Rocky Simpson, MLA Hay River South

March 3, 2023

Re: Case study on Carbon Tax impact to one family in Hay River

Dear Mr. Simpson,

I listened with interest to both MP Michael McLeod's interview on CBC radio a couple weeks ago as well as some comments in the Hansard from the Standing Committee on Government Operations that was looking at the impact of the Carbon Tax in order to make a recommendation on whether Bill 60 should be passed.

The Committee indicated that it did not have enough information on the impact to families to recommend passing Bill 60. They also recognized that there are a lack of alternatives for northerners to make a carbon tax effective.

One statement in particular stood out with MP McLeod's interview which is incorrect. He said that there is "no way that any family is going to be paying $2000 in carbon tax in a year" and also suggested that some families will make money on the carbon tax.

In fact, I calculated the carbon tax impact on my household to be $3,059 in 2023-24. My family consists of 2 adults and 3 young adults, aged 16, 18 and 20. Both of the older ones are in post-secondary school and their permanent address is my house. We still support them. All three kids have their own vehicles and drive. We live about 10 km from town centre, and have to drive to get to town.

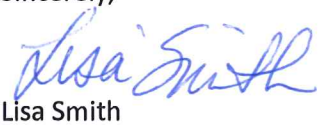
We have a house and shop, which are fairly new and relatively energy efficient. Like many northern families, we enjoy spending time on the land and use boats, ATVs, snowmobiles throughout the year. My house and shop are heated by diesel oil. We also have a propane fireplace, stove, hot water tank and dryer. We like to barbeque in the summer. I know many, many families in the NWT that have a similar lifestyle and similar amenities.

I added up all of my heating oil and propane bills for the last two years and averaged them to calculate average use per year for calculating the carbon tax impact. This is because we have large tanks and we get them filled up as needed (2-3 times per year), not monthly. As can be seen from the chart below, the estimated impact of carbon tax on my home alone is $1,450 and for vehicles is $1,790 for a total of $3,059. The total Cost of Living Allowance for my family will be $2,417 based on 4 adults and one child. This creates a net burden of $624 just for carbon tax, in addition to the $12,240 I spent on fuel for my house and approximately $20,000 on gas for vehicles. The total cost of the carbon tax for a similar household will be over $8,000 in 2030.

The standard answer to complaints about a carbon tax is to use less fuel or convert to more energy efficient appliances and vehicles. I would love to upgrade all of the vehicles in our family, however this is just not possible, largely because of continuous increases in the cost of our bills. The same goes for converting our home from diesel to propane or some other fuel. It is cost prohibitive to convert. It is very fortunate that all of my kids now have summer jobs, it is the only way we can keep up with rising

costs. The bottom line is that the carbon tax is purely punitive for northerners. There is no evidence that the carbon tax will drive down carbon emissions in the north, nor that the miniscule reduction in carbon emissions will have any meaningful impact. If anything, the carbon tax will have the effect of driving industry, jobs and population away from the NWT.

Sincerely,



Lisa Smith
40 Garden Road
Hay River, NT

	Litres	Cost	2023/24 Carbon Tax Rate	2023/24 Tax Cost	2024/25 Carbon Tax Rate	2024/25 Tax Cost	2030 Carbon Tax Rate	2030 Tax Cost
Heating Oil								
2021	5349.2	$5,707.85						
2022	7197.5	$9,987.84						
Average	**6273**		**.1738**	**$1,090**	**.2139**	**$1,342**	**.4545**	**$2,851**
Propane								
2021	2027.57	$2,027.57						
2022	1551.56	$2,251						
Average	**1790**		**.1006**	**$180**	**.1238**	**$222**	**.2631**	**$471**
Gasoline	**12,500**	**$20,625**	**.1431**	**$1,789**	**.1761**	**$2,201**	**.3743**	**$4,679**
Total				**$3,059**		**$3,765**		**$8,001**

The total amount my family paid in 2022 for fuels is approximately $32,863.

Fuel consumption is based on fuel mileage of the vehicles we own and a conservative estimate of the amount we drive in a year.

Adults = 30,000 km x 17 L/100 km = 5,100 L
Kid 1 = 25,000 km x 14 L/100 km = 3,500 L
Kid 2 = 15,000 km x 12 L/100 km = 1,800 L
Kid 3 = 15,000 km x 10 L/100 km = 1,500 L

Approx 600 L for mower, boat, motorbikes, atv's, snowmobiles.

Gas cost estimated at $1.65/L, current price. It was higher for much of 2022.