business rebate account and a mining business rebate account. Likewise, the business rebate factor will be divided into a general business rebate factor and a mining business rebate factor by having a new notional account in the carbon rebate revolving fund. This effectively ensures that the mining sector will be treated on a revenue-neutral basis for the industry as a whole. Establishing what is referred to as a "rebate factor" is the first step in determining the size of the rebate for a financial year.

The mining industry is significantly more emissions intensive than the general business community. By having a separate account, this allows us to establish separate rebate factors to ensure that both the general business rebate and the mining rebate stay revenue neutral.

Section 7 of the bill outlines how these factors are determined. Sections 8 and 9 of the bill effectively sunset the existing mining rebate after this year. Sections 4 and 5 of the bill are the only amendments to the act not directly related to the mining rebates. The previous deadline of November 1 was based on the Canada Revenue Agency administrative requirements. These requirements have changed, as CRA has confirmed that it has some flexibility to alter these amounts throughout the year.

I would like to now move on to part 2 of the act. This part amends the *Income Tax Act*. The previous business rebate, and both the proposed general business rebate and the mining business rebate, are all refundable tax credits defined under section 16 of the *Income Tax Act*. This part of the bill creates a new section, which provides the formula for calculating the mining business rebate. It also modifies the business rebate, due to the creation of the mining business rebate, and renames it as the general business rebate.

This new mining business rebate formula closely mirrors the formula for the general business rebate. An eligible taxpayer calculates the mining rebate by multiplying the mining business rebate factor by the value of its eligible Yukon mining UCC. What is UCC, you might ask? Well, that is the value, or undepreciated capital cost — UCC — of its mining assets in Yukon.

The next step in the process is to apply the mining adjustment factor. So, the mining adjustment factor provides a greater rebate for placer mining operations. As I have explained earlier, placer miners have a higher level of emissions per dollar of asset, compared to quartz, given the inherent differences in operations. This fact accounts for the different mining adjustment factors.

Part 3 of the bill amends the carbon pricing rebate general regulations. These regulations contain variables used in the formula outlined in either the *Yukon Government Carbon Price Rebate Implementation Act* or the *Income Tax Act*. Many of these variables need to be revisited from time to time, as the Yukon moves toward net emissions by 2050. For example, certain groups may decarbonize at different rates, which could require future changes needed to allocation in section 1. Now, the bill amends section 1 of these regulations for two reasons. First, the obvious change is for the addition of the mining

business rebate account, but the second reason relates to mining facilities in the OBPS. I want to point out that we now expect the first OBPS facility in the Yukon.

This change is expected to remove a significant amount of carbon levies flowing into the fund in future years, and this requires some minor adjustments in the allocation in order for each recipient group to receive, in aggregate, more than they pay in levies.

The final details I would like to highlight are in section 15 of the bill, which amends section 16(1). A component of the business rebate is what we refer to as a “super-green credit”, which supports businesses as we transition to a cleaner economy. It encourages future investments in clean technology and equipment by helping businesses with the purchase of eligible assets, such as zero-emission vehicles, which fall under the capital cost allowance classes 54, 55, and 56, and also electric vehicle charging stations, which falls under classifications 43.1 and 43.2. The super-green credit will be equal in dollar amount for both general business rebate and the mining business rebate.

This means that, if a mine or a business installs, as I said earlier today, EV charging stations outside their facilities, for example, then they’ll receive the same benefit.

In conclusion, I would just like to remind members that if we don’t change this program — I think everybody knows this by now — Canada will not only disallow mining rebates but it will also stop all transfers that they are using to fund payments to businesses, payments to families, and annual payments to municipalities and First Nation governments. As I mentioned earlier, we expect that, by 2030, we will receive at least \$60 million annually in federal proceeds. This means that municipal governments and First Nation governments would be without \$2.1 million a year in transfers without this bill. This is money that these governments spend on community projects that benefit local residents as well as all Yukoners.

The business community, including miners, would be short almost \$29 million each year. This is money that goes toward supporting business owners, their families, and the community at large.

I would also like to make a few observations about the placer industry. A 2018 survey identified that roughly half of the employees on placer operations were family members. A typical placer miner might have two excavators, a bulldozer, and a loader. These are relatively small mining operations that were not provided a level playing field when the federal government excluded them any carbon leakage protection in the OBPS.

It is up to us in the Assembly to remedy the inequity that was made, and we’re doing it with a made-in-Yukon solution. With that, I welcome questions from the members opposite.

Mr. Dixon: I appreciate the minister’s opening statements as well as his second reading speech which provided excellent context for the bill before us. I would like to begin by understanding a little bit more about, in the Premier’s words, the unilateral decisions from Canada.

He stated that the decision to create these new standards or rules was a unilateral decision from Canada, and he also noted

that the timelines required for affected jurisdictions to respond were dictated by Canada as well. I would like to ask the Premier if he could provide us a bit of information about when Canada first communicated this to us, how long a timeline they gave to us, at what level those discussions occurred, and which other jurisdictions were affected as well.

Hon. Mr. Silver: I will start with the first question about jurisdictions subject to this. It would be nine jurisdictions that would be subject to this decision. Really, the conversation started in earnest in December 2020. Through communication about the five-year review and the new policies, that is when we started having conversations here. That started in 2020, like I said, but also was finalized in 2021. So, there was lots of conversations among public servants in the federal government and our government.

When we left the Legislative Assembly last spring, I did travel to Ottawa. This was part of my conversations with the Prime Minister. At that time, I was given a recognition that, in the pan-Canadian framework, Yukon stood side by side on the right side of history when it came to carbon pricing. He acknowledged that his former Minister McKenna and I stood and were interviewed on the steps of the Parliament building, and we talked about the importance of carbon pricing and acknowledged the good work that we have done as a jurisdiction. We made a commitment that we would work together on my concerns and questions from the pan-Canadian framework that we worked together on, including the review.

I remember at that time — it was actually the former Premier of British Columbia Christy Clark who started the conversation about the review. It came down to a conversation of how British Columbia, Québec, and California have certain models and have certain projections about costs to industry and to regular Canadians compared to what the emissions reductions would look like. The two different systems may or may not have aligned, so let’s take a look in five years as to the models. The federal government did that unilaterally. They went ahead with that five-year review, so that really was the impetus for us to have that conversation with the federal government.

In the summer, we did wait to hear back from the Prime Minister on this and did not receive a response, which is very unfortunate, because nobody really received that response — of the premiers that I talked. Then Stephen Guilbeault, the federal minister of ECCC — of Environment — did come here in late September and basically said, this is it; this is what we are doing.

That is kind of the history — the timeline — and so we were then forced into a conversation about what can we do to keep this system, and we had very little time to do that; as of the end of August, the beginning of September, still waiting to have a response from the federal government to my questions about why we are turning away from the pan-Canadian framework commitments that were given to Yukon and other jurisdictions.

So, that is a good synopsis of the timeline, and I will leave it at that for now and cede the floor to any other questions.

Mr. Dixon: I appreciate the Premier's response. I just want to be sure that I understand it clearly. Following the Spring Sitting, the Premier travelled to Ottawa, spoke with the Prime Minister, and raised these concerns, but then did not hear back. He said that the Prime Minister did not respond right away, and then he also said that they were still waiting for answers to the questions that he had raised.

So, can I just ask: Did the Premier convey the questions that he indicated are remaining unanswered — did he convey that by writing, or was that verbally with the Prime Minister when he met this summer? Then, the second piece was — the Premier mentioned that the first real notification that we had of this, beyond that, was when the federal minister came to the Environment ministers meeting this fall. I just wanted to confirm that is correct — the first communication about this and the actual details of this, and the timeline, came from the federal minister verbally when he attended the Environment ministers meeting here in Whitehorse not too long ago.

Hon. Mr. Silver: I confirm that, like I said, I had in-person meetings with the Prime Minister. There were meetings here with Environment, the federal and territorial — Minister Guilbeault, when he came up. There was a lot of dialogue between officials as well. These are milestones in the conversations, but you can imagine the complexity of these conversations, but us coming in and having a pause, to say, well, hold on, we're going to talk to the Prime Minister about this. And we're kind of saying, from the perspective of the Department of Environment, keep on doing your due diligence here, but we have some unanswered questions, so — to say that nothing happened in-between wouldn't necessarily be fair to the department officials.

There was lots of dialogue. There was correspondence between my office and the Government of Canada on this issue. There was correspondence between the Minister of Environment and his federal colleagues as well. There were lots of conversations, but these are more milestone times of when we asked why we are veering away from the pan-Canadian framework commitments and hoping to get an answer from the Prime Minister's office and not receiving it, and then going back to having conversations with the Environment departments.

Mr. Dixon: So, the Premier said that he had asked the question, "Why are we veering away from the pan-Canadian commitments," and he said that question did not get answered. Just to be clear, did the Premier write a letter to the Prime Minister with that concern, and do I have it right that the Prime Minister has not yet responded to that letter?

Hon. Mr. Silver: That is correct.

Mr. Dixon: Would the Premier be able to share that letter with us?

Hon. Mr. Silver: I will look into what we can provide to the member opposite, as far as correspondence. There are two governments corresponding, so I will look into what I can provide the members opposite.

Mr. Dixon: I appreciate that the Premier will think about whether or not he can share the letter. Can he tell me the date of the letter?

Hon. Mr. Silver: I don't have that information with me now, but I will endeavour to get back to the member opposite.

Mr. Dixon: I just want to ask again. Did the Premier commit to providing us that information? I missed the tail part of his comment. I will move on, but if the Premier can just confirm that he did indicate that he will provide us the date of that letter, he can at this next opportunity.

The other question I had was that there were further unanswered questions, so is the list of unanswered questions strictly contained in that one letter, or are there other unanswered questions, perhaps from either the minister's office to the federal Minister of Environment, or at the bureaucratic level? What other outstanding questions are we waiting to hear back on?

Hon. Mr. Silver: The date of the letter to the federal government — and again, we met with the Prime Minister in May, and I'll endeavour to get the date of when that conversation was. So, we brought up all these issues at that time. There was another letter sent on September 22. Again, when we know that the federal minister for ECCC is on his way up — and we still haven't heard anything back from the Prime Minister's Office — that's when we asked again about their commitments from the pan-Canadian framework.

There were questions like I talked about on carbon leakage, other commodity-producing sectors — Yukon's mining levy at the time of purchase — and specific questions about the commodity-producing sectors were asked. We didn't understand — and there was really no explanation about the rationale to put a tax on small-scale trade-exposed operators when other commodity-producing industries continue to benefit from measures that did negate, or are exempt, from the federal carbon-pricing signals or systems. We talked about the minister's proposed aviation fuel exemptions for international travel, as well, demonstrating a lack of understanding of the unique situations of working in the north.

Again, as we go back to the pan-Canadian framework and take a look at what we fought for and got through the pages of that document — unique circumstances in the north, carbon leakage, forcing industry that has no alternative into a system — all of these reasons are why we believe that the placer industry — and small quartz that aren't in the OBPS — still, based upon the definition of what carbon-pricing systems should be and are, should still receive the rebates that they had.

Mr. Dixon: So, just to be clear, the Premier said that he had a conversation with the Prime Minister in May, and that a letter was sent on September 22, I believe he said, but the environment ministers met here in Whitehorse much earlier than that — I believe it was the first week of September. Do I have those times right? Can he confirm the date of the letter that he cited?

Hon. Mr. Silver: Yes. Again, these were letters from my office. As I said before, there was correspondence back and forth from our Department of Environment, and when we step in, it's because we have some unanswered questions from the pan-Canadian framework.

Mr. Dixon: My question was: Was the date of the letter from the Premier to the Prime Minister September 22?

Hon. Mr. Silver: Yes, it was. The date on which we went to Ottawa was May 13. Again, these don't bookend the only conversations that we have had on carbon pricing and the pan-Canadian framework. This was department to department. I felt that, at that time, it was necessary because I saw things going in a certain direction, with unanswered questions as to why the federal government decided to do the five-year review by themselves and then decided to impose these new restrictions unilaterally.

Mr. Dixon: Just for context to the Premier's answers here, from what I can gather, the Premier is doing his job and standing up for Yukon businesses and the industry here in the territory, so I am supportive of this. I am just trying to understand the context by which we arrived here. It is very clear that the timelines are extremely tight. I think that it is beneficial for us as legislators, in voting on this, to understand why those timelines are so tight. This was not the Yukon government passing this legislation because they thought it was the best course of action; they are doing this because they have had this dictated to them from the federal government. I think that is important for us to understand.

The Premier talked about some concerns that he had raised with the Prime Minister, or with the federal government, about their general understanding about the realities of this small, unique industry in the north, which is the placer mining industry. Did I have it correctly that the Premier believes that the federal government is out of touch with the realities in the north when it comes to the placer mining industry?

Hon. Mr. Silver: Out of touch? I can't comment on the thinking of the federal government; however, I disagree with the federal government as to the situation that they put the placer mining community in.

Again, without answering the questions as to why this is no longer important to the federal government — the things we worked extremely hard to get in the first incarnation of the carbon pricing act — those unique northern circumstances, the carbon leakage piece, the fact that there is no electric D9 Cats or excavators available now — sure, they are coming in the future; that's great, but to force the placer industry into paying what I would consider a tax, as opposed to a price, because of that situation, I think those are still unanswered questions from the federal government.

I won't speak on behalf of the motivations or the rationale of the federal government, other than to comment that obviously the federal government takes climate change extremely seriously. They are moving in a certain direction in that pursuit, and I am very disappointed that they didn't maintain the policies and the words of the pan-Canadian framework when they decided to unilaterally change in the five-year review process.

Mr. Dixon: I appreciate the Premier's answers there very much.

Going back now to the timeline, I just want to understand the nature of the communication of the timeline from the federal government to us. It was my understanding from the Minister of Energy, Mines and Resources' comments at the KPMA briefing on Tuesday that we needed to pass this bill by

November 1; otherwise, my understanding is that the entire business rebate disappears.

Can the Premier confirm that, and confirm the timeline?

Hon. Mr. Silver: I would say that it would be extremely important — not necessarily completely necessary.

What happens is — and this is part of the act we are looking at right now — being able to not just necessarily set that date, but to have the flexibility, as a minister, to determine what the rates are. If we're changing legislation, and if we set these rates by November 1 — because that is the current deadline with the current legislation — then if we change the legislation, those numbers and figures will change. Right? So, it's really important for us to get those numbers correct, because what it is, is historical data. We will know how much to rebate. We will know how much each of the different pockets — buckets — should be getting back, and that is the information that is pertinent to the delivery mechanism: the money back from the CRA to Yukon. So, to have the most updated information based upon the legislation that we have, those two things align.

If we gave them the numbers based upon current legislation, assuming that this wouldn't pass, then we would be wrong in our assessment, basically, and that causes problems, so it is definitely something that would cause more of a herculean effort for public servants, and extremely important. If we don't, then we will have to have that big conversation with the federal government as to what that means, but yes, I would classify it as not necessarily a "drop-dead" date, but extremely important for us to know, as the Yukon, what is our mechanism, so that the data from our public servants can match that mechanism — whether it is the existing legislation or new legislation.

Mr. Dixon: I had been given to understand that this legislation would affect the broader business rebate. Is that correct? If this legislation does not receive royal assent by November 1, what does it mean for the broader business rebate?

Hon. Mr. Silver: If we don't change the legislation, then it will affect all of the — I call them "buckets", and I probably shouldn't call them "buckets" — different components. So, if we don't pass this legislation, we will be forced to give back the Yukon-made solutions to the federal government. We will be on the federal backstop, and they will determine how to return those funds to Yukoners.

Now, I would assume — and I don't know; it's up to the federal government — but if you take a look at the other regions that are under the federal backstop, they would flow it directly to individuals. So, what would be gone are all of our made-in-Yukon solutions. If this legislation doesn't pass, November 1 is a very important deadline, because it is a milestone. We don't want to blow by November 1 without saying to the federal government: There, even though you gave zero time to do this, we all worked together and we got this done — that would be the best pathway forward. If we didn't — there are lots of "ifs", but if the legislation didn't pass, well then, now we would have to figure out how we are going to figure out the new deadlines, I guess, but more so: Hey, federal government, you now are

responsible for this; how are you going to respond or return this money to Yukon?

We would then, at that time, and again, hopefully getting the support here. We don't have to, but we would urge and push for the rebates that we have now. We would urge and push that the Canadian government gave us such accolades for our business rebates, so please make these whole from your legislation piece. There is no guarantee on that. If I was a betting man, I wouldn't say that this would actually happen, because of the federal backstop in all these other jurisdictions.

Mr. Dixon: I will move to the change in nature of the program that we are making now, which from the perspective of the placer miners, currently they collect their fuel bills for the year, which includes a line for the carbon tax. They total that amount up at the end of the year and rush down to the government building to submit their receipts with the total amounts, and then, in a matter of time, they receive a rebate. How will it work for the industry going forward?

Hon. Mr. Silver: A lot less effort for the placer miners, for sure. During their tax time, they have to register assets anyway, so those registered assets will be the calculation, basically. So, as opposed to waiting all year long and collecting all those receipts, and then submitting those to the government, then waiting for the response, during tax time, they are already talking about assets. It would just be a different formula calculation on the assets that they give already.

As members in this Legislative Assembly would know, there are construction assets and there are mining assets — those types of things — but that would be the process. They are already doing their taxes anyway. They are already classifying and categorizing assets anyway. This will be just a more streamlined part of that conversation.

Mr. Dixon: I will follow up on that. One of the issues that was raised by industry a few days ago on a call with the Minister of Energy, Mines and Resources was that this new system will affect the industry disproportionately, based on the size of the project. A larger project with a significantly higher amount of equipment and newer equipment will obviously have a different level of UCC, as opposed to a smaller, perhaps one-person shop, which is using equipment that could be 20 years old. How does the Premier envision this new system working, in terms of equality within the industry — from large projects to small projects?

Hon. Mr. Silver: Again, with the mechanisms here, the act is proposing to create those new mining business rebates within the general business rebate system for placer and quartz miners.

Currently, miners will file an application during tax time. They must file an annual application to the Yukon government to determine their carbon rebate amount. Under the proposed changes, the operators will be able to claim their rebate at the same time as they file their annual tax returns, as we just discussed. This is the same process, again, that businesses in Yukon would have to do right now. The business rebate has been in place since 2019, and it has been recognized in Canada as a business-friendly mechanism to rebate those businesses impacted by the carbon pricing system. Yukon's proposed

carbon pricing rebate will meet those federal requirements. Again, those will take effect not right now, but in 2023.

Basically, as far as the asset question goes, it's an incentive. By having the rebate just be dollar-for-dollar, there is no price signal. So, every placer miner in the industry — whether they have energy efficient vehicles or not, or machines or not — will get the same dollar-for-dollar back. In this case, again, all money collected by the industry in this classification will go back to miners in this classification, but it will be at a different level.

We talked about the top 15 and how many will get more money back. Some will get more money back and some will get less money back, just like in the business categories, but it incentivizes the companies to buy efficient vehicles in their pursuit.

Is it as good, in my opinion, as what we had in the past? Well, again, there are all these unanswered questions about carbon leakage. I pushed the federal government for a dollar-for-dollar rebate. Now we have to consider something else. It has to be a price signal. By establishing that business rebate, as these folks did, that was the option we were allowed to use, basically. That is what it comes down to.

That one will work, because it already works for businesses in the Yukon in this truncated time frame, and so now it's a price signal being sent to those smaller operator quartz, and all the placer world. Again, all that money will be redistributed back; it just won't be on a dollar-for-dollar basis.

Mr. Dixon: I appreciate the Premier's answer there. That is, indeed, the issue here. The Premier has hit the nail on the head, absolutely. The move from a company simply submitting their receipt on how much they pay for carbon tax and getting a rebate at that amount is very clear and understandable to many people. Moving to a formula as per this bill that includes the undepreciated asset value of their capital is more complicated. I know that the Premier is correct in saying that this is simply going to be done at their tax time, but nonetheless, it's a more complicated notion, certainly, to communicate to industry that, instead of knowing, if I pay X amount in carbon tax, I will get X amount back, moving to a system where I pay X amount in carbon tax, I will get something based on the formula in this bill, which is intuitively, at least, a little bit more complicated.

Just to return to my initial question, I would like the Premier to touch on the disparity between a larger operation with newer equipment, as opposed to a smaller and, to use an example, a one-person shop, using very old equipment. They will obviously have lower capital values; therefore, they will be eligible for a lower rebate. So, I would like the Premier to explore that a little bit and explain that.

Hon. Mr. Silver: In essence, yes, he nailed it; the member opposite nailed it. But again, in that context, if you're a smaller mom-and-pop shop with less gear, you're also paying less carbon price to begin with as well. But you are right, because it is based upon assets now, because that's the price signal piece — right? The consumer of the fuel is now thinking, as they retire old equipment, about energy efficiency as they purchase new.

I said earlier on, under this proposal, of the top 15 producing placer miners in the territory, nine are actually going to receive more money in rebate than they actually put into the system. I'm just making sure the member opposite hears that. There is a scenario as well that some of the top-producing placer miners — nine of the 15 — will receive more money in rebates than they pay in, while six will receive less.

You're right, it is a complicated system, when now you're taking a look at a formula, but again, in the context of a placer miner doing their taxes, it's not going to be necessarily complicated. They're not going to have to necessarily figure out that formula. They'll see what the rebate is from there.

Also, 450 businesses in the general rebate have applied and used this process already. We haven't heard any complaints yet on that system, but if the member opposite is hearing complaints about the system, we will definitely take that into consideration. We are kind of hamstrung here as well with what we can and cannot do, but if there are any suggestions from the KPMA, the Minister of Energy, Mines and Resources is all ears. Also, we have had conversations with the business community as well, but anything on the formula that the member opposite can suggest, we are here to listen.

Mr. Dixon: So, in general, the system is moving from one that judges the rebate based on the consumption of fuel to one based on the undepreciated asset value of their capital. That was a decision that the government made in creating this bill, which I appreciate, and I also appreciate that they have had suggestions already — I heard a few on the line on Tuesday night — of different ways that could be done. I know that toward the tail-end, one suggestion was that gold production could be used to judge the size. Another was about labour costs vis-à-vis WCB costs. There are different ways to consider the size of a project, and the way that the government has chosen here is based on the undepreciated asset costs of their capital.

What I would like to just put on the record, or ask the Premier to put on the record, is what I heard from the minister on Tuesday night, which is that there is a willingness from the government to consider changes to this going forward, but obviously we need to do what we need to do in this Sitting because of the timeline dictated by the federal government.

Can the Premier, just for the record, explain his willingness and openness to hear alternatives to this system and a timeline for review of it as it goes ahead?

Hon. Mr. Silver: Absolutely. Let's get this passed — that would be great if we can support this bill. But I will echo the commitment from the Minister of Energy, Mines and Resources as far as suggestions from industry that we could then take to the federal government that is unilaterally dictating how we can and cannot proceed on a voluntary system of the federal carbon backstop.

Mr. Dixon: A few questions ago, the Premier was explaining why the system will work well, and I just wanted to be clear that it is the position of the current government that the previous system — the status quo right now — is a superior system, and what we are moving to now is a requirement of the federal government that will be a system that is less beneficial

to our industry, but it will be a requirement of the federal government.

Can I confirm that this is the position of the government?

Hon. Mr. Silver: Madam Chair, based on the excellent work of my department, we will be able to consider a bucket that refunds all the money that the industry puts in back to the industry. So, that will stay the same, as opposed to the federal backstop where none of this will happen.

Without the answers to the questions of why carbon leakage is not being considered now and why the unique situations of working in rural, remote areas is not being considered anymore, we are pivoting. In my opinion, as the MLA for Klondike and as the Premier of this government, we did a very effective job of working with the federal government in the pan-Canadian framework to identify what carbon pricing is and should be. I still believe that this industry should be getting a rebate, dollar for dollar, until there are other alternatives for this industry. There are not right now.

You heard the Minister of Energy, Mines and Resources talk about the industry a bit and about how they are conscientious. I think that this is one of those things where, while I would prefer to keep what we had, the new system makes sense inside the context of sending a signal to the consumer so that they will be more conscientious as they retire old equipment. Again, we worked really hard to get the first system in place, so it would be hard for me to say that I wasn't preferential to one versus the other.

Mr. Dixon: Madam Chair, this will be my last comment on the matter. I would just simply add that, as I said at second reading, it appears to me that this is making the best of a bad situation. It is a bad situation created by the federal government that appears to be, in the words of the Premier, out of touch with the realities of the north and our industry here.

I certainly appreciate the efforts of the officials to scramble to come up with this system in such a short period of time. I think it is indeed quite unfortunate that we were dictated such an aggressive timeline from Canada. I am disappointed that the federal government would behave in that way. I am disappointed to hear that there has been so little communication between the Prime Minister's Office and the Premier, relative to the Premier's questions that have been put to the Prime Minister around the departure that the federal government has made from the commitments that they made in 2016 and before and since around finding a carbon pricing system that works for all regions of our country. Like I said at second reading, we hope that this passes expeditiously, of course, because of the outcome that the Premier outlined, but it is unfortunate that we are here today.

I will close my comments by simply saying thank you to the officials. Thanks to the Premier for his explanation, and we hope that there will be a way to resolve some of these outstanding issues with the federal government in due course and that the Yukon government will remain in touch with industry to seek feedback about ways to improve going forward.

Before I close, I just wanted to also remind the Premier that I did hope to see some of the correspondence that he suggested

— in particular, the letter of September 22 from him to the federal government outlining his concerns with this new system.

Ms. Tredger: I am just pulling up my documents. Thank you.

I want to start by thanking the officials, because I feel like I just got into that briefing and grilled them with questions and they answered them all brilliantly. That was really helpful, so a lot of the technical questions I had have already been dealt with and I really appreciate that.

I want to start by talking about some of the recommendations of the Yukon Climate Leadership Council, because there are two that actually deal with carbon pricing. From *Climate Shot 2030*, there is C5, which is: “Allocate revenues collected from carbon pricing greater than \$50/tonne to fund GHG reduction projects and provide targeted support for vulnerable sectors and populations.” The second one is C9, which is: “Using a portion of carbon tax proceeds to establish a business incentive fund for private sector low-carbon projects”.

I know that my colleague, the Member for Mount Lorne-Southern Lakes, has already discussed these with the Member for Copperbelt South in a different bill, but I am really curious about the future of carbon pricing in the territory. I think we can all agree that this is what could be done in short period of time, and that we are all in support of doing that so the carbon pricing program can continue in the Yukon. What I’m really interested in is what is the future of this program? How can it be used to more — I don’t like the word “aggressively”, but more urgently to support climate action.

I have talked a little bit about this climate report already with the Member for Mount Lorne-Southern Lakes, and he is looking into them, but I was a little concerned to hear when the Member for Copperbelt South asked about those items before, he said, no, we’re not planning on considering those, because — I’m paraphrasing, so please correct me if I’m wrong; I can already see that I’ve paraphrased badly, so let me try again — this government is committed to the carbon pricing program being revenue-neutral. My understanding is that would not allow for either of these recommendations. Is this government willing to entertain any other ways of working with the carbon pricing program?

Hon. Mr. Silver: I really do appreciate the question. I’m not really prepared here to review what the conversation was between the minister with another bill and another member, so I really don’t have a response at this point to those particular concerns. This is one piece of a suite of different things that we’re doing as a government to tackle climate change — whether it be *Our Clean Future* or different bills that are on the floor of the Legislative Assembly today. The future of carbon pricing? That has a lot to do with the future of the federal government and governments here in the Yukon, as well.

What we’re doing currently is supporting as best we can a federal program where there was none before. We’re also using other mechanisms and other bills to further our commitments to get to the targets that we need to get to.

I can see that the minister might not necessarily agree in full with the analysis of his comments the other day, but there

is going to be more time for that debate with the minister and these particular sections at a later time. Again, I’m not prepared for speaking on his behalf or responding to what his comments in here meant in that context, with all apologies.

Ms. Tredger: That’s fair. I was trying to give some context, but I realize it’s context that maybe just complicates the question a little bit. I’ll just simplify my question: Would this government be willing to consider changes to the carbon pricing model, such that some of the money that comes from Canada could be used toward climate action projects rather than being rebated?

Hon. Mr. Silver: Absolutely. I mean, we are talking about the OBPS rebate, which is specific to the supports of emission reduction. That is exactly what is happening with those bigger conversations of these other thresholds as well. You could also argue — and we had that conversation earlier about this change now and what the businesses do — that all of their actions now to maximize their rebate back is to get them thinking about what they can do for the climate. That is extremely important.

We do know that, in the last election, the NDP platformed on — and I am paraphrasing too — half back, and then half for the government to use for incentives. We went another route with that, and we could debate that as far as which one works the best or what have you, but we are making our decisions inside of the constructs of the federal system and also the economy at the time, and we believe that our model works well. It works even better when the federal government has us involved in five-year reviews to see if targets are being hit, because that is what is most concerning to anybody in the Legislative Assembly who cares about climate change and cares about our climate in the future. It is to make sure that whatever we are putting in has maximum benefit and actual maximum results. That, again, was the reason why all Premiers agreed that, at the time when we were debating the pan-Canadian framework, we needed these check-ins. At that time, the big debate was how expensive things were going to be because of carbon pricing, and there was BC saying: “Our economy is booming and we have had carbon pricing in for a long time”. And then, to be able to say that the coordinated effort between what BC was doing and what Québec and California were doing — these were things about which industry and environmentalists alike were saying, “This is a good system” — and the federal government was coming up with something that was a little more eloquent, I guess, or a little simpler, and both had long-term targets that didn’t necessarily match up. So, again, we should always be reviewing what we do as policies.

I think that every single political party should have a strategy, as far as what they would do if they were going to be the government of the day, and we should all be able to take into consideration the effects. Under any system — whatever measure we use — some are going to get more back than others, based upon what they do. So, that conversation about what a particular sector or business does — that changes the model overnight, based upon the actions of the individual businesses and whether they are miners or any other business working

inside the confines of a carbon-pricing mechanism. So, every time that a particular sector has the ability to be more savvy environmentally, it changes the result of the rebates. And then you take a look at the sectors that still have not come along.

There should always be reviews of these systems because we want to maximize our opportunity. We are at a precipice here of being a country ready to supply the whole world with green technology. What Premier Doug Ford is doing in Ontario with battery technology, what we can provide in critical minerals — we can all work together to quickly transition as quickly as possible to a greener technology future. That's extremely important. Any model or any system from any political party should have the scrutiny to make sure that it is being maximized.

Ms. Tredger: I missed something right at the beginning of that answer about the output-based pricing system. It sounded to me like the Premier said that it is not all directly rebated. Could he clarify about how all that fits in with using the rebates toward climate action projects?

Hon. Mr. Silver: Basically, all money has to be used for progress for reducing emissions in the output-based pricing system.

Ms. Tredger: Thank you, Madam Chair, that is helpful. I had been very focused on the mining bucket and had not looked at that one as much, so I appreciate that clarification.

The Premier talked about the importance of reviewing this policy and this legislation. Does he have a date in mind to do a review of this legislation?

Hon. Mr. Silver: Again, this is a federal backstop. So, in a federal system, the federal government made a commitment to review with us a five-year review. I am not sure where the commitment is right now for that review. We do a lot of statistical analyses of the systems as they come in, so we will be monitoring that, but, again, being on a federal system, we really hoped that we were going to already be in a review system. It is one thing, as one small government, to take a look at the impacts of a federal system, but we need all governments to work together on this. That was the hope — that five-year period from the pan-Canadian framework — that we would work together on that review. We have amazing public servants who have a lot of information and data to provide it. We are very hopeful that, as the federal government moves forward — or whatever federal government we get, moving forward over the years and decades — these reviews involve best bang for buck by us all working together to make sure that our models work to reduce emissions and to hit the targets that we are all hopefully in lockstep together to maintain and to hit in the right time frames.

Ms. Tredger: That wraps up my questions. I believe my colleague may have some, but I'll leave it to her to take the floor, if she does, and I'll thank the Premier, and thank you so much to the officials for the briefing on a very technical subject.

Mr. Cathers: I have several questions for the Premier. Again, as my colleague, the Leader of the Official Opposition, we do recognize the context and timing of this specific piece of legislation, but it does seem a good opportunity to ask a few questions relevant to the carbon-pricing structure overall.

The first one that I would just ask the Premier is — the carbon tax, as it's applied within the territory — and, of course, the federal government collects the tax and then passes on money to the territorial government. Could the Premier confirm what the annual tax revenue is currently from the carbon tax in the Yukon?

Hon. Mr. Silver: The estimate for 2022-23 is \$25,804,000.

Mr. Cathers: I appreciate the answer from the Premier. My understanding — and I would invite the Premier to correct me if I have misunderstood any of this from the briefing — is that currently the carbon tax is at \$50 a tonne, and it's intended to go to \$170 a tonne in 2030. So, could the Premier indicate, at the current emissions levels in the territory, what would the annual carbon tax then be at that rate?

Hon. Mr. Silver: Hypothetically, over \$110 million.

Mr. Cathers: I appreciate the answer from the Premier, and recognize that the government's intention is to see a reduction in emissions, but I do think it's relevant to the conversation and information to Yukoners of what current emissions level that taxation picture would look like.

I do appreciate the answer that it would be \$110 million annually in tax in the Yukon. Could the Premier just confirm that whatever the annual amount would be — whether it's \$110 million or another amount — the goods and services tax would be on top of the carbon tax?

Hon. Mr. Silver: Yes.

Mr. Cathers: I appreciate the answer.

I would just move on to the area of the fuel price and the impact that the carbon tax is having. Of course, this has been a topic of concern for many Yukoners as prices have gone up. While the carbon tax, of course, is only one part of the picture, it is a part of the picture. Could the Premier please indicate, on diesel, gasoline, and home heating fuel, what is the current amount of the carbon tax on each of these three items per litre?

Hon. Mr. Silver: For 2022, gasoline is 11.1 cents. Light fuel oil is 13.4 cents. Propane is 7.7 cents. Natural gas is 9.8 cents.

Mr. Cathers: I would just ask the Premier to confirm the term he used, "light fuel oil". In layman's terms, is that the amount for diesel fuel?

Hon. Mr. Silver: Thanks for the ability to clarify. Diesel fuel or home heating fuel — same fuel basically.

Mr. Cathers: I do appreciate that clarification from the Premier.

The amount of the carbon tax is planned to increase in 2030 to \$170 per tonne. Could the Premier provide the numbers currently on what the Department of Finance estimates the cost per litre would be for diesel fuel and home heating fuel, gasoline, and propane respectively?

Hon. Mr. Silver: What I would love to be able to provide as well is the cost of flooding and forest fires, and all those things that all taxpayers have to pay for in each of these years as well. But, as we put a price on pollution, these numbers, in isolation, would be for 2030: for gasoline, 37.6 cents; light fuel oil would be 45.6 cents; propane would be 26.3 cents; and natural gas, 33.3 cents.

Mr. Cathers: I do appreciate those answers from the Premier. I do think it's important that, whether one is a fan of the carbon tax or a critic of the carbon tax, there be information presented to Yukoners about what the actual impacts are of that so they can make their own judgments based on information.

Moving on to another area — as the Premier will recall, we have debated on a number of occasions the fact that, for Yukon's agriculture sector, while they can apply for an exemption from the carbon tax on the fuel that they purchase directly, for the carbon tax that they end up paying through increased costs of fertilizer, increased costs of feed, increased costs of fencing materials, irrigation equipment, building materials, and so on that they have to purchase, currently the rebate structure doesn't provide them anything back to assist them with those costs.

The reality is that, although the carbon tax that is driving the cost may be applied outside the territory, it is part of what is causing inflation on all of those items that I noted, and part of why I'm hearing from farmers in my riding and elsewhere in the territory that they are having to increase their costs of Yukon-grown products that they're selling here in the territory as a result.

The simple question I just want to ask the Premier is — I understood from the officials at the briefing that there's nothing right now in the federal government's structure that would prevent consideration of actually providing a rebate or some form of money back to farmers based on something hypothetically — like the amount of production — so, hypothetically, a certain amount per tonne of potatoes or per pound of broccoli, and so on and so forth.

Is that the Premier's understanding as well that, as discussions occur of what the Yukon's carbon tax rebate structure may be in the future, there's nothing right now from the federal government that would preclude considering extending additional rebates to the agricultural sector to incentivize production?

Hon. Mr. Silver: Again, any agricultural business in the Yukon has the mechanism, as a business rebate right now, based on assets, as opposed to based on production as the member opposite has suggested. Also, just for clarity, the federal government is the one that determines who is exempt from paying the carbon levy. When it comes to agriculture, farmers are exempt from paying the federal carbon levy on gasoline and light fuel oil used in farming operations — used as the federal definition of "farming activities". The exemption is determined following submissions of the federal tax form and the carbon-levy exemption certificate for farmers.

Propane fuel for farming is included in the list of exemptions. The federal government made the decision to exempt this group to avoid increasing the cost of food for all Canadians. Farmers who buy non-exempt fuel for ancillary purposes can claim a Yukon business carbon rebate on their tax return.

As far as speculating on what the federal government is considering outside of that, I will leave that speculating to others. I will also note that the numbers I gave, whether for

2030 or a current year, for the carbon price that is on the fuel, it is all rebated under this Yukon-made carbon rebate system.

Mr. Cathers: I don't think the Premier — let me try to simplify my question. I think the Premier misunderstood what I was asking.

My question is based on my understanding from officials and I'm just seeking the Premier's confirmation that he is of the same understanding. My question was: If the Yukon government, as this legislation may be reviewed going forward, wished to consider providing an additional rebate to help compensate farmers for the additional costs that they are paying in what is referred to as an "indirect carbon tax", which is part of what is driving up the cost of fertilizer, cost of feed, cost of fencing materials, irrigations materials, building materials, and so on — all major costs as part of their operations.

Is there anything that the government is currently aware of that would preclude the Yukon government looking at potentially expanding and adding additional rebates aimed at helping the Yukon's agriculture sector pay for some of these increased costs to which I referred? These costs are driving up the prices that they then have to pass on to customers, and are making it increasingly hard for them to compete with larger producers shipping food up the highway.

Hon. Mr. Silver: Thanks for the clarification on that question, to the member opposite.

Again, I think this is a concept that is very similar to what the Leader of the Yukon Party suggested, as far as gold output or product output, as far as figuring out a mechanism that is based upon, maybe not assets, but production. Production is what they are getting at.

In either system, it's going to be a revenue-neutral system, and there are going to be people who are going to get more or less, based upon that, because it all comes down to a price signal. As long as the point of a price signal is still maintained from the federal government's perspective, then that is the most important, salient point.

I am more than willing to work with the member opposite as far as suggestions of a system that is produce-based, as opposed to asset-based. Again, it would be revenue neutral. It would have to be a price signal that is being sent. I'm not sure. Again, I still don't want to speculate as to whether or not that is something the federal government would take into consideration, especially in this field. It is different from mining, because it is exempted already — some of the fuel that is directly into that production. I don't know if it would actually be more advantageous on the whole, or to what part or group of that industry. These are things I don't know, but my willingness to take a look at models to suggest to the federal government, I will make the same commitment to the Member for Lake Laberge as I did to the Leader of the Yukon Party. I am willing to look at any suggestion.

Mr. Cathers: I do appreciate that undertaking by the Premier. I would emphasize, from my perspective, the value of increasing local food production — whether it's vegetables, meat, value-added, and so on — includes improved food security, locally grown product that results in more money staying in the Yukon economy, and also, if we are growing and

raising more of our food here locally, it reduces the fossil fuel emissions that are required to ship food grown Outside up the highway.

So, overall, it is a good move from a green perspective, as well as economically and from a food security perspective, and we have all seen some of the disruptions in recent years to the highway system. It has been a reminder that, when the highway is shut down, having food producers, such as — there were times, I know, at one stage during the pandemic, when the most reliable products that were in Yukon stores included Yukon-farmed eggs and Yukon-produced vegetables. That is something that is a reminder of just one of the many reasons that this is valuable.

I will move on to another topic here, but I do just want to thank the Premier for his undertaking to look at that, and note that I do think that recognizing the fact that farmers are paying, through no fault of their own, increased costs for fertilizer, feed, fencing, irrigation equipment, building materials, and the list goes on, and helping them offset that, especially the portion of that which is directly related to the carbon tax, even if it is tax applied outside of territory, would be a good idea that would help reduce the unintended consequences of a carbon tax that has negatively impacted this sector in some ways and could potentially actually help incentivize local food production, based on production.

Another area I just want to move on to, is that we saw in the *Interim Fiscal and Economic Update*, provided by the Department of Finance, on page 10, when it talks about inflation, it also acknowledges — and I quote: “Higher fuel prices have been the biggest driver of inflation.” Now, of course, as the carbon tax goes up, that is also applied on fuel, and I know that those who are fans of the carbon tax system will argue why it is still beneficial. I am just asking for information at this stage to help Yukoners judge for themselves.

With the price per tonne of carbon tax intended to go from \$50 a tonne now to \$170 a tonne in 2030 — which, as the Premier noted, at current emission levels, would see the annual tax amount collected in the territory rise to approximately \$110 million — does the government have modelling that they have done on what impact that will have on inflation overall, and specifically inflation on the price of food, since most of our food is shipped up the highway? And, as I already indicated, even what is grown locally has gone up, in part due to the impact of carbon pricing.

Hon. Mr. Silver: Again, with the carbon pricing that is attached at the pump from the federal government, and with the support of all parties in the Legislative Assembly to pass what we’re doing here today, those increases per litre of gas from carbon pricing are all rebated back to Yukoners, including the amount spent by tourists who come up, also including what our government spends — all of that goes into these buckets, as we’re now calling them, whether it’s business, First Nation governments, municipalities, or individuals.

So, again, just to be clear, that money does get rebated. It is attached, and we talked about the hypothetical numbers in the future, but again, I need to put on the record, as well, that it is all rebated back. Now, is it dollar for dollar? No, it’s not.

There’s a price signal that has to be sent for carbon pricing. If there was a more efficient way of putting a price on carbon, then I’m all ears. If there is a different system that the member opposite would support, as opposed to a carbon price, I’m all ears because I know — and I’m not even being facetious here — that climate change, or the environment, is important to the members opposite, and we’re all looking for solutions that help both our economy and our environment.

We could talk all we want about our small amount of tax that we, as a government, put on at the pump; we could talk about the rebates that are happening from the carbon price that is also put on at the pump; and we could also talk about the incentives that we’ve done, as a territorial government, to make life more affordable with our inflation incentive packages.

To answer the member opposite’s question, we are always looking at all the metrics of cost for Yukoners and comparing it to the realities in other jurisdictions and around the world. I think we’ll disagree on whether or not the federal government’s spending on the pandemic is the root cause of inflation or not — I’ll disagree with him there — but again, yes, we’re always looking at all the metrics when it comes to the money that we put into a budget, as the member opposite would know with his time in the Legislative Assembly as a minister as well.

I recognize and agree that the price of fuel is definitely a lot of money. Right? It is. It was noted in our fiscal and economic outlook for a reason. It’s statistically relevant information.

If it was the one and only thing that was happening here — but it’s not. There are lots of different factors. There are lots of different forecasts for the future as far as whether or not inflation is going to continue or not. We are going to continue to monitor all of these different parameters, but I think we’ll probably fundamentally disagree at the end of the day as to whether or not we should be affecting that price of fuel in the way that maybe the Yukon Party would have us do.

Mr. Cathers: The Premier didn’t actually provide the information that I was looking for there.

I want to be clear that — I know the Premier is going to argue the merits of the system, but what I’m asking is, setting aside our philosophical views on it, coming down to the nuts and the bolts: Does the Department of Finance currently have projections on the impact that increasing the carbon tax to 45.6 cents per litre and 37.6 cents per litre respectively — what impact is that expected to have on the cost of food?

Again, as noted in the interim fiscal and economic update provided by the Premier and his department this month — and I quote: “Higher fuel prices have been the biggest driver of inflation.” That, again, is continuing to be a factor because, with so many of our goods shipped up the highway and even if there’s a rebate after the fact, the Premier can’t dispute the fact that the tax will have to be added on to the cost initially; the rebate will come later. Comparatively I would point out that when the goods and services tax system was put in, that’s one of the reasons why the government of the day and successive governments chose to make some items tax exempt, rather than applying it across the board and relying on rebates later, based on income.

Again, driving down to the nuts and the bolts of the question, if you add carbon taxation and increase the price per litre, higher fuel prices will result in inflationary pressure on the cost of food. The government knows how much the federal government plans to raise that carbon tax per litre. How much is that expected to have an impact on the cost of food? What is the estimated inflationary impact of that taxation?

Hon. Mr. Silver: In a nutshell, as far as forecasts about costs and expenses, they are all in our interim fiscal and economic update. To ask the specific question of is there a direct correlation between the cost of gas and the cost of groceries, we don't do that direct analysis, because it would be different for a lot of different organizations and agencies. Added into that is what the cost is of doing nothing, as far as transitioning from fossil fuels. There are think tanks around the world that are contemplating these things, as we speak.

The transportation industry is part of our business rebate, so we are very mindful of the costs. We are rebating as best we can in the parameters of the federal system. We also have one of the lowest taxes on fuel in the country. We have also talked about all the parameters that we use to make life more affordable in Yukon.

One of the pieces that we haven't even talked much about is our changes to the *Income Tax Act*. With the work that we have done, Yukoners are spending millions of dollars less in income tax every year. As far as direct correlation between — no, to those two specific things, but it's a heightened awareness of the costs and the forecasts as they are listed out in our interim fiscal and economic update. I guess I can leave it at that right now. To answer his question as succinctly as possible, those two parameters directly correlated is not an analysis that I have at my fingertips here.

Chair: Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

Deputy Chair (Ms. Tredger): Committee of the Whole will now come to order.

The matter before the Committee is continuing general debate on Bill No. 21, entitled *Carbon Price Rebate Amendments Act (2022)*.

Is there any further general debate?

Hon. Mr. Silver: We were having so much fun on the break that we forgot the question that was asked before the break. I would ask the member opposite to repeat the question.

Mr. Cathers: The question I was asking the Premier was just raising the issue of what the estimated impact on food prices would be of the increase in taxation, because comparatively, as much as when the Bank of Canada, for example, increases the lending rate, even a relatively small change does have an economic impact and an impact on families.

Setting aside for a moment the arguments in favour or opposed to the idea of carbon taxation, what I am asking about

is with the federal government's plan to increase the carbon tax to \$170 a tonne by 2030, and the significant increase in the cost per litre of fuel that will result from that, has the Department of Finance done any economic modelling to estimate the impact on the cost of food, which may result from that increase in the carbon tax?

Hon. Mr. Silver: As far as micromodelling of these specifics, I wouldn't say that we do that analysis, but what we do is make sure that we deliver bills that present the realities that we are existing in currently, whether that is a pandemic and then having to adjust — to take a look at how that affects our economy, how that affects our communities, or whether it is inflation due to international conflicts or supply chain issues, but to answer the member opposite's specific question, I wouldn't say that there is actually that level of detail of microanalysis that the member opposite is seeking.

Mr. Cathers: I do appreciate the Premier answering my question. I would also encourage them to develop that analysis. Again, I would draw the analogy to the Bank of Canada, which in dealing with a much more complex set of factors to try to predict in the country, does modelling to understand the impacts that raising or lowering the key lending rate would have, as well as the impacts in other parts of monetary policy, such as quantitative easing, for example, which they were doing in a significant amount for a while.

What I would, again, just note is that, just as the Bank of Canada and the federal government do work to predict the impact of adjustments to the lending rate in other parts of the fiscal and economic policy, the Yukon government should work to have an understanding of — with the known tax increases coming from the carbon tax over the next not-quite-eight years until 2030 — what is the estimated economic impact on food and other essentials. I understand the Premier said that he doesn't have that information now. I just want to emphasize that I would encourage him to provide direction to the department to do that analysis, because the increased cost of food, even if there is a rebate later on, will have a significant impact on families and a significant economic impact. Having a sense of what that impact will be, from that significant tax hike, is quite important.

In conclusion, Deputy Chair, as I noted, comparing that model to that of the GST, in the case of the GST, the federal government that implemented it, and successive governments, have chosen to take the model of exempting certain essential goods from the tax, because of recognizing the fact that, if you apply a tax, it will drive up the price, and even if you provide a rebate later, especially for low-income families, that may create a period of hardship, as a result of that new tax.

On this point, I would just urge the Premier to ask his department to do the work, and then subsequently provide information to Yukoners about the estimated impact on the cost of food and other essentials that will result from the known plan to increase the carbon tax by 2030.

Hon. Mr. Silver: Thank you, Deputy Chair. I appreciate the urging from the member opposite.

Deputy Chair: Is there any further debate on Bill No. 21?

Seeing none, we will proceed clause by clause.

On Clause 1

Clause 1 agreed to

On Clause 2

Clause 2 agreed to

On Clause 3

Clause 3 agreed to

On Clause 4

Clause 4 agreed to

On Clause 5

Clause 5 agreed to

On Clause 6

Clause 6 agreed to

On Clause 7

Ms. White: I'm just going to ask the Member for Klondike to help walk us through this. In clause 7, it talks about sections 14 and 16, and it talks about how the minister is going to determine the rebate factors. There is a long, complicated — maybe not complicated for accountants in the next section where it talks about A plus B divided by — I was wondering if the Premier could walk us through what this calculation means in — I don't know — in standard people terms, just to either help me understand or help people in the future understand what this section is.

Hon. Mr. Silver: Okay, back to the classroom. The formula is A plus B, divided by the denominator of C minus D. So, in this case, A is the portion — the estimate by the minister in the prescribed manner in the balance of the general business rebate account at the beginning of a particular fiscal year. That will be available for distribution for the particular fiscal year. B is the total, estimated by the minister in the prescribed manner, of all amounts that the minister expects to be allocated under section 8(2) to the general business rebate account during the particular financial year. Those two totals will be added together and then divided by C minus D. C is the total estimated by the minister in the prescribed manner of all amounts, each of which will be the eligible Yukon — the ECC to an eligible Yukon business taxpayer for a tax year of the eligible Yukon business taxpayer that ends in the particular fiscal year.

Then you will take that number and subtract from that the total of all amounts, each of which will be the eligible Yukon mining ECC to an eligible mining business taxpayer for the taxation year of eligible Yukon mining business taxpayers — again, for that fiscal year. You are basically taking the totals and then dividing them by those estimates that are specific to the business taxpayer, and D being the mining taxpayer.

Ms. White: This is when the Premier's previous career as a math teacher is more helpful than my previous career as a red seal baker. When we are looking at those factors — I appreciate the walk-through — and we add A and B together and we divide it by C minus D, what is that final number? What does that final number signify?

Hon. Mr. Silver: As someone who is baking, you need to know fractions really well, for the record. You would probably kick my butt on that.

Basically, that's the rebate. It will be calculated in the rebate, and that is per thousand dollars.

Clause 7 agreed to

On Clause 8

Clause 8 agreed to

On Clause 9

Clause 9 agreed to

On Clause 10

Clause 10 agreed to

On Clause 11

Ms. White: In this section, we are talking about adding additional definitions. Under the definition in (1)(b), it talks about “‘eligible Yukon mining asset’, of a taxpayer for a taxation year, means property that...”

I was wondering if the Premier could walk me through (c). (c) says, “... unless it is cross-border transport equipment, is situated in Yukon at all or substantially all times in the taxation year at which it is used principally in carrying on an eligible Yukon mining business, and...”

Could he help me understand that point?

Hon. Mr. Silver: A good example would be the Tungsten mine, where you have an overlap between jurisdictions. It comes down to how much of the year is that asset being used in the Yukon.

Ms. White: I appreciate that example. Just below that, it says, “‘eligible Yukon mining business partnership’, at any time, means a partnership that, at that time

“(a) has at least one member that is a person resident in Yukon or an eligible Yukon mining business partnership...”

I guess my question is, if, for example, it's an Outside company that comes in to work a claim, does it require only one Yukon resident to both work and live in the territory? What does this mean as far as eligibility?

Hon. Mr. Silver: We all know the requirements to being a Yukon resident — six months of the year. I know many Yukoners, Dawsonites, born and raised — third generation, that type of thing — who winter outside of Yukon. So, basically this comes down to ownership. You need to have somebody who is a Yukon resident in this business partnership to qualify.

Ms. White: I thank the Premier for that.

So, in that same thing, when we go to eligible Yukon mining business taxpayer — so, understanding that, in order to be a resident of Yukon, you have to be — it is actually not six months; it is actually six months plus a day; otherwise, you don't qualify for health coverage and all the rest of it. So, is the assumption then that the business or the partnership is paying income tax in the territory in order to collect the carbon rebate?

Hon. Mr. Silver: Yes.

Ms. White: I thank the Premier for that.

The reason I am seeking the clarification is it would seem like a weird loophole if we were having people leave the jurisdiction to pay their income tax in another area, and we were sending a rebate with them. So, I just wanted to clarify and make sure that, in order to collect the rebate, you are paying taxes in the Yukon. The Premier is just giving me the thumbs-up, but if he wants to say anything — I just wanted to be clear that a business is paying taxes in the Yukon in order to collect the carbon rebate.

Hon. Mr. Silver: I will verbalize thumbs-up.

Clause 11 agreed to

On Clause 12

Clause 12 agreed to

On Clause 13

Ms. White: So, this section is talking about — if I go back to the initial carbon calculation — so, the initial calculation had the business rebate amount at 51 percent; Yukon First Nations at one percent; municipal rebate at three percent; and personal rebate at 45 percent. So, that was in the initial legislation, and so we are clearing that; we are amending it, and this one says: general business rebate account is 36, and we are adding the new one, which is the mining business rebate at 12 percent, municipal 3.5, personal is 45 percent, and Yukon First Nation is 3.5 percent.

So, I was hoping that the Premier could walk us through how that division or how those calculations were made. Personal is staying the same and everything else has changed, including, of course, the addition of the mining.

Hon. Mr. Silver: These percentages reflect our ability to make sure that the rebate is more per sector than what was given for that particular column or sector. If a large mine becomes part of the output-based pricing system, that will affect these numbers, right? But then, for whoever is still left in there, we want to make sure that bracket still gets more out of it than what they put into it. That is what these percentages reflect. As different columns or different categories become more efficient or less efficient, that will affect these numbers as well — or as the prices go up or down.

So, these are basically us being able to account for the historical trends that we notice and making sure that each one of these pockets gets more money out than they put in.

Ms. White: I thank the Premier for that.

With the previous legislation, with the business rebate account at 51 percent, was Yukon at that point taking a percentage of that and putting it into mining businesses? I am just trying to figure it out. I am trying to understand it, as it is a significant difference. There is the 36 percent compared to the 51 percent. The Premier has just said it's to ensure that each of those industries, or each of those payers, receive more than they put in. I am just trying to figure out how.

If I look at 51 percent, okay, that's where the 12 percent comes in, and I understand. I'm just trying to understand the re-jigging. If it was initially 51 percent, I'm just making sure that the businesses folk are still represented in the same way.

Hon. Mr. Silver: It would be different if a quartz mining company is in construction stage; they get to choose, because they are probably not at those thresholds of five kilotonnes, so they would be in that business bucket. Right?

Depending upon who is in that bucket would determine the threshold numbers that we have here. Again, the ultimate goal is to make sure that complete composite of businesses, or First Nations, or municipal governments all have a threshold of just more than they put in. That's why these numbers will change compared to previous numbers. It's based upon who is in those buckets on that particular year.

Ms. White: The Premier just said, "on that particular year" — so, a fiscal year — but the numbers, these percentages,

will stay the same, and it will just represent differently, or are these numbers that are going to be included in legislation going to change?

Hon. Mr. Silver: Those numbers could change, based upon discretion. That's what gives us the ability to make sure that each one is acceptable in the amount of the 100 percent that is collected through the Canada Revenue Agency. I have to go back and correct the record. When I talked about the formula, I did say that it was based upon per thousand, but, no, it is per dollar.

Clause 13 agreed to

On Clause 14

Clause 14 agreed to

On Clause 15

Clause 15 agreed to

On Clause 16

Clause 16 agreed to

On Clause 17

Clause 17 agreed to

On Clause 18

Clause 18 agreed to

On Title

Title agreed to

Hon. Mr. Silver: Deputy Chair, I move that you report Bill No. 21, entitled *Carbon Price Rebate Amendments Act (2022)*, without amendment.

Deputy Chair: It has been moved by the Member for Klondike that the Chair report Bill No. 21, entitled *Carbon Price Rebate Amendments Act (2022)*, without amendment.

Motion agreed to

Hon. Mr. Streicker: I move that the Speaker do now resume the Chair.

Deputy Chair: It has been moved by the Member for Mount Lorne-Southern Lakes 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 Deputy Chair of Committee of the Whole?

Chair's report

Ms. Tredger: Mr. Speaker, Committee of the Whole has considered Bill No. 21, entitled *Carbon Price Rebate Amendments Act (2022)*, and directed me to report it without amendment.

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

Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

Hon. Mr. Streicker: I move that the House do now adjourn.

Speaker: It has been moved by the Government House Leader that the House do now adjourn.

Motion agreed to

Speaker: This House now stands adjourned until 1:00 p.m. Monday.

The House adjourned at 5:26 p.m.

The following sessional paper was filed October 20, 2022:

35-1-65

Fifth Report of the Standing Committee on Rules, Elections and Privileges (October 20, 2022) (Mostyn)

The following document was filed October 20, 2022:

35-1-77

Animal protection act, letter re (dated October 17, 2022) from Mandy Johnson, Vice President, Yukon Dog Musers Association to Hon. Nils Clarke, Minister of Environment (Clarke, N.)