



# Yukon Legislative Assembly

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34th Legislature

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## HANSARD

Thursday, April 5, 2018 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

# YUKON LEGISLATIVE ASSEMBLY

## 2018 Spring Sitting

**SPEAKER — Hon. Nils Clarke, MLA, Riverdale North**  
**DEPUTY SPEAKER and CHAIR OF COMMITTEE OF THE WHOLE — Don Hutton, MLA, Mayo-Tatchun**  
**DEPUTY CHAIR OF COMMITTEE OF THE WHOLE — Ted Adel, MLA, Copperbelt North**

### CABINET MINISTERS

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

### GOVERNMENT PRIVATE MEMBERS

#### Yukon Liberal Party

<b>Ted Adel</b>	Copperbelt North
<b>Paolo Gallina</b>	Porter Creek Centre
<b>Don Hutton</b>	Mayo-Tatchun

### OFFICIAL OPPOSITION

#### Yukon Party

<b>Stacey Hassard</b>	Leader of the Official Opposition Pelly-Nisutlin	<b>Scott Kent</b>	Official Opposition House Leader Copperbelt South
<b>Brad Cathers</b>	Lake Laberge	<b>Patti McLeod</b>	Watson Lake
<b>Wade Istchenko</b>	Kluane	<b>Geraldine Van Bibber</b>	Porter Creek North

### THIRD PARTY

#### New Democratic Party

<b>Liz Hanson</b>	Leader of the Third Party Whitehorse Centre
<b>Kate White</b>	Third Party House Leader Takhini-Kopper King

### LEGISLATIVE STAFF

Clerk of the Assembly	Floyd McCormick
Deputy Clerk	Linda Kolody
Clerk of Committees	Allison Lloyd
Sergeant-at-Arms	Karina Watson
Deputy Sergeant-at-Arms	Harris Cox
Hansard Administrator	Deana Lemke

**Yukon Legislative Assembly**  
**Whitehorse, Yukon**  
**Thursday, April 5, 2018 — 1:00 p.m.**

**Speaker:** I will now call the House to order.  
 At this time, we will proceed with prayers.

*Prayers*

## DAILY ROUTINE

**Speaker:** We will proceed with the Order Paper.  
 Tributes.

## TRIBUTES

### In recognition of World Health Day

**Hon. Ms. Frost:** I rise today on behalf of the Yukon Liberal government in honour of World Health Day, a day of global health awareness celebrated every year on April 7. This year's event also marks the 70<sup>th</sup> anniversary of its sponsor, the World Health Organization.

The World Health Organization is calling on all world leaders in 2018, asking them to live up to the pledges they made when they agreed to the sustainable development of goals set out by the United Nations in 2015. This year's focus is on the pledge to ensure healthy lives and to promote well-being for all at all ages. All countries are being asked to commit to concrete actions that will advance the goal of "health for all".

"Health for all" is the principle that everyone, everywhere, has the right to the health services they need without falling into poverty when using them. According to the WHO, at least half of the world's people are not receiving the health services that they need, and almost 100 million people are being pushed into extreme poverty because they do not have any form of health coverage.

Its ultimate goal of "health for all" is to support and encourage countries around the world to move toward universal health care coverage. In Canada, we are lucky. Most of us do have quality health coverage, and we can access the care we need without facing financial hardship.

Our challenge here in Yukon is to maintain the quality and scope of the services we provide and to meet people's expectations about what they need to live their lives to the fullest. The goal of "health for all" aligns with my mandate, as Minister of Health and Social Services, to enhance the long-term well-being and quality of life for all Yukoners.

I would like to briefly touch on two Health and Social Services' initiatives that are underway, both of which will help in meeting this goal. Our newly mandated Mental Wellness and Substance Use Services branch has hired new community-based mental wellness staff to provide pre- and post-care for substance use patients and to provide mental wellness counselling support. These new staff will be located in our newly established hubs for Mental Wellness and Substance Use Services located in Watson Lake, Haines Junction, Carmacks and Dawson City. These hubs will offer specialized care and serve both local residents and other

nearby communities, improving our service delivery to 13 communities across the Yukon.

Lastly, I would like to mention that we are able to finalize the new territorial health investment fund agreement with Canada. This agreement will see \$25.6 million in funding over four years to support the well-being of Yukoners. This funding will allow us to continue to build upon several successful projects that were started under the previous THIF agreement, such as the home health monitoring program. It will also allow us to begin new innovative projects that will help strengthen communities and improve the health of Yukoners.

In closing, I would like to thank all the dedicated staff in the hospitals and in our health centres, and all individuals and organizations that worked to support the health and well-being of Yukoners.

**Ms. McLeod:** I rise today on behalf of the Official Opposition and the Third Party to recognize April 7 as World Health Day, as designated by the World Health Organization.

World Health Day is a global event that raises awareness and invites people around the world to engage in conversations about access to health care. The common goal is universal health care and access to health services regardless of financial status or geographical location. Lack of access to health care is a global epidemic; everyone has the right to benefit from health services, and there must be continued advocacy and hard work done to ensure progress is made to ensure that this happens.

Access to health care should not cause a person or a family financial hardship. Over 800 million people spend at least 10 percent of their household budgets on health expenses for themselves, sick children or other family members when illness or accidents happen. These expenses are labelled as "catastrophic expenditures" — and rightly so. It is not uncommon for people to be presented with astronomical bills for hospital stays, services and medications.

Here at home, we're fortunate to have access to health care. We do however have different levels of coverage and many are still left with high expenses. Health care has always been a priority in our territory and we are continuously finding ways to make health care even more accessible and to bring expenses down.

Catastrophic expenditures arising from a medical emergency or illness are unlikely to force a family into poverty here, although there are still high expenses occurring in relation to certain medications, procedures or illnesses that do not fit within the coverage in this territory.

Medical travel continues to be a barrier for many Yukoners. Individuals and families are sometimes forced to delay medical procedures or appointments or cancel them altogether due to the inability to find transportation or to fund expenses up front. As costs for gas, food, transportation, accommodations and incidentals continue to rise, the ability for individuals or families to pay for expenses related to medical travel, both in and out of the territory, declines.

As we near World Health Day, we must think about universal health coverage and what it means to us as Yukoners, as well as what it means worldwide. Unfortunately, it is still only a concept that we can aspire to and there is not a direct path to achieve it. It requires a progressive expansion of health services to entire populations as more resources become available. It requires all countries to make health care its number one priority.

Have the conversation; talk about the importance of universal health coverage. The more we talk about it and raise awareness of this issue, the higher the chance of it staying topical and gaining strength on the global stage.

**Speaker:** Introduction of visitors.

Are there any returns or documents for tabling?

Are there any reports of committees?

Are there any petitions?

Are there any bills to be introduced?

Are there any notices of motions?

Is there a statement by a minister?

## MINISTERIAL STATEMENT

### Developer build program

**Hon. Ms. Frost:** I am pleased to rise today to highlight a strategic new initiative of our government that will help to build healthy, vibrant and sustainable communities. Beginning in the budget for 2018-19, the Government of Yukon will provide \$2 million per year over a three-year term for construction financing through the new developer build program. This will allow contractors to build modest, sustainable housing options in Yukon's communities. Private contracting companies, First Nation development corporations and First Nations who are project-ready will be eligible for loans to build affordable housing.

Under this program, developers would be provided with construction financing when they are unable to get financing from traditional lending institutions, such as banks. The intent is to increase the quality and quantity of housing options in the territory. The developer build program will see more diverse construction projects spring up around the Yukon — safe, adequate housing that meets the needs of Yukoners, particularly vulnerable populations.

As a key component of healthy communities, the developer build program initiates a new approach — housing through collaboration with the private sector on models that promote economic growth in our communities. The developer build program will provide low-interest loans for short-term construction financing of affordable housing. Developers must submit a project proposal that clearly demonstrates that they have the technical expertise and financial capacity to deliver the project on time and within budget. The intent is to make it easier for developers to access construction financing for affordable housing projects in Whitehorse, but especially in rural Yukon.

This is just one piece of a larger pledge to improve affordable housing options for Yukoners. The 2018-19 budget takes action on this commitment. We are investing \$6 million

in social and affordable housing projects to build and enhance affordable housing options in our territory. Some of this funding was recently provided to Challenge to allow them to purchase land to begin their downtown project. This is a great initiative that we have been working on for some time with Challenge and with the City of Whitehorse. Further support for affordable housing extends far beyond the \$6 million that we are investing: \$2.7 million to build Yukon's first Housing First residence; \$1.9 million to conduct energy retrofits to existing social and staff housing units through the federal low carbon economy fund; \$1.2 million to provide funding to homeowners who are facing critical home repair needs through the emergency repair program; \$1.2 million to convert several social and staff housing units to duplexes from single-family dwellings; \$1.2 million to construct two accessible duplexes in Carmacks for low-income seniors; and \$1.5 million to continue to provide grants to self-governing First Nations for housing repairs and construction through the First Nations.

In closing, I am really happy today to highlight some of the initiatives that we are proceeding on, and we are also looking at further initiatives through the housing partnership program.

**Ms. Van Bibber:** Thank you, Mr. Speaker, for the opportunity to speak to the ministerial statement on the developer build program that was just presented. This sounds like a promising new initiative, and I thank the minister for providing us with this information. We will certainly be looking forward to progress reports on how successful this allotted money has been in alleviating the problem around housing.

We will be interested to know how this investment will address the growing demand for affordable and accessible housing in the territory. As you know, Mr. Speaker, to date there has been a lot of discussion on the social and senior housing waiting list. In July 2016, the wait-list for social and senior housing was 105. Under this government, that number has skyrocketed to 260. The Official Opposition has spent a fair bit of time asking the minister about the wait-list that has almost tripled under her watch and what she has done to address it. Unfortunately, we have not received anything in terms of concrete answers.

We are often told that the ministers can't answer questions until the questions are asked in Committee of the Whole. The specific questions we would like to have answered are: How many housing units will this Liberal government's investment build? Also, will they reduce the wait-lists at all? If so, by how much?

We have also asked questions of the government about the impacts of the incoming carbon tax scheme on housing. We know that the carbon tax will increase the cost of everything, including building — in this case, the minister states — “modest, sustainable housing options.”

Can the government tell us what the impact of the carbon tax will be on the cost of housing? Firstly, the trucking costs of materials and supplies must be considered. We also know

that the carbon tax will make everyday items such as groceries and fuel more expensive, so it stands to reason that the cost of all production and work will increase as well. This, unfortunately, means less money in the pockets of Yukoners. This also means less money to pay rent, pay mortgages or even just pay the electric and heating costs.

We would like the government to explain how it will be advantageous to Yukoners when prices will escalate in relation to carbon tax.

The government was elected 17 months ago and they have had plenty of time to get the information that was asked for. We hope the minister can provide it for us today.

Mr. Speaker, thank you for the opportunity to speak on this matter.

**Ms. White:** I'm happy to speak in response to the statement on the developer build program. First, I am happy to know that this is a loan program, not a grant program. We believe that having the money paid back will allow that money to be invested in future housing and we hope, after careful evaluation, that it will exist past the three-year timeline mentioned.

Mr. Speaker, how will these loans increase the quality of buildings and expand the diversity of projects in Yukon? We believe that the construction industry is doing a great job in the quality and diversity of current construction. You only need to look at the construction of energy-efficient and forward-thinking projects currently being built throughout the Yukon. We are particularly keen on the initiatives that are including renewable energy aspects, and that is already happening.

How will this program address the needs of vulnerable populations? Nowhere in this statement is there any discussion on whether this developer build program funding will specifically support the construction of rental housing or the construction of housing for private sales. If it does help to get rental properties built, what guarantee will the government seek that they are affordable? What threshold will be used to determine affordability, and will these requirements expire, and if so, after how many years?

These are basic questions that we would have expected the minister to elaborate on in her initial statement, but hopefully she can provide answers in her closing statement today.

We look forward to a conversation that will delve further into the definition that this government uses to measure the affordability of housing. We're happy to hear the list of investments being made, but would like to point out that many of these listed by the minister are entirely recoverable from Ottawa.

We look forward to further conversations during the housing debate when the minister can elaborate, not only on the Housing First project, the retrofitting of existing staff and social housing, and the other initiatives that were listed, but on the corporation as a whole. It will take much more than has been listed in the minister's statement to provide adequate housing to the hundreds of people who are left living much of

the year in hotel rooms and the hundreds on the social housing wait-list across the territory.

**Hon. Ms. Frost:** I would like to thank the members opposite for the comments received today — some really great points made by the Member for Takhini-Kopper King with respect to targets.

Given that this is a new initiative, our objective is to ensure that we monitor and track very closely its success. Obviously we would want to make alterations as we go and ensure it best aligns with the needs of Yukoners.

I'm very happy to move forward with the \$2-million-per-year funding for short-term construction financing through the new developer build program. This will allow contractors, as noted, to build modest, sustainable housing projects in Yukon communities. We have historically seen some pressures in some of our rural communities, and now that we have an economy that's about to take off, we want to ensure that we better align with service needs in our communities. Housing is essential. In some of these communities, we know that financing and processes for financing is a challenge, especially in rural Yukon communities.

Lack of financing for projects has been a long-standing problem, and this program will help to address that. Private contracting companies, First Nations and First Nation development corporations that are project-ready will be eligible for loans to build affordable housing. Under this program, developers would be provided with construction financing when they are unable to get financing from conventional methodologies.

We want to look at providing options. Right now, we have had quite a lot of concerns come forward and pressures from our communities where they're not able to get the financing, yet they do want to participate and be partners and seek some solutions. This will allow for that to happen.

This is just one piece of a larger pledge to improve affordable housing options in Yukon. The 2018-19 budget takes action on that commitment. I have made note of some of that, and previously the Premier noted that we have committed almost \$40 million to look at housing and housing pressures in the Yukon.

This \$2 million is a small component of that. It's directed at a specific catchment area, where that has never been provided before. In fact, we have some units in the Yukon right now that are sitting idle and half finished because they can't get conventional financing, whether through the bank or another lending agency. The \$2 million is to look at adding on to the \$6 million that we have already set aside to enhance affordable housing options in our territory.

The envelope is to provide further options and look at funding outside of what we have been accustomed to seeing in previous budgets. The envelope we are funding from is also for other initiatives, like Challenge, that target affordable housing options.

One of the reasons Yukon is a bit behind in the affordable housing game is the decision made by the previous government in 2014, when it cancelled \$13 million for

affordable housing units. The impact of that decision had long-lasting effects and we want to address that, Mr. Speaker. This is one way of doing that: to work with our partners, work with our communities and work with our development corporations in the Yukon.

**Speaker:** This then brings us to Question Period.

## QUESTION PERIOD

### Question re: Carbon tax

**Mr. Hassard:** Today, the Liberals have shown complete disrespect for elected MLAs by initially refusing to provide us the same briefing that they're providing media at 5:00 p.m. this evening. Further, the Liberals have been providing this information to industry and other levels of government since April 3.

They have had plenty of time to provide that information to both the Yukon Party and to the NDP. It is clear that they are hoping that by not releasing this information until this evening, they bury this news story. In fact, it was only after this issue was brought forward to the media this morning that the government reluctantly told us — about 25 minutes ago, Mr. Speaker — that they would offer an opposition briefing at 6:00 p.m. tonight. However, the government has already given embargo documents to the media and has not given similar information to MLAs.

Can the Premier confirm the price-per-litre increase that Yukoners will see as a result of the carbon tax?

**Hon. Mr. Streicker:** I am getting up to respond to this first question because this very morning, we had a meeting with House Leaders. I was asked to attend because the Minister of Justice had work that she was doing in the community. I sat down there and spoke with the Opposition House Leader and the Third Party House Leader, in which I stated very clearly that we would be happy to provide a briefing.

We got a request yesterday afternoon that came to us. We responded to it this morning and said, "Yes, we would be happy to provide a briefing."

**Mr. Hassard:** Just to correct the Minister of Community Services, I don't believe that what he did was offer a briefing. The Third Party reached out yesterday; no one got a response there. We followed up this morning during the House Leaders' meeting and, after our statement went out, that is when the Minister of Community Services pontificated at the House Leaders' meeting that maybe some time in the future there would be a briefing available. To me, that is not offering a briefing.

Since he didn't answer the question, maybe the Premier can tell us what the impacts of the carbon tax will be on the price of groceries.

**Hon. Ms. McPhee:** I appreciate that it is not always absolutely necessary to tell the truth in this Legislative Assembly, but I at least hope that we aim to do so.

This situation involves —

**Some Hon. Member:** (Inaudible)

## Point of order

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

**Mr. Cathers:** The Government House Leader was very clearly contravening 19(h) in suggesting that the Leader of the Official Opposition was not telling the truth. The member was indirectly accusing that member of uttering a falsehood, which is prohibited under 19(h).

I would ask you to have her retract it and apologize to the Leader of the Official Opposition.

## Speaker's ruling

**Speaker:** My recollection of the Government House Leader is that it was close. I would ask the Government House Leader to be careful in her further characterizations.

**Hon. Ms. McPhee:** I will try that another way, Mr. Speaker.

I do not accept the preamble or the premise of the question that has been asked because it is simply not accurate.

At the House Leaders' meeting this morning, the individual who attended on my behalf indicated to the House Leaders at that time that a briefing would be arranged and that details would follow. The briefing has been arranged for this evening at 6:00 p.m., when the members of this House are available. Less than 24 hours after the request, not only has it been —

**Some Hon. Member:** (Inaudible)

**Speaker:** Order, please.

The Government House Leader has the floor right now. Thank you.

**Hon. Ms. McPhee:** Yes, there is unfortunately a great deal of disrespect here.

Mr. Speaker, an e-mail was sent to me yesterday afternoon that I did not see. When I send e-mails to members of this House, I have been asked to copy their assistants or their helpers and we have done that. This e-mail came only to me and, yes, if that's a concern, I did not see it. I was in meetings until 7:30 p.m. yesterday. As a result, at the first opportunity to do so, we arranged a briefing, as requested, less than 24 hours following the request. I confirmed for the members and the House Leaders that the briefing would occur. It would occur this evening at 6:00 p.m. when they are available. I'm not sure what else could have been done. I appreciate the opportunity to address this.

**Mr. Hassard:** The questions that I asked were: What was the price-per-litre increase that Yukoners would see as a result of the carbon tax? My next question was what the impacts of the carbon tax would have on the price of groceries. My final question is: Can the Premier tell us what emission reductions directly attributed to the carbon tax will the Yukon see?

**Hon. Mr. Silver:** For one, the price of doing nothing when it comes to climate change is a lot more than having a revenue-neutral carbon-pricing mechanism in the Yukon where we give back 100 percent of those revenues to

Yukoners and Yukon businesses. It's a very convenient narrative for the Yukon Party to believe that diapers are going to be so expensive that everybody is going to leave town when this is a revenue-neutral rebate from our government — from a federal government initiative.

When it comes to federal initiatives like NAFTA or carbon pricing, we have always given briefings to the opposition when asked. We were told yesterday at 2:41 in the afternoon that they wanted a briefing on this, and we are giving them a briefing when they can. We can't take them out of the Legislative Assembly. We're going to be here until 5:30 p.m. There is a briefing with the media directly after that. They have that briefing.

Now, if they don't want a meeting tonight at 6:00 p.m., I am more than willing to sit down with the members opposite and ask them when they would like a meeting, because I remember being in House Leaders' meetings in the opposition begging for briefings on the budget on a daily basis. We've given those briefings on a whole section for all of the mains. As far as briefings, we have gone above and beyond with the opposition and we will continue to do so.

#### **Question re: Bluesky Strategy contract**

**Mr. Kent:** Yesterday, we asked about sole-source contracts to Bluesky Strategy. The Premier surprisingly had no answers for us, and it was as if he had no idea that this company received sole-source contracts from his government — this despite the fact that, according to the federal lobbyist registry, this work is being managed by the Premier's own chief of staff.

I'm going to follow up on the questions that I asked yesterday. Two separate contracts totalling just over \$54,000 were given out last year to help — and I quote: in preparation for the Fraser Institute survey. Can the Premier tell us today what was produced by Bluesky for the almost \$55,000 in taxpayers' money?

**Hon. Mr. Silver:** The members opposite seem surprised that lobbying work is being done in Ottawa, whereas in their government under Harper, I believe they used lobbyists over 42 times when it came to working with Ottawa. We will as well. We engage with lobbyists, and all of that information is available on our registry. It is very helpful to have these individuals. I believe the Yukon Party has used them in the past, and we will continue to use them as well. Again, that is not a problem.

We told the member opposite that we would come back with the specifics of this particular lobbying endeavour, but again, Mr. Speaker, we have no problem in answering that question. All of this information is available on the federal registry as well.

**Mr. Kent:** The Official Opposition doesn't have problems with firms representing the Yukon when it comes to dealings with Ottawa. As the Premier mentioned, under our government, we hired similar agencies to do that work. What we are asking about is this particular expenditure — almost \$55,000 of taxpayers' money to prepare for the Fraser Institute survey.

I asked the Premier yesterday — Bluesky Strategy met with the federal Environment minister on behalf of the Yukon on March 22, 2017. When we asked what the purpose of that meeting was and what was discussed, the Premier said yesterday — and I quote: “As to what transpired with meetings of federal government representatives, I am not going to speak to that...” He suggested that he would meet with the Leader of the Official Opposition outside this House to talk about the contract. Will the Premier tell Yukoners on the floor of this House what he instructed this lobbyist to speak to the federal Minister of Environment about at that meeting?

**Hon. Mr. Pillai:** I would like to thank the House Leader from the Official Opposition for the question today. Certainly, what we touched on yesterday was about contracts that were procured with Bluesky, an organization that does work nationally. The focus of the work was to work on preparing for the Fraser Institute — we touched on that yesterday — and working to ensure that the finance industry, the mining sector and others are aware of the good work that is being done, and really trying to educate people across the investment world that things have changed in the Yukon. We are not mired in court cases on the Peel and on Bill S-6, but we are actually getting some stability here and it is a good place to invest.

They worked with the Chamber of Mines, the Yukon Mining Alliance and Energy, Mines and Resources in helping to support two separate events — one in June of last year and then again in September. Mining companies from across the Yukon attended. There was national notoriety for that. Once again, we can carry forward a scope of work outlining the specific activities that were undertaken — this is public information.

When it comes to lobbying, we should probably be talking to the members opposite on this fact. We know that the person writing their questions, in their previous role was working for Stephen Harper — like we said — and met with lobbyists 42 times. Now we have a former Premier — their former leader — who is a lobbyist as well. Certainly, they can help us understand this if we miss something.

**Mr. Kent:** The Minister of Energy, Mines and Resources can insult people who don't have the opportunity to represent themselves here on the floor of this House all he wants, but the simple fact of the matter is that we asked yesterday about two specific contracts totalling almost \$55,000 and what was produced from them.

We also asked another important question. According to the federal lobbyist registry, Bluesky Strategy was registered to lobby on Yukon's behalf as early as March 21, 2017; however, when we looked at Yukon's contract registry, the earliest contract we could find for Bluesky was given out on April 1, 2017.

Again, I will ask the Premier: How much money was given to Bluesky for their involvement in the March 22 meeting with the federal Environment minister? Why is that information not on the contract registry? Has this government

paid this lobbying firm or had them do anything else on its behalf that is not reflected on Yukon's contract registry?

**Hon. Mr. Silver:** It is no insult to call someone a lobbyist. I don't know where they're coming up with that, but again, for the record, the contracts with Bluesky are all on the public record. They did the work and they got paid for it. Moving on. They were very helpful and very helpful specifically on the mining front, which the members opposite have recognized.

They are very familiar with hiring lobbyists. We know that, because they hired them several times during their time in office. They hired Temple Scott, Global Public Affairs, Rawson Group Initiatives, and Hill and Knowlton, just to name a few. As I mentioned, the Leader of the Official Opposition's chief of staff was a lobbyist 42 times when he worked with the federal Conservatives in Ottawa — again, very familiar with how this works.

The members opposite asked, and we will give answers to these questions in a legislative return to make sure the members opposite have all the information they require. Then we will get a lobbyist registration moving forward here in the Yukon.

#### **Question re: Whistle-blower legislation**

**Ms. Hanson:** Gee, I hope we don't have to wait for that.

Mr. Speaker, the Minister responsible for the Public Service Commission has repeatedly asserted his commitment to promoting a culture of respect in the Yukon public service. He has also encouraged public servants to come forward with their concerns. Earlier this week, yet another whistle-blower came forward and sent an e-mail to the minister, detailing concerns about a particular department. The whistle-blower cited the example of a senior manager who, in front of 100 staff, said that they are, and I quote: "a change agent and I leave dead bodies in my wake".

It is hard to imagine how such a statement can foster a respectful attitude in the public service. Mr. Speaker, what steps has the Minister responsible for the Public Service Commission taken to investigate and address this particular situation?

**Hon. Mr. Mostyn:** I thank the member opposite for the question this afternoon, because this is an issue that we do have to talk more about. What I'm not going to talk about this afternoon on the floor of this House is a personnel matter from an anonymous e-mail that I received from somebody in the public. We are dealing with that e-mail and I am not going to discuss any of those details this afternoon on the floor of the House — but I am glad that people are coming forward to express their concerns to the media, to the opposition and to the public. I think that's important.

I have spoken to the Deputy Minister of the Public Service Commission. I know many of us on this side of the House have talked to our officials and expressed to them the importance of the whistle-blower legislation. That whistle-blower legislation is about four years old and languished on

the shelves for many years before we started to resurrect it and had this discussion on the floor of the House.

I think it's important that we do, because we have to build trust within the civil service. We have to build trust and start to get rid of this fear of recrimination that lingers in our civil service. That's something that I have pledged to do, and I will continue to work on restoring trust and try to get some good information from our professional and dedicated civil service so we can deal with any problems within government.

**Ms. Hanson:** I would remind the minister that trust is earned. I'm not focusing on the ISYY e-mail because it's unique. The poor staff relations climate identified in one department in this e-mail has been repeated in others.

It speaks of staff being afraid of — and I quote: "... the insidious retribution that happens over time, opportunities being taken away..."

On CBC this morning, another group home employee of the department spoke of that work environment in no unclear terms. I quote: "You gotta be a yes-man or -woman, and agree with your supervisor. The minute you speak up, you're toast."

The minister has acknowledged in this House that the system is broken. What is he doing now to fix this culture of fear and retribution in the public service?

**Hon. Mr. Mostyn:** We have spoken about this now for many days and I am happy to talk about it more. I think it's a very important topic. It's one that is near and dear to my heart. I know that all of us had this discussion about some of the personal incidents that we have had of recrimination. It's something I find repugnant and I don't stand for it. I have expressed that to my deputy ministers and we have come up with a plan to deal with this.

I commend the employees — the professional, hard-working civil servants — for coming forward with their concerns. I know that there is a legacy of fear within the civil service. The person on the radio this morning — the retiree who has been out of the civil service for two years — talked about her experiences dating back years — seven years, perhaps — a long time.

This isn't a new issue. This is one that we have inherited and we are working on it. I have spoken to my deputy — I know others have in this government — and we're saying that, if you have a concern — we're telling the civil service — there is legislation in place, legislation that was passed four years ago. It is not really tested and it has not really worked its way into the fabric of our civil service, but it will. The culture of the civil service will catch up.

If you have an issue in government, go to your supervisor. If you're uncomfortable doing that, go to your deputy, or go to the commissioner and make your complaint.

**Ms. Hanson:** It's true — the minister can encourage employees to come forward and he can do it all he wants. Unfortunately, the fact is that the fear of retribution is real. Staff throughout government describe transfers without explanation and being isolated in the corner office and so on. Anonymous e-mails and phone calls are signs of desperation. It's the minister's turn to demonstrate how he, as minister, is



ensuring that all members of the public service are treated with respect and have a safe workplace.

How has the Minister responsible for the Public Service Commission conveyed to all deputy ministers that retribution for speaking out is not acceptable, and will he table whatever direction he has provided, conveying how seriously he takes this issue?

**Hon. Mr. Mostyn:** The member opposite is asking for tangible evidence of our actions, and I am more than happy to provide that to the member opposite. I am telling the member opposite — and using this opportunity right now to discuss something that hasn't been discussed on the floor of this House very much at all. I venture that it probably hasn't been discussed much since the debate over the legislation four-plus years ago. That in itself is a problem. I am speaking about the government side. I'm sure the members opposite have raised it as a question.

This is a serious issue. It is one that we are all dedicated to ferreting out and changing. It is an earned behaviour and we will have to be judged by our actions. I am willing to do that.

I'm standing here on the floor of this House, saying to the media, "Thank you for your good work." I am saying to the civil servants who are coming forward, "Thank you for coming forward."

Now I am asking to take the next step. I am saying that you can be protected from reprisal through the legislation that was passed unanimously by this House. There is a clear process to do that: you go to your supervisor; if you are not comfortable, go to your deputy; if you are not comfortable, go to the Yukon Public Interest Disclosure Commissioner and make your complaint. Tell them you want to make a disclosure under the act, and then you will be protected from reprisal.

#### **Question re: Procurement policy**

**Ms. White:** Procurement is a critical component to the operations of any government. It is through procurement that everything from road construction to community health care is provided. In a recent court decision finding against this government — and, specifically, the procurement process — the judge concluded that the process was not fair, accountable or transparent. One part dealt with the process involved in evaluating proposals, and I quote: No evidence was led showing that any of the members of the evaluation committee had training in relation to conducting such evaluations."

Can the minister assure Yukoners and this House that all members of evaluation committees now have training in relation to conducting evaluations on bid documents?

**Hon. Mr. Mostyn:** Once again, this is an issue that is important to this government; it is important to me. I have spent a lot of time going over it in the last little while. When I got that court document and read it — which I did — I was also disturbed. It goes back several years and really cuts to the very heart of why this government made procurement such an important part of our mandate and of our way forward.

The Premier made it part of my mandate letter, and it is important because it is something that has vexed and angered

the contracting community for years. We are dedicated to fixing the problem and we have looked at the Procurement Advisory Panel and we looked at their recommendations. We vowed to get those recommendations implemented by the end of this year. We are still committed to that.

We are making huge progress on a number of fronts on that, and there will certainly be a lot more announcements on this file as we go forward through 2018, including some on training, on making sure First Nations are in there, on value-driven contracts, on making sure that the fair wage schedule is adhered to — it goes on and on and on. There is a lot of great work that the Department of Highways and Public Works has done on this file, and I am sure I will be able to talk about it again in the following questions.

**Ms. White:** I thank the minister for his answer but I am still unsure if the evaluation committees have the training that they need, but we hope so.

The Yukon NDP knows that government decisions on how and where to spend public tax dollars have important local economic, employment, social and environmental impacts. Small businesses in particular benefit from clear, accountable and valid procurement policies, including public tendering and requests for proposals.

The recent court decision found that one document included in tender documents was a waiver that barred companies submitting bids from actually suing for damages in a bid award decision. In his decision, the judge stated that the waiver is contrary to public policy.

Can the minister inform this House whether or not this waiver has been removed from any and all requests for proposal documents?

**Hon. Mr. Mostyn:** As I said, I read the decision document as well. As I understand it, that case is currently under appeal, so I am not going to discuss it this afternoon on the floor of the House.

As far as procurement improvement goes, we have just an amazing amount of work going on. We have training sessions going on with YG staff to improve skill development and awareness and the role of procurement. We have held two sessions on procurement for elected officials. We're offering online and in-person procurement training sessions with YG staff, so we are doing the training and there is more to come on that file.

We have already added a fair-wage schedule clause to our construction tenders and we're creating standard templates for use in public invitational tenders when buying goods. We have developed and published standard clauses for value-driven procurement for First Nation capacity building, including northern experience and local knowledge — we used that first on the Nares River bridge — to help local companies with planning for tenders. To improve response rate to tenders, we have increased forecasts of upcoming tenders over \$75,000 on the tender forecast system and added access to closed tenders. This is all sort of abstract, but I know that it's starting to resonate with the business community and with Yukoners in —

**Speaker:** Order, please.

**Ms. White:** Again, it's unclear whether these waivers have been removed. We hope so. In 2016, the Yukon Procurement Advisory Panel report was released — nearly two years ago from today's date. This week, in a news release, the government stated that — and I quote: "The recommendations of the Procurement Advisory Panel have been implemented by the government and work is ongoing to create long-term improvements that will provide lasting benefits to the territory."

I mentioned earlier that procurement must be fair, accountable and transparent, not just to those companies bidding on projects or working on requests for proposals; the process also needs to be fair, accountable and transparent to the public. There have been no Procurement Support Centre annual reports listed since the 2013-14 year. Where can members of this House or the public find the Procurement Support Centre annual reports?

**Hon. Mr. Mostyn:** The work to improve procurement in this territory is well underway, and it is going to continue throughout this year and beyond. We have committed to not only implementing and addressing the Procurement Advisory Panel recommendations by the end of this year, but we are also working to go beyond that. This is a fast-evolving, changing field — procurement. Things change all the time, and we have to be on top of it and continually ready to address these things. We have more than \$60 million in tenders out this year before March 31. It's a high-water mark. We have a five-year capital plan to help with planning of tenders going forward for our community businesses. We have committed \$280 million in capital spending for the next several years — again, providing some certainty to businesses. I have spoken already about the fair wage schedule clause and all the other good work that the members opposite are concerned about. The department is working very hard on this and these improvements are going to continue over time.

As to the annual report, I will look into that for the member opposite.

#### **Question re: Procurement Advisory Panel recommendations**

**Mr. Hassard:** On April 3, the government put out a press release stating that all of the recommendations of the Procurement Advisory Panel were implemented; yet, on April 4, the minister told this House that the government was still working on implementing the recommendations. We know that this minister has a history of issuing press releases that misrepresent the facts, like the time he incorrectly stated that he consulted with the airline industry on the airports act. We're left wondering —

**Some Hon. Member:** (Inaudible)

#### **Point of order**

**Speaker:** Government House Leader, on a point of order.

**Hon. Ms. McPhee:** I am loathe to interrupt with a point of order during Question Period, but I think the preamble to

this question indicates that the minister responsible misrepresented the facts —

**Some Hon. Member:** (Inaudible)

**Speaker:** I can't hear the Government House Leader.

**Hon. Ms. McPhee:** I would suggest to you that it is inappropriate, based on the Standing Orders, and I would ask the member to reword his question in appropriate language.

#### **Speaker's ruling**

**Speaker:** I'll review the Blues and get back to the House, as required, but, in my view, it's a dispute of the facts.

**Mr. Hassard:** Thank you, Mr. Speaker. As I was saying, we're left wondering whether the news release is actually correct. Has the government implemented all of the recommendations of the Procurement Advisory Panel? If it has, why was the minister not aware of this yesterday?

**Hon. Mr. Mostyn:** I thank the Leader of the Official Opposition for this opportunity to talk about procurement, because it is a good news story for the people of the territory.

This government committed to getting contracts before the Yukon Contractors Association earlier in the year. We have done that. That's one of the things the Procurement Advisory Panel recommended — that we get this — and that commitment has been made. We're getting more than \$60 million before the local contracting community by March 31. It's a high-water mark. I know that between 2013 and 2016, we had an average of about \$27 million in contracts out before March 31. That was okay. We have \$60 million. That's almost twice the level that was averaged over those years.

I'm really happy with the work of the department to do that. We also committed to a five-year capital plan. The Procurement Advisory Panel wanted more certainty about what we're doing on that ground. We have also done that. We have a five-year capital plan. We got the free trade exemptions out by March 31, providing more money to locals' hands and a little bit of certainty that they don't have to compete with Outside companies.

Again, that was something else the Procurement Advisory Panel recommended and we did it. There's more to come, Mr. Speaker.

**Mr. Hassard:** Again, we see a long laundry list of things that do not pertain to the question that was asked. Why did the minister issue a press release saying that these recommendations were all implemented? Will he issue a correction and apologize for misleading Yukoners?

**Hon. Mr. Pillai:** I want to take this opportunity to thank the staff working at Highways and Public Works. What we have seen is a wholesale change here in the Yukon on how our local economy is being impacted by the good work they have done.

I know my colleague will continue to implement the recommendations. Things such as training are not a one-stop shop; those are things that you continue to build on for people's professional development.

The key to this is: Why was that panel work done? What were the pressures? As we go back, we remember the care and

maintenance contract for Faro; we remember the building of the F.H. Collins school; we remember Whistle Bend. These were the pressures that had the opposition hanging their heads for many years, as the Yukon Contractors Association was so upset — and the private sector.

What we see now are innovative partnerships with the City of Whitehorse where local people are building big, local projects. Once again, I want to thank my colleague for the work he has done. Thank you to Highways and Public Works because, now, we see more people working in the Yukon. We see groundbreaking and historic rates of unemployment — 2.8 percent — maybe the second-lowest rate in Yukon history. That is because of the people at Highways and Public Works doing the good work. We have taken those challenges from before and turned them into something positive.

**Mr. Hassard:** We are not here questioning the ability of the good employees of Highways and Public Works. We are just here to ask questions from this minister, and clearly he doesn't have an answer because now we see another minister standing up and giving us a laundry list that has nothing to do with the question that was asked. I asked: Why did the minister issue a press release saying that these things were implemented? I ask again: Will he issue a correction and apologize for misleading Yukoners?

**Hon. Mr. Mostyn:** I thank the member opposite for the opportunity to once again talk about procurement in Yukon. We have a Procurement Advisory Panel because the previous government was forced into it. They had such a problem with contracting, with getting contracts out the door and with lapses in funding — up to \$100 million at some point — and it vexed and upset the contracting community immensely. We heard this again and again and again, and we actually addressed that. We said that we promised to implement the full panel report — the recommendations — by the end of this year. We are on track to do that. We have made enormous strides on this file. We have put out more than \$60 million in seasonally dependent contracts this year. I have been told that is something that is resonating very well with our business community. I am proud of that work.

I know the naysayers on the other side are upset about this and they are leveraging whatever they can, but the fact is that this government — the Department of Highways and Public Works and my colleagues — is doing tremendous work implementing and improving procurement on behalf of Yukoners — getting that money into Yukoners' hands. I am happy to talk about this again next week.

**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. 15: *Cannabis Control and Regulation Act* — Second Reading

**Clerk:** Second reading, Bill No. 15, standing in the name of the Hon. Ms. McPhee.

**Hon. Ms. McPhee:** I move that Bill No. 15, entitled *Cannabis Control and Regulation Act*, be now read a second time.

**Speaker:** It has been moved by the Minister of Justice that Bill No. 15, entitled *Cannabis Control and Regulation Act*, be now read a second time.

**Hon. Ms. McPhee:** This government is pleased to bring forward the *Cannabis Control and Regulation Act* for second reading. In response to the Government of Canada's intention to legalize cannabis during the summer of 2018, our government is now introducing a bill that reflects considerations provided by multiple sources, including that of Yukoners and Yukon communities.

Over the past months, the Yukon government has undertaken three rounds of engagement to support the development of the *Cannabis Control and Regulation Act*.

The first round of engagement took place between August and October of 2017 and included a public survey as well as initial meetings with First Nations, municipalities and stakeholders. The survey alone received over 3,100 responses, with 97 percent of the responses identified as Yukon residents.

Phase 2 of the engagement process was carried out in November and December 2017 and centred around the issuance of Yukon's proposed framework for cannabis legalization. To gain feedback from Yukoners, meetings and discussions were held with First Nation governments, municipalities and stakeholders and written comments were collected from the public. Information gathered through engagement on the framework was used to inform the development of key components of the legislation — for example: age, possession limits and personal cultivation thresholds.

Phase 3 of the engagement process was undertaken in January and February 2018, with the release and circulation of the cannabis legislative summary. This legislative summary contained a plain language description of the proposed *Cannabis Control and Regulation Act*. Officials from the Yukon government toured the Yukon to meet with First Nation governments, municipalities and the public to discuss the proposed approach and gather further feedback and input. These engagement activities, combined with research — including close research in respect of the legislative schemes that other Canadian jurisdictions have introduced, or plan on introducing — and followed by careful analysis have formed the bill presented.

I would now like to provide you with a brief overview of the key provisions of the act.

The *Cannabis Control and Regulation Act* has been developed to achieve two key principles: to provide for legal controlled access to cannabis that displaces illegal and criminal activity; and to prioritize public health, safety and

harm reduction with a focus on protecting youth from the negative health effects.

This proposed legislation is, of course, intended to be compatible with the federal legislation and does not speak to matters that are entirely within federal jurisdiction, including such matters as production, promotion, packaging and labelling. Canada regulates commercial cultivation and production and will continue to do so. The act provides for a government-led distribution system in which the Government of Yukon would have the authority to oversee the importation, warehousing, transportation and manner in which cannabis is distributed within the Yukon for commercial purposes.

Our intention is to authorize the Yukon Liquor Corporation to fulfill this function upon legalization. While the Yukon government has responsibility for sales and distribution, the act also provides for flexibility, so that the responsible corporation may contract out services to the private sector. This approach is consistent both with the federal legislation and with Yukon's authority to make laws in respect of intoxicants under section 18(1)(r) of the *Yukon Act*.

The proposed act provides government with the flexibility to designate an existing corporation or a new corporation to undertake the role of the distributor corporation.

Under the act, the corporation's financials will be subject to annual review by the Auditor General. The proposed act also empowers the Yukon government to appoint an auditor.

In addition to the audit, an annual report must be submitted to the minister responsible within 120 days of year-end. The content of the annual report will include information on both financial and social responsibilities. Both the annual report and the audit are required to be tabled in the following Sitting of the Legislative Assembly. These measures will ensure that the work of the distributor corporation is both transparent and accountable to Yukoners.

The *Cannabis Control and Regulation Act* is enabling and makes provisions for a hybrid retail model. This model supports the option of both government-run retail stores, if that's what government chooses to do, and it supports the option of private retail establishments. It is enabling legislation. We have tried to make it as broad as possible to take into account various options for the future.

The proposed act will establish a cannabis licensing board and delineates the process by which licensing of private retail stores can occur. The proposed act provides powers for inspectors to ensure that the sale and purchase of cannabis are done in a lawful manner. Under the proposed act, these powers will be carried out by government inspectors and the RCMP.

The *Cannabis Control and Regulation Act* is designed to protect the health and safety of Yukon youth. The proposed act makes adults responsible for the cannabis they possess and prohibits an adult from giving cannabis to any young person. Further, the act requires adults to take measures to prevent access to cannabis by young people.

The act explicitly sets a minimum age of 19 for the possession, consumption and cultivation of cannabis. It allows

for the possession of 30 grams of cannabis in public by adults who are 19 years of age or older. Mr. Speaker, the proposed act prohibits the possession of any amount of cannabis by a person under the age of 19.

Under the act, adults will be allowed to grow up to four plants per household. Consumption of any form of cannabis in a vehicle, including medical cannabis, will not be permitted. Mr. Speaker, the act prohibits consumption of cannabis in all public places, but includes provisions to license some forms of public consumption, perhaps, in the future.

Those who wish to consume cannabis will be permitted to do so in a "dwelling-house", including the property associated with a "dwelling-house". A "dwelling-house" is defined as a residence that is occupied either permanently or temporarily. The proposed act provides that the smoking and/or vaping of cannabis will not be allowed where smoking of tobacco is currently prohibited, either through bylaws of a condominium corporation or through landlord and tenant agreements.

Medical cannabis is, and will continue to be, the jurisdiction of the Government of Canada. Its sale, distribution, purchase, possession and cultivation are exempt from the provisions of our proposed act, except where specifically stated.

There are two proposed acts that will apply in Yukon upon legalization of cannabis: Yukon's *Cannabis Control and Regulation Act* and the federal *Cannabis Act*. It is important to note that offences may be federal, territorial or both. The offences defined in Yukon's *Cannabis Control and Regulation Act* will range from minor to severe; as a result, a broad range of penalties are also defined. Minor offences, such as public consumption, will be a ticketable offence. A schedule for these minor offences — specifically the dollar value of the tickets that will be levied — will be defined under the *Summary Convictions Act* in the near future.

The act defines penalties for more serious offences, such as the illegal sale and distribution of cannabis in Yukon. Under the proposed act, evidence discovered by police or emergency personnel during an emergency cannot be used in a prosecution of an offence under that legislation. Offences associated with driving a vehicle while impaired by cannabis will be addressed in Bill C-46, which amends the *Criminal Code of Canada* to create specific new offences of driving while impaired by a drug. We will be monitoring the application of this new federal legislation to determine whether Yukon's *Motor Vehicles Act* should be amended in response. It is important to note that it is currently an offence under the *Criminal Code of Canada* to drive a motor vehicle impaired by anything, including alcohol, drugs, prescription drugs or anything that might impair your ability to operate a motor vehicle. That is currently a *Criminal Code* offence.

The items presented represent the highlights of the bill that has been tabled here today — or previously, but here for second reading. In conclusion, the government is pleased to bring forward the proposed *Cannabis Control and Regulation Act*. This legislation balances the need to displace the illegal market while ensuring that the protection of the health and safety of all Yukoners is our priority.

**Mr. Cathers:** In rising to speak to the legislation, I would like to again — as I have previously in the House this session — outline for all Yukoners listening or reading this later that the Official Opposition respects the fact that Yukoners have strong views on the issue of the legalization of cannabis. There are Yukoners who are strongly in favour and Yukoners who are strongly against. We respect the views of all Yukoners who support it, as well as those who do not, and our position as the Official Opposition is that since the federal government has made it quite clear they are proceeding with legalization, we believe it is the job of the Government of Yukon to prepare to responsibly manage cannabis, including to responsibly regulate it once it has been legalized and to take enforcement action related to ensuring that the regulations are complied with.

There are many parts of this legislation that we do support. We do have some specific concerns that will mostly not come as a surprise to the government.

We have outlined our alternative vision for the regulation and control of cannabis that would limit the growth of the territorial government while creating opportunities for the private sector. We believe that the Liberal government's plan to grow government and, specifically, to expand government in the area of retail and distribution is an unnecessary expenditure of taxpayers' funds. We believe that the government's indication that they plan to spend \$2.7 million in the first four months of inventory for the new cannabis distributor corporation and retail is unnecessarily spending that money, and there is always some risk when taxpayers' money is invested in a consumable product such as cannabis, since there are credible Yukon private sector companies that are interested in selling cannabis.

We believe that the appropriate model would be for government to allow for the licensing of Yukon small businesses that comply with the provisions of the act and regulations. Just as there are many Yukon companies across the territory that deal with the distribution, retail and serving of liquor, similar provisions in place for the sale of cannabis can be done in just as responsible and safe a manner as public retail of cannabis, but at much lower cost to taxpayers — also without expending taxpayers' money on hiring new government employees and taking the risks associated with entering that business.

Again, the Official Opposition Yukon Party believes the local private sector can deliver this service and sell cannabis just as safely as government and at a cheaper cost to taxpayers. In that light, and again in recognition of the fact that the federal government is moving forward with legalization of cannabis, we believe that the Yukon government should instead be focused on creating opportunities for the private sector and enforcing strict rules to protect health and safety, not grow the size of government as they're choosing to do.

Some of the areas that this include are the sections that pertain to the establishment of the distributor corporation, which we believe are unnecessary. In fact, it should be noted

that, while emphasizing the fact that, lest the government attempt to misreflect what we're saying, we're certainly not in favour of pharmacies or vet clinics selling cannabis, but it should be noted that both pharmacies and veterinary clinics here in the territory deal with drugs that are far more potent than cannabis and have demonstrated that they can, in fact, safely do so in accordance with the regulation by government. We believe that, while there are some risks associated with the legalization of cannabis, it can be done just as safely by a properly regulated private sector as by a government.

Moving on to a few other areas — I do want to note that we appreciate the hard work of officials on this file. We recognize that the officials of all the departments, as well as the Yukon Liquor Corporation that have been involved in the development of this legislation and the entire framework, have been working with tight timelines. The Yukon Liberal government was not among the provincial and territorial governments that requested an extension of the timelines for legalization of cannabis from the summer of this year.

That extension has now been granted, but we recognize that officials were working under the understanding that they had to perhaps be ready for legalization at the beginning of July of 2018. I do appreciate the hard work they have done under very tight timelines, and also appreciate the information provided by officials at the two briefings we received on this.

I want to emphasize to them and to all Yukoners that the criticism that we are levying toward the policy choices made by the Liberal Cabinet are not a reflection on the work of those department staff who, we understand, are acting under the direction they're given by the Cabinet of the day.

Mr. Speaker, it should be noted that much of this structure has been well done. I want to emphasize our position that we believe government's priorities in the legalization of cannabis, since the federal government is proceeding with it, should include eliminating the black market, strong enforcement, protecting youth and, in addition to creating private sector opportunities, limiting the growth of government and creating strict rules for health and safety.

The Official Opposition believes the Yukon government should focus on the elimination of the black market, which includes, in part, keeping taxes on cannabis low, at least after its initial implementation. It should be focused on allowing the legal market to be competitive, thus taking money away from criminal organizations, with the revenue generated from legal cannabis sales being reinvested into areas including inspection, enforcement and education campaigns.

We believe the Yukon government should refocus its efforts from what it is currently envisioning to regulating, inspecting and enforcing the regulations pertaining to this area, as well as on public education, including to youth about the risks related to the legalization of cannabis and also issues such as impaired driving.

There are a few other areas where the government has not actually outlined how the rules will work. One area that we discovered — we learned of it at one of the briefings with officials — is that government has not come to a conclusion at this point — or at least not outlined it in this legislation — on

what the rules will be in campgrounds. That specifically relates to the question of — in a campground, it's a safe prediction to make that, if cannabis is legally allowed, there will be a situation where someone at one site is smoking marijuana and, at the adjacent site, the people there may not like the smell of second-hand smoke and, especially if they have children present, they may be concerned about the intoxicating effects of that.

There are two different ways government could go on that issue. One is to determine that, just as with cigarettes, it's largely a public area that has certain rules, but they don't prevent all activities that might disturb your neighbours. The other conclusion is to suggest that if priority is being placed on preventing people who don't wish to become intoxicated from being exposed to that second-hand smoke, there should be provisions for them to complain, if the consumption by a neighbouring campsite is causing smoke to drift toward their campsite, especially if they have children present.

This is an important question. If government doesn't come up with a decision on what the rules are in this area, it is fairly safe to predict that it will be a cause of conflict between Yukoners once legalization occurs. Government does need to make up its mind in this area. It is an area, as well, that may be worthy of more specific input from Yukoners on how they would like to see that situation structured in that case. In the absence of government-to-government — failing to make a decision will lead to conflicts without there being a regulatory tool to enforce it. It should be noted right now that, under the campground regulations, there are also a number of behaviours — people can do things in campgrounds, and it may not be proactively enforced by the staff of the Department of Environment. But, in the case of a complaint about things such as a dog running loose, there are provisions to require someone to tie up their dog at a campsite and to avoid them disturbing their neighbours. I will leave that important question for the government to answer and indicate what their vision is and explain why. I would just emphasize that the failure to make a decision in this area is in fact a decision, and any choice made in this will have consequences.

Another area that government has not seemed to fully address in their legislation is the issue of the risk to people who have allergies to cannabis and what steps will be taken to provide for their rights and avoid them being in a situation where they are unnecessarily exposed to a potential risk to their health.

Another area that the government has specifically addressed in this legislation — but we believe government has made the wrong choice — is how it pertains to mobile homes. I think the government will likely hear similar concerns from the Third Party about this area. As outlined in the legislation currently, it is our understanding that a mobile-homeowner, by virtue of the fact that they might be renting the pad from a landlord, could in fact not be allowed to smoke cannabis or consume it in their own home if the owner of the mobile home park chose not to allow it. That does seem to be a disparity between the rights of those homeowners versus other homeowners. We would note that it is an entirely different

matter as it pertains to the ability of a landlord to, quite rightly, be able to choose whether they are going to allow cannabis to be consumed within a rental unit, because after the tenant leaves, the landlord is left to deal with any consequences of them smoking cannabis in that area. Just as with tobacco, there is the ability for someone to rent an apartment or other rental unit on the condition that the tenant can't smoke. I certainly agree with the ability of that to be a condition of the rental agreement because of the effect on property value for the owner of that unit.

But as it pertains to mobile-homeowners — I think you will probably hear similar comments from the Member for Takhini-Kopper King — it is a different situation because they own the unit that is setting on the rented property and it belongs to them.

There are other areas that perhaps the minister could elaborate on — how the rules will apply to people who live in condominiums and where the balance will be between the ability of a condo owner to exercise the right to consume cannabis on their property versus the rights of the condo corporation collectively to potentially choose not to allow the consumption of cannabis, not only in smoked form, but potentially in other forms.

With that, I will just wrap up my comments by noting — although I suspect the government is probably not going to see the error of their ways, at this point we would encourage them to table amendments to Bill No. 15 that would eliminate the requirement to establish a distributor corporation and would, in effect, speed up the ability to allow for Yukon companies to apply for a licence under the act for retail and/or distribution and to have that licensing considered by the board in a comparable manner to what currently exists for liquor licensees who apply for the ability to sell liquor either in a restaurant, pub or off-sales situation.

With that, I will conclude my remarks and simply note that, if the government does have the willingness to admit that they made the wrong choice and to reconsider the approach they are taking here, they would save some \$2.7 million that they are currently planning on spending on four months of cannabis inventory. They would eliminate the need to hire most of the distributor corporation employees that they are currently envisioning hiring, and they would allow the Yukon private sector to proceed more quickly toward opening up legal retail locations, which would create more choice and increase the likelihood of squeezing out the black market — or displacing as much as possible. Those Yukon companies would be required to expend the money, rather than taxpayers expending the money, on the construction of retail and distribution space. They would have the opportunity to take the opportunities associated with success, but they would also assume the risks associated with cannabis sales, rather than the government's current vision, which would see — at least in the initial phases — the risks of retail and mistakes being made around inventory being borne solely by the Yukon public and by the Yukon taxpayers.

**Mr. Hutton:** I am pleased to rise today to speak to second reading of Bill No. 15, entitled *Cannabis Control and Regulation Act*.

This act has been developed to achieve two key objectives of our government: to provide for legal controlled access to cannabis that displaces illegal and criminal activity; and to prioritize public health, safety and harm reduction, with a focus on protecting youth from negative health effects.

I would like to take a few moments to discuss harm reduction and protecting youth in the context of some of my constituents in all of the communities that I represent. I have personally witnessed a dramatic change in some people's lives where, for years, they have struggled with alcohol abuse and the myriad of social harms associated with this behaviour. In Canada, the number of people under the age of 21 killed in motor vehicle crashes while drunk has stayed the same: 34 percent in 1986 and 34 percent in 2006. This is a totally unacceptable loss of young people's lives.

Alcohol is one of the most widely used psychoactive drugs known to man, a statement supported through a research study by Le Dain Commission, which I now reference. In Canada, 16- to 25-year-olds represent 13 percent of the population and 30 percent of the deaths involved impaired driving from alcohol. Because it is so ingrained at all levels of our society, there is a tendency for many Canadians to not even consider alcohol a drug. Canada ranks number one among 19 wealthy countries for percentage of roadway deaths linked to alcohol impairment — at 34 percent, it is higher than any other country in the survey. The large role that the production and consumption of alcoholic beverages plays in the economic and social life in western society should not permit us to minimize the fact that alcoholism is a more significant problem than all other forms of drug use combined — we can't ignore that fact.

Alcohol-impaired driving is the leading cause of criminal death in Canada. In 2011 there were 1,886 incidents of drug-impaired driving reported by police. This represented two percent of all impaired driving incidents — 90,277 in 2011. There is not much comparison between those two numbers — two percent to 98 percent — when it comes to focusing on protecting our young people. We need to educate people about the most dangerous drug out there: alcohol.

This introduction of cannabis control is providing us with an opportunity to give young people that education that our government has really failed to provide in the almost 100 years since alcohol has been legalized in this country. We hear a huge hue and cry — reefer madness, version 2.0 — about impaired driving wreaking havoc on our highways. People have been smoking cannabis, driving on our highways and being part of these statistics for many, many years. The numbers that I just read to you reflect that two percent of impaired driving deaths are caused by all other drugs other than alcohol. The cannabis-related part of that is a pretty tiny fraction.

The studies show that people who have managed to stop alcohol abuse have been aided in many cases by substituting cannabis for alcohol. I have certainly borne witness to that in

my own communities. People who have struggled with alcohol for years, with all the problems, switched to smoking cannabis 10 or 15 years ago. The violence, the aggression and the murders that were taking place and the suicides dramatically slowed down because alcohol is not the drug of choice there anymore.

Indigenous Canadians represented three percent of the overall population of Canada in 2006, but they accounted for 16 percent of admissions to correctional services for impaired driving. I have seen the positive change this switch to cannabis from alcohol has had, as the violence and aggression often associated with alcohol abuse is replaced by cannabis-induced behaviour, which is much less harmful to our society in general.

In an ideal world, Mr. Speaker, no one would ever need to use alcohol or cannabis, but that is not the world that we live in. I absolutely believe it's our government's responsibility to ensure our youth are provided with the most current evidence available with regard to the use and abuse of both alcohol and cannabis.

Epidemiological studies have been inconclusive regarding whether cannabis use causes increased risk of crashes. In contrast, unanimity exists that alcohol use increases crash risk. The evidence is undeniable: many of us have experienced the devastating loss of acquaintances, friends, peers and, in some cases, family members to alcohol-related crashes.

By far the most significant danger on our highways will be from people who drive under the combined influence of alcohol and cannabis. When used in combination, alcohol and cannabis dramatically increases the impairment level of drivers. The federal government, through Bill C-46, is moving toward bringing in more severe penalties to reflect the increased danger of combined drug use, especially alcohol and cannabis.

I believe we have been given an opportunity to provide our youth and society at large with the most current and relevant evidence regarding the use and abuse of not just cannabis, but the far more dangerous drug — alcohol. Unfortunately, considerable alcohol intoxication is tolerated, endorsed and even encouraged in many situations in North American society, and the myriad of resulting social harms seems to be accepted as the cost of doing business.

This needs to change, Mr. Speaker, and there's no better time to begin this work than now.

**Ms. White:** At the outset, I just really want to thank all those public servants who worked to bring Bill No. 15, *Cannabis Control and Regulation Act*, to the House. It's a gargantuan amount of work. With the Canada-wide legalization of cannabis on the horizon, I can only imagine how past legislators felt with the end of prohibition when faced with creating laws and regulations governing the consumption of alcohol. One might say that this fundamental shift to legalize cannabis is the biggest change to Canadian law to affect every province and territory in recent memory.

For that reason, this is a daunting process and one that I can only imagine has been grappled with both within all the

departments in the territory and across the country. I thank the officials for the thorough briefings and patience as we worked our way through the proposed legislation, because it is big and it is serious and there were a lot of questions from me.

First I want to reiterate that the NDP, both nationally and locally, have supported the legalization and, most importantly, the decriminalization of cannabis for a very long time. We believe that if the taxes and revenue generated from liquor can do good things for the community, then so should cannabis. We have questions and concerns around a number of issues that I will highlight now, and I look forward to more in-depth conversations with the ministers during Committee of the Whole.

Firstly, social responsibility — that sounds great, but what are the “how”, “who” and “what” of it? How do we ensure that the promotion of the social responsibility of cannabis is more effective and further reaching than that of alcohol? One could say that we failed in the social responsibility of alcohol and that we continue to fail. There are all sorts of reasons that the Member for Mayo-Tatchun just highlighted. Another thing with social responsibility is, for example, how do we ensure that the product is safe from harmful herbicides and other chemicals?

The public went the hard way with tobacco, that producers can't be trusted with self-regulation. That's going to be a role for the federal government, but hopefully with prompting from territorial and provincial governments about making sure that those inspections happen. To be clear, it's not that we think that one should be stronger than the other — that being liquor or cannabis — but we have often asked about government's responsibility about the same issue when we've talked about the department's role in the social responsibility of alcohol. We're on the record often, asking about how it's being done, if it is enough and if it is effective. So government can expect the same questions from us when speaking about cannabis.

We need to take the concerns of the medical community seriously — those who highlighted their concerns over the legalization for people under 25 — because that's what they highlighted. They have also highlighted the same concerns with alcohol. I understand that the legal age will be 19 and I don't disagree with that because alcohol is at 19, but those concerns were highlighted by the medical community so we need to be aware of that.

We want to know about the siting of stores, making sure that cannabis locations are more thoughtfully located than what we see as flaws with liquor, and particularly with off-sales. We appreciate the conversations and direction that speaks to the co-location with liquor, but we want to know how and what this will look like. Will there be a minimum distance between a liquor off-sales location and a cannabis retailer? Or will the businesses be allowed to share a wall? If they're able to share a wall, will access be allowed for staff to move between them? What does co-location look like and what does it mean?

We want to know about the density of retail locations of cannabis. Will it be based on population? I would imagine a

community like Carmacks wouldn't require as many retailers as a community like Whitehorse. We want to know if it is going to be based on populations or is it going to be based on siting. Will density only be addressed when an application is made and the public has the ability to respond? At what point does government get involved? Do we put it out in the regulations or is it only when the public has the ability to say, “This is a little close for us”? Can density and siting be addressed in regulations?

We bring these issues up when thinking about vulnerable populations, especially youth and those with addictions.

I would suggest that we probably don't want a cannabis retailer a stone's throw away from a school and I would suggest that we don't want a cannabis retailer a stone's throw away from an ADS building, because we are talking about the social responsibility of protecting vulnerable populations — both youth and those with addictions.

Currently, cannabis paraphernalia can be sold in any location. I have seen paraphernalia on display in a gas station. We believe that cannabis paraphernalia should only be available at approved retailers. We believe that this would limit exposure and would be socially responsible. With the help of officials, I was happy to find that this could be located within the regulations in section 80(1)(m). This is really important. When I talk about paraphernalia — if we want to talk about protecting vulnerable people or youth, it means making sure that you can't buy that paraphernalia at the gas station or at the corner store or at the convenience store — that we are making sure that we have the ability to regulate where that goes. I thank the official who pointed me toward section 80(1)(m). That was great because I had not, admittedly, at that point in time, gotten around to every point in section 80, so I did really appreciate that.

I also really appreciated the explanations that we were given regarding the proposed hybrid model. We heard the Minister of Justice speak about that, and we have no problems. When people talk about government getting involved, that ship has already sailed, and I can say personally that I have no issue. I want government to be in charge of liquor. I want government to be in charge of cannabis. We encourage the government to look toward private industry for retail purposes when that opportunity arises, but we cannot stress enough our belief that government should absolutely always have the responsibility of distribution. That is, the importation of cannabis to the territory and then the distribution to retailers. We believe — and we believe very strongly — that this is critical in government being able to fulfill their role of social responsibility. I cannot stress that enough because that is a big deal for us.

I heard my colleague, the Member for Lake Laberge, raise concerns about section 3(3)(d) and (e), and that is about condominiums and mobile homes. I had those concerns because I was the one who brought them forward initially, but after conversations and clarity from the officials of the Justice department, my fears have been eased. I look forward to the opportunity of having a back-and-forth with the Minister of Justice so she can put on the floor what that looks like. After



my conversation with the officials — what I was worried about has been appeased. I can say that it took us a long time to get there, because there was an answer but it wasn't one that came easily the first time I brought it up. Just a forewarning to the minister that if I am not getting the answer that I was looking for, I will prompt until it comes forward, because that will ease the minds — I believe — of mobile-homeowners and condominium owners. It will make it easier. I did raise those concerns initially.

There is a lot to cover in these 81 clauses. There is so much to cover. I was trying to think to myself how to best go at it, whether we just opened it up and went with questions, or if we could do a hybrid model and do line-by-line debate — but not really line-by-line — so that I could ask specific questions without missing it. Then maybe we could go back to line-by-line debate for real at the end, because, out of these 81 clauses, just about every page in my binder has highlighted things with sticky notes and questions.

I can say that, with the two briefings we received from officials, it was really helpful. I thank them for making themselves available because those two briefings were critical in understanding some of those issues. Like I said, I'm not sure how, when we get to Committee of the Whole, we're going to be able to best deal with this because the Member for Lake Laberge and I have very different questions and we come from different areas — but knowing that we will have the ability to ask those questions and the ministers responsible within the legislation, because there are three. It will be the first time that I will have the opportunity to have a conversation with three ministers about one piece of legislation, so I look forward to that.

Really, Mr. Speaker, I look forward to an ability to have a back-and-forth with ministers when they have the support of their officials here. What I learned a really long time ago is that officials within departments have all the answers and sometimes it is getting those answers from them that really brings clarity to the situation. So I look forward to an engaging back-and-forth with the ministers and I look forward to figuring out how we are going to go through this — like I said, maybe a hybrid model, where we can start at the beginning and go to the end and then go back to line-by-line debate. There is so much to cover and it's so important, when I talk about this, it feels like it's as big as prohibition.

When I initially talked about the *Residential Landlord and Tenant Act*, there was one that was in existence before. There was something that was there before and it didn't work, and I can say that I still have issues with the current one but that is not the point.

But this is new and everything about this is new. When the officials would point me toward the *Liquor Act* and I could look at that, or the *Smoke-Free Places Act* — all those things were really important — but the 81 clauses, the 77 pages — this is big and it is really important. I am looking forward to that engagement and I am looking forward to those conversations and getting our way through it.

With that, Mr. Speaker, I look forward to more and then I especially look forward to Committee of the Whole.

**Hon. Ms. Frost:** I'm pleased to rise today to speak to the second reading of Bill No. 15. I would like to thank all members of the House who provided really great feedback and comments today with respect to the overview of the act.

Our government recognized early on that legalized cannabis will result in an increased need to protect the public health and social interests of Yukoners. It will come as no surprise that it is my main priority as a health minister. Since the federal announcement to legalize, regulate and restrict cannabis, we have been working with our federal, provincial and territorial partners on a cautious approach to legalization.

This government wants to ensure that we protect our most vulnerable citizens from the harms that can be associated with cannabis use. Our government is satisfied that the federal policy approach has applied a public health lens with an emphasis on the protection of youth. This focus is particularly relevant to Yukon. With the exception of alcohol, cannabis is the most commonly used intoxicant among youth in Yukon, particularly in our rural communities.

In drafting this act, our policy deliberations have focused on the impacts resulting from Yukon's high consumption rates and the current state of normalization — particularly on youth, pregnant women and those at risk of psychosis or cardiovascular disease.

Officials across government have been working diligently to ensure a successful implementation of a legalized cannabis regime by the summer of this year. To that end, our new act has been written to support the two guiding principles that were established by the Government of Yukon and endorsed by Yukoners during the public engagement process: We will provide legal, controlled access to cannabis that will displace illicit or illegal and criminal activity and we will put a priority on public health, safety and harm reduction, and a focus on protecting youth from negative health effects.

The Yukon government began engagement with youth last November. We worked with BYTE to engage with young people in Whitehorse and Dawson and will be visiting Teslin and Carmacks this month to talk to them about cannabis. We hope we can get all the Yukon communities.

In addition, legalization of cannabis was also discussed at the millennial town hall forum late last month, which was attended by more than 125 youth from across the Yukon. The young people gave us great advice on how best to provide them with the information that they need on the effects of cannabis use. This advice will be reflected in an upcoming education campaign by Health and Social Services, Justice and the Liquor Corporation. At this point, I would like to thank all the young people who provided their feedback.

Our legislation has been drafted with the health and safety of all Yukoners in mind. As you will see, the act proposes that only people 19 years of age and older will be able to purchase, consume or grow cannabis for personal use. The act makes adults responsible for the cannabis that they possess and prohibits an adult from giving cannabis to any young person, at any time, in any location.

The act also requires adults to take measures to prevent access to cannabis by a young person. Further, a person 19 years of age or older may not involve a young person in the sale, consumption, possession or cultivation of cannabis. Another way that our legalization will protect youth is by limiting where cannabis can be consumed. We propose that cannabis can only be consumed in a private residence or on the land adjoining that residence.

The act acknowledges that different forms of consumption have different effects. Inhaling cannabis smoke or vapour creates second-hand effects that could potentially intoxicate another person. As a result, the act is specific about where different types of consumption can take place.

We believe that allowing the consumption of cannabis — smoking, in particular — on our streets and in our parks is not in the best interest of the health and well-being of young people. Yukoners will not be allowed to consume cannabis by smoking or vaping or cultivating cannabis for personal use in or near a daycare or preschool, or a space where young people are ordinarily cared for in a licensed family childcare home, whether or not the children are present.

Cannabis would not be consumed by inhaling smoke or vapour in any group living facility, as defined by the *Smoke-Free Places Act*.

Adults who live in nursing homes, homes for the aged or disabled persons or other health care facilities will be allowed to consume cannabis in designated areas only. Cannabis may not be grown at a “dwelling-house” that is also a daycare, preschool or licensed family childcare facility.

An individual would not be able to consume cannabis by inhaling smoke or vapour in the presence of a person who is providing health services, a probation officer, a social worker or other people, as detailed by the regulations, and those who have requested that there be no smoking or vaping in their presence. In the interest of the health of Yukoners, the *Cannabis Control and Regulation Act* also provides government with the ability to control the location of cannabis with other products such as alcohol and tobacco.

Mr. Speaker, I believe you will find that this act has clearly been informed by national and international research, jurisdictional policy approaches to the legalization of cannabis, a Yukon public survey and intensive in-person consultations with First Nations, municipalities and Yukoners. We have taken a balanced approach that supports the health and safety of our youth — and Yukoners — and, given the reality of cannabis in the territory, we have also ensured that we are working with our mental wellness hubs and our substance use workers throughout Yukon to ensure that they are well-briefed and prepared to provide and lend their support as this evolves and is realized in the Yukon.

With regard to increasing public awareness on the implications and consequences of cannabis, we will look at responding to new evidence as we proceed with the regulations. We will look at our own internal policies with respect to health and adapt that accordingly as well. Given that this is a new initiative, we look forward to the great

feedback from Yukoners and the great feedback from our youth that have engaged so far.

**Hon. Mr. Streicker:** I would like to begin by thanking our colleagues opposite, the Members for Laberge and Takhini-Kopper King. They talked about two things that I want to begin by emphasizing.

The first one was that they thanked the government staff who have been working on this issue. I thank them both for those comments because I know from being on the government side how hard the staff have been working. I really appreciate the efforts that they have put in, whether that is the Department of Health and Social Services, the Department of Justice or the Yukon Liquor Corporation. They have been doing a lot of work — and other departments — but it has been a lot of work and it is a large piece of legislation. It is a watershed moment, as the Member for Takhini-Kopper King alluded to.

I would also like to thank them for acknowledging the two briefings. The department staff — we asked them to provide a briefing for the members opposite, as is appropriate. The department staff came back and said to us that there had been a request for an additional briefing and the Minister of Justice and I said, “By all means, please go back and work with the opposition.” I note that here today because earlier today, there were questions about whether we were working to try to provide briefings for members opposite. I just think it’s a nice point to show where it is good to provide briefings for the members opposite, because the more we’re briefed, the better we can do here in the Legislature. I think that’s a good goal to seek and achieve.

As described by both the Minister of Justice and the Minister of Health and Social Services, this legislation is intended to provide for legal controlled access to cannabis that displaces illegal and criminal activity, and to prioritize public health, safety and harm reduction. I wish to emphasize those two points. They have been our overriding goals and what we have tried to achieve through this legislation.

Let me begin by just talking about the involvement of the public. There has been a tremendous response by the public on this topic. I want to say — and this echoes the first comment about the work of the public service, but also the engagement of Yukoners generally — they have come out. Thousands of Yukoners have let us know their views on this topic. Department officials held more than 50 public meetings. I have been at several of them, and I have had other meetings in communities where the issue has been raised, although it wasn’t a formal meeting, to discuss cannabis control legislation.

The public has been voicing their opinions on it, and that is a great thing.

The Member for Lake Laberge said that the Official Opposition is respecting all views, and I appreciate that. That’s true of all of us here in this Legislature. We can and should be respecting all views. The challenge is that there is a range of views, and some of them are conflicting, so it’s not always possible, when you respect those views, to be able to

accommodate all of them. That is our job — to try to find a path in this legislation.

For example, three out of four Yukoners told us they believe it is acceptable to use cannabis, which is currently illegal and which we hope to make legal. Four out of five Yukoners agreed that it should be legalized. Even though some of them obviously didn't believe it's a great or appropriate thing to use cannabis, they agree that it should be legalized. More than four out of five Yukoners support our priorities of displacing illegal sales and focusing on public health, harm reduction and preventing negative impacts on youth. That's great. I think that, in terms of the priorities we have set, there is strong support from the public. I also heard support from the members opposite. Of course, we're going to disagree on many of the fine points, and it's good to have that debate here in the Legislature.

In order to achieve these principles, Mr. Speaker, the Yukon government has developed this legislation to provide Yukoners with controlled access to cannabis. What I would like to do right now is discuss in more detail the provisions in the act that speak to distribution and retail. At the end of that, I'll come back and speak to some of the comments raised by members opposite.

The government-led distributor corporation will have the power to purchase cannabis from federally licensed producers, import cannabis from producers to the Yukon, warehouse cannabis for distribution, distribute and transport cannabis to both public and private retail outlets, provide for public retail and contract out any of these services to the private sector on its behalf.

I just want to begin by noting that cannabis is an intoxicant. As an intoxicant, it therefore is a government-controlled substance and our job, as it gets legalized, it is to make sure that there are assurances for the public that it will be safe and that we don't have to worry about herbicides or other things, as the Member for Takhini-Kopper King asked. If someone chooses to use cannabis, they can be assured that the cannabis that they are going to be using will be legal, and its provenance — where that cannabis came from and how it arrived in the store — can be known to the public and there can be assurances that it is safe.

The act also provides the distributor corporation with the authority to establish and implement a licensing process for private retailers and ensure licence compliance through inspections and enforcement. I will note at this point that this is the one place where we will be growing the corporation — around inspections and enforcement.

Under the *Cannabis Control and Regulation Act*, the Government of Yukon may also restrict, through regulation, the products or substances that are sold alongside cannabis. This provision recognizes the importance of providing accessibility while ensuring harm reduction. Last night, we met with potential private retailers and we discussed that very topic.

This act establishes the cannabis licensing board. The board will be responsible for licensing all private cannabis businesses. The types and classes of licences will be set out in

regulation — regulations that we are now working on, but are not yet developed. They are in progress, and I will come back to that point in a moment. The cannabis licensing board will perform their duties independent of the minister and the corporation will support the board as its secretariat.

When reviewing a licence application, the cannabis licensing board will contemplate the defined relevant considerations such as the views of the public, potential economic benefits and the legal and financial history of applicants. The *Cannabis Control and Regulation Act* delineates the process associated with obtaining a licence while allowing for specific details to be defined in regulations by class of licence.

Under the act, public notification will be required for all licence applications to allow for active community participation and to ensure transparency. Where there is public concern and interest in the review of a licence application, a hearing will be required. Oversight and accountability is an important component of this act. All licensees will be held responsible for ensuring that cannabis is legally purchased and sold and that it is not provided to youth. Inspectors will be empowered to inspect licensed premises to ensure that they are operating within the confines of the law. Further, the president of the corporation will be responsible for applying sanctions in an instance where a licensee has taken actions that are outside of the law, regulations or their licence. To ensure fairness and accountability, the act provides for an appeal process. In such circumstances, the licensee is able to appeal a sanction to the cannabis licensing board for a final decision.

Based on the provisions contained in the bill, some of which I have highlighted today, this government believes that it will be able to provide access to cannabis and encourage socially responsible sales. Further, the Yukon Liquor Corporation will continue to work with the departments of Health and Social Services and of Justice to provide for social responsibility through education and community awareness campaigns.

I had a conversation today with my colleague, the Member for Mayo-Tatchun, and we discussed that education campaign. The intention is for that campaign to be coordinated across all of the departments, but to consider the various focuses that are relevant to each of the departments or the corporation. There will be a role for all of us, but we do agree that we have to get out there and educate the public.

I would like to also state that the *Cannabis Control and Regulation Act* is comprehensive in nature and addresses many different interests and disciplines. The development of this act has been made possible by the participation and interest of Yukoners and the Yukon communities, and this government again expresses its appreciation for their participation.

Let me turn now to some of the questions and concerns that were raised by members opposite. First of all, I really appreciated the Member for Takhini-Kopper King suggesting a hybrid model for how we look at this legislation. One of the things I will say is that we have been talking about how to try

to make it differently. We asked or directed that, as we go through Committee of the Whole, we will bring in more than just one department's officials at a time so that we can be flexible to try to answer questions as much as possible.

I look for further conversations. If there are other suggestions, let's work on them to see how we can navigate to make this the best legislation possible. I appreciate that the Member for Lake Laberge has some suggestions about ways that he believes the act could be improved.

I mentioned already that we will be part, alongside of the federal government, of ensuring that there will be control from seed to sale. That control is there to ensure that the cannabis made available to the public is safe. That's how we will deal with questions of herbicides or other things. The other thing that we want to try to make sure that we do is to move away from the illicit trade. Often when cannabis is alongside the black market, one of the things that happens is that it is alongside other drugs. We want to create that separation. We want to get it out of there. We want to move it into the legal trade and, in that way, separate it from those other drugs.

I heard a great interview with our chief medical officer, Dr. Brendan Hanley. He was talking about the question of the legal age for cannabis and what the appropriate age is. We need to acknowledge that, across the territory, there is already a lot of cannabis use, as the Minister of Health and Social Services noted. We should also note that there is a culture around that use, and with youth, what we want to do is try to educate them. If you make the age too high, even though our medical professionals would tell us that's right for harm reduction, what you do is you push it toward the black market. There is a real balancing act there, and I thought his comments were spot on in the media and I look forward to working with him and the Minister of Health and Social Services on that education piece for our youth.

I would also like to respond to some of the comments from the Member for Lake Laberge. I agree with him that we don't want to grow government around cannabis sales. I completely agree with him on that, but there are a couple of points where I will disagree with him. The first one is that we won't have regulations and the licensing procedures in place by the time that cannabis is legalized. So the choice then is — to not have a store available for Yukoners and let the black market continue until such time as those regulations are ready. I have already said that they are in progress; we're working on them now. It is a lot of work. We're meeting with the private sector. We are talking to them and keeping them informed about this avenue but, from our perspective, it is better to provide Yukoners with legal access to cannabis once it is legalized and then to transition out.

We have made efforts to ensure that this involvement in sales will be an interim measure, and that is how we're designing it — with contract staff, with making sure that this is located in such a way that it can be handed over and designed to be an interim measure.

The point that I don't agree with is that, regardless of whether it is private sector or a government store, we need to buy an inventory of the cannabis product. It has to happen. It

doesn't matter if it is any of the private retailers who have expressed an interest or ones who will come forward in the future, it still is a controlled substance. It has to come into the territory and it will move through a controlled system as is outlined in this act; therefore, we will be spending money on inventory one way or the other.

The whole reason that we stated that we would go for a slightly larger starting inventory is simply to deal with the shortfall that we anticipate. So it is just being diligent around this to ensure that there will be a supply available — again, with the sole purpose of displacing the illicit market. That is the goal.

One of the things that I have heard raised here — not today, but in this Legislature during the session — is the question around whether or not we anticipate cannabis use to increase when it is legalized. In all of the studies that I have seen regarding other jurisdictions that have recently legalized or decriminalized cannabis, there has been no overall increase in consumption as a result of that legalization or decriminalization. We do not anticipate an increase in consumption here in the territory as a result of legalization. It's important to say that because it is my perspective that the harms around the use of cannabis, which exist today because it is being used in the territory today, will be reduced through this act. That will be done because we will separate it from the black market, because we will have control over the product as it moves from seed to sale, and because we will raise awareness and educate Yukoners, and that is an important thing.

One of my jobs will be to allay fears of Yukoners — to show them that, yes, this is an intoxicant. We will not be promoting it but, on the other hand, we will be educating the public on how to use it in a safe fashion and to make sure that its use in the territory is in such a way as to reduce harm.

**Speaker:** Is there further debate on second reading of Bill No. 15?

If the member now speaks, she will close debate.

Does any other member wish to be heard?

**Hon. Ms. McPhee:** I will just take a few moments to respond to some of the points that were raised by our colleagues here in the House today with respect to second reading of this bill. I do appreciate the comments thanking the staff and officials who have worked on this bill, getting it here today for us to debate. I want to reiterate those thanks. It's much appreciated, I know, by them. The staff have been very dedicated and hard-working. I want to thank them for their endless research, endless travel, endless conversations and advice in getting us to this particular point.

My colleague has mentioned displacing the illegal market. I concur with all the submissions here today with respect to that, but it bears emphasizing that displacing the illegal market as quickly as possible can happen by the choices that have been made here in this draft legislation. I appreciate the comments from the Member for Lake Laberge,

but that is the basis upon which we have made those decisions.

Displacing the illegal market must happen immediately upon the legalization of cannabis. Legalization without access to the product for Yukoners will not displace that illegal market, and regulations are required for the licensing and permitting of private sector distributors. Those points are the rationale behind the decisions that were made to move forward in this way with the corporation, as noted. My colleague has mentioned that we must be responsible. The member of the Third Party has also indicated that the government must take the lead with respect to this for a number of reasons, which I will emphasize.

The Member for Lake Laberge indicated that we should speed up the private sector participation in sales. In fact, the quickest way in which access to the public to legalized cannabis happens is by virtue of the government taking responsibility upon the indication of the passing of legislation, not only here, but in Canada generally. The quickest way for that to happen is for the government to be involved, at least initially, in the process of sales, and the decision has been made to support that goal.

As you have heard, the federal government's legislation requires very strict accountability and record-keeping, a seed-to-sale process. Much of this is unknown to us at the moment, but these are the responsible decisions that were taken in drafting this legislation so that we can achieve those goals.

The Member for Lake Laberge also indicated that we should focus on regulating, inspecting, enforcing and the public education of youth, and that is exactly what this legislation does. This is why this bill has been introduced. It does so and we intend to proceed on that basis, hopefully with the support of all members of this House so that those items, those topics and those elements can be the focus of this legislation.

You have heard some information about displacing the illegal market. In Canada, it is estimated that the enforcement of the illegal market — our justice system, the health implications and the process of dealing with the illegal market specifically in Canada — costs somewhere between \$3 billion and \$4 billion annually. Despite the fact that we might spend \$3 billion to \$4 billion annually, the illegal market still is estimated to achieve between \$7 billion to \$9 billion a year in profits. This is something we simply must address.

I note the comments from the Member for Takhini-Kopper King about social responsibility and I know we will have a lot of opportunity to talk about that when this matter goes to Committee. I appreciate that we will do that and have the opportunity because I think the questions raised are excellent ones, particularly the comments around alcohol use. Certainly, our work has been focused on our ability to do better than we have done in the past with the regulation and distribution of alcohol, including the things that were mentioned by the member, such as the siting of stores, retail locations' proximity and density, which can be addressed in regulation and certainly the intention is to do that.

There is also an issue with respect to those kinds of things being dealt with through regulation, but also through bylaws and through municipalities — their input and zoning and land planning. There is an opportunity for us to address those things and we hope that we go forward with an ability to take into account — this has been a process that has taken into account Yukoners' views to a great extent and has been based on Yukoners' views, and we certainly don't intend to change that now.

This government takes the position and this bill is drafted on the basis that government must be in charge of the importation and distribution of cannabis for the purposes set out already to this House, not the least of which is that we are dealing with an unknown. There are requirements and provisions of the *Yukon Act* that require government to properly regulate intoxicants, and that importation and distribution is a key opportunity for us to not only comply with the federal legislation and the requirements there and their accountability process, but to maintain a slow-growing process of something that we just simply don't have a lot of information about. By that, I mean an implementation of the legalization of cannabis in a way that we can best project at this time and that we can adjust as we go forward.

I hope that the Member for Lake Laberge and his party will see that, as we go through this discussion, as the appropriate way to go forward.

I thank both members of the opposition for raising important issues like campgrounds — which we will wrestle with, no doubt. The deciding and ruling factor will be that you are not disturbing the quiet use and enjoyment by another individual. We will have to wrestle with difficult questions like that, as a Legislative Assembly, or as we go forward in the drafting of the regulations.

Things like exposure to second-hand smoke, allergies — the act does not permit public consumption of cannabis in any way, so hopefully those things can be addressed by having people remove themselves from those situations. Mobile homes, condo owners — the short general rule — and I know we will have more opportunity to discuss this — is that the owners of a mobile home can generally use cannabis in their home, as the owner of their home, if there is no prohibition otherwise. The same goes for condo owners. Condo corporations and landlords can now regulate the use of cigarettes or other substances in their homes, and those will be contractual situations with landowners, with landlords and with homeowners, based on the definitions in this bill.

I will end there, lastly, thanking all of those who have commented on this bill at second reading. I'm pleased to see the thoughtful comments and questions that have come forward today and look forward to seeing how we will tackle this as a Legislative Assembly, not just because of its size, but because of the newness and the content of this bill. I also look forward to having the opportunity to answer questions, both with the officials from our departments and with my colleagues who have worked so diligently on this bill.

**Speaker:** Are you prepared for the question?

**Some Hon. Members:** Division.

## Division

**Speaker:** Division has been called.

### *Bells*

**Speaker:** Mr. Clerk, please poll the House.

**Hon. Mr. Silver:** Agree.

**Hon. Ms. McPhee:** Agree.

**Hon. Mr. Pillai:** Agree.

**Hon. Ms. Frost:** Agree.

**Mr. Gallina:** Agree.

**Mr. Adel:** Agree.

**Hon. Mr. Mostyn:** Agree.

**Hon. Mr. Streicker:** Agree.

**Mr. Hutton:** Agree.

**Mr. Kent:** Agree.

**Ms. Van Bibber:** Agree.

**Mr. Cathers:** Agree.

**Ms. McLeod:** Agree.

**Ms. Hanson:** Agree.

**Ms. White:** Agree.

**Clerk:** Mr. Speaker, the results are 15 yea, nil nay.

**Speaker:** The yeas have. I declare the motion carried.

*Motion for second reading of Bill No. 15 agreed to*

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

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

*Motion agreed to*

*Speaker leaves the Chair*

## COMMITTEE OF THE WHOLE

**Chair (Mr. Hutton):** I will now call Committee of the Whole to order.

The matter before the Committee is Bill No. 15, entitled *Cannabis Control and Regulation Act*. 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. 15: *Cannabis Control and Regulation Act***

**Chair:** The matter before the Committee is Bill No. 15, entitled *Cannabis Control and Regulation Act*.

Is there any general debate?

**Hon. Ms. McPhee:** I just would like to welcome the officials who are here with us today: Patricia Randell, Sandra Markman and Matt Ball. Sandra is the legislative drafter, Matt is here as the president of the Liquor Corporation and Patricia is the director with respect to the *Cannabis Control and Regulation Act* and an official with respect to this entire project. I'm happy to welcome them here today and they will assist Minister Frost and me in answering questions.

**Mr. Cathers:** I would also like to welcome the officials and thank them, as well as the other officials who were present at the briefing but aren't present today, for their help in walking through this legislation. I would again like to reiterate, as I did at second reading, that we in the Official Opposition appreciate the fact that the task of developing cannabis legislation in the territory is a challenging one for officials, particularly in light of the tight timelines and the fact that, as development was underway, the final details of the federal legislation were themselves not completely clear.

I know that involved a lot of work from the people involved in it and, though it involved a number of people from multiple departments and the Liquor Corporation, for those who were the ones most responsible in this project team — I know there was a lot falling on a handful of shoulders — I would just like to thank them for the work that they've done in this.

As I noted in my remarks at second reading, we do support much of the text of Bill No. 15, the *Cannabis Control and Regulation Act*, and where we disagree with it is in several areas specifically related to policy decisions made by Cabinet. We understand and recognize that the officials involved in that would provide options to the ministers in Cabinet but, ultimately, those decisions are made at a Cabinet level and not by officials.

What I want to just begin with — I won't spend a lot of time at this juncture repeating my remarks from second reading.

The government does not, at this point, seem disposed to change its mind in terms of some elements of its approach, so I won't be reiterating all parts of that, other than the fact that, as the government knows, we in the Official Opposition have taken the position — and will continue to do so — that since legalization is happening — while we recognize that the subject is one that Yukoners have strong feelings about — our view is and will continue to be that since the federal government is proceeding, it is the job of the territorial government to ensure that they are in a position to responsibly regulate cannabis and take enforcement action once it is legal.

One question I would ask is — I have yet to hear a good explanation from government of why they have taken the approach of moving forward with getting into the retail of cannabis. I appreciate that the Minister responsible for the Yukon Liquor Corporation indicated earlier today that the plan is temporary, so I will lead off with two questions — first would be seeking clarification from the government that they plan on government's involvement in the retail of cannabis only being temporary. The second part of that question is: If

the government is now committed to exiting being in the business of selling cannabis in a retail environment, can they provide us with a timeline? So two parts — firstly, when will Yukon small businesses be able to apply for a licence to sell cannabis and cannabis products; and secondly, when does government plan to fully exit the retail environment and shut down the retail store that it is currently planning to open?

**Hon. Ms. McPhee:** Mr. Chair, I first need to apologize to my colleague, Mr. King, who is not Mr. Ball. While there is a Mr. Ball, he is not here. Thank you very much, Mr. King, for joining us. I apologize for that.

I am certainly happy to reiterate what the Minister of Community Services and the Minister responsible for the Yukon Liquor Corporation said earlier with respect to the retail cannabis options. It is certainly the plan of this government to be in the retail cannabis business temporarily, initially.

Initially, as I said earlier upon second reading, it is the position of our government that, in order for us to infiltrate and displace the illicit market with respect to cannabis sales, we need to be able to do so initially — immediately upon cannabis becoming legal — either through the operation of our legislation and, of course, through the operation of the federal government's legislation. In order to do that, it is our position and the bill has been drafted for the purposes of allowing that to happen initially as a government-run retail distribution because of, as my colleague also said earlier, the idea is that regulations are being worked on now, but they will take some period of time. I have a very rough timeline, but it is a goal that we are attempting to achieve with the assistance of these very capable officials with us today and many, many others.

Let me just start at the beginning. In the event that this bill passes, which I have great hope that it will do by the end of this Sitting or at the end of April 2018, the federal government has made some statements with respect to the implementation, or passing, of their legislation, which is somewhere in July still — the target is July 2018 — but with an additional eight to 12 weeks following that for proclamation, so it will be somewhere in August or September 2018 before there is legal cannabis here in Canada.

As a result, while we are working on regulations and continue to do so throughout that process, we expect they will take some time. They are detailed and extensive and this process, again, is an opportunity to have feedback not only from this House, but from other stakeholders that we have gone forward to work with during that process. Our target for regulations is somewhere in the late fall or early winter 2018.

Following that, of course, there will be a process of appointing a board under this legislation and a licensing process. There is a notification period much like that in trying to obtain a liquor licence and an opportunity for the public to have feedback. Our goal would be that there could be private retailers licensed or permitted somewhere near the late spring or early summer 2019.

I guess I would really like to emphasize this. The Government of Yukon can, pursuant to this legislation,

provide access to legalized cannabis as soon as the federal government laws have been passed and our laws have been passed. The requirement of regulations and a licensing process and an application process will take longer, and that decision has been very clearly made as a result of trying to displace the illegal market as soon as possible.

Mr. Chair, if cannabis is legal in Canada and legal in the Yukon, but there is no place for individuals to purchase it, our illegal market will not be displaced in the way that we hope it will be. The opportunity to have a temporary retail outlet run by the government is, in fact, just that and I'm happy to confirm that for the member opposite.

The plan is for that to be temporary. We are working to get out of the business of being in business. We are working to have the responsibility for the importation and distribution be a government responsibility but, ultimately, access and the free market will be available for Yukoners.

What I haven't noted is the concept of the private sector also needing to establish itself. There needs to be opportunities for them to have access to cannabis that is legally imported and distributed by the government, but also there will be a process not unlike that in order to get a liquor licence, where the premises need to be established and thought put into the size, format and application of all of the regulations that will come forward.

I think that answers the questions to the best timeline that we have now. I am happy to take future questions.

**Mr. Cathers:** I appreciate the Minister of Justice's assurance that government is planning to only be temporarily in the retail business. I do have to express some concerns about the timelines related to that. I understand the work that is involved and the timelines that are often involved in developing a comprehensive regulatory package, but I think that what government is missing the opportunity on here in this area is that government does have the ability, and has, in areas of some other legislation, brought in legislation and initially — at the time of proclamation — put in place a small package of regulations to allow the immediate operation of that act and brought in more comprehensive regulations at a later date. In some cases, they made that quite clear at the outset, that they would be taking an approach that allowed them enough to bring the act in and to allow its operation right away, but there would be more to come in terms of fleshing out the details.

I think that it is fair to say that the approach that my colleagues and I are suggesting — and we may not be able to convince the government to take this approach, but it is our job to try to convince them of what we believe is an erroneous policy decision and to provide them with an alternative, which is what we are doing, and that is to move quicker in the area of regulations to allow companies to apply for the ability to enter the private retail market. I would note that, while the liquor regulations are not a perfect fit for all matters pertaining to cannabis, they, in fact, lay out a template that the government could use for moving forward quickly on regulations and bring forward amendments at a later date — an option that seems to exist for government potentially

allowing private retailers to apply quicker and to be licensed that I would outline for government and encourage them to give some thought to it, if they haven't already considered this option.

The option would look like this: it would allow a company to apply for a licence but would effectively place some of the onus on that applicant to demonstrate their ability to safely operate the retail facility and manage it and their safety plan. While this type of model has obviously never been dealt with regarding cannabis in the territory, it's not unprecedented under other areas that are managed by the Yukon government where there is some onus placed on an applicant to demonstrate how they are going to do it in a manner that is safe. That includes, for example, when somebody applying for agricultural land is required to submit a farm development plan for what they intend to do. That plan has to be deemed acceptable as part of the application process, or they will not successfully go through the assessment process and receive that piece of land.

There's also a requirement — again using the agriculture example — at the environmental assessment stage that YESAB will ask questions and people who submit comments during YESAB's stage of seeking views and information will often seek information about how a potential farmer would manage their planned activities on that property in a way that was responsible and didn't have any unacceptable environmental effects. In that case again, the onus is placed on the applicant.

Moving on to other areas — for example, in the area of mine sites, there is the obligation for everything from an occupational health and safety plan to their mine management plan. In both those cases, similar to the situation of cannabis, government hasn't spelled out all details of the operations in regulation, but has instead created a regulatory framework that allows the onus to be placed on the applicant to demonstrate that they can carry out the activities that they're applying for in a manner that is safe and avoids, in that case, having any environmental harms or other peripheral, negative consequences.

In this case, drawing it directly back to the situation of cannabis, if government were to adopt a more streamlined set of regulations at the outset, there would be the ability to place the onus on applicants who wish to enter cannabis retail to provide a sufficiently detailed plan and a safety manual and explain how they would manage it in a way that is compliant with the goals of the act.

Government would have the ability, through the licensing board — initially through the Yukon Liquor Corporation and potentially through a different body — to place conditions on that licence and would also have the ability to suspend or revoke a licence if the holder of that licence contravened any of the terms of that licence. This could include everything from selling cannabis to someone who is not allowed to purchase it, to operating in a manner that, in some way, shape or form, was unsafe and inconsistent with their obligations as a licensee.

I will just lay out that suggestion for government. I'm not, unfortunately, overly optimistic that the Liberal government will choose to accept that suggestion but — in bringing forward the criticism that we believe is warranted of the policy approach that they are taking as it pertains to the retail and distribution of cannabis — we also believe that it is appropriate for us outline an alternative. Before the minister rises, I would note that the two examples of a way to do this are not direct correlations with the area of cannabis, but, structurally, the point we're making is that government would not be reinventing the wheel or acting in a way that is inconsistent with how it has handled some other types of licences and permits — if they were to not flush out 100 percent of the details of the operational facility in regulation, but instead, have a framework that allows someone to apply and places the onus on them to demonstrate to the licensing body that they can operate that facility in a manner that is consistent with their obligations as a licensee.

I didn't hear from the minister a time when government plans to exit retail. I did hear her indication of the current timelines — someone might be able to successfully apply for a licence to be able to operate private retail by roughly a year from now, in late spring or early summer 2019. What I didn't hear is when government actually plans to exit the retail market. If they are not prepared to do what we hope they will, which is to reconsider this approach and take our suggestion of simply moving faster on private retail and avoiding government ever getting into the business of retail of cannabis, if they are hell-bent on moving into retail, even if it's on a temporary basis, when will government get out? Do they have a plan for actually exiting retail of cannabis, or is this likely to become something that begins as a temporary measure but ends up being a permanent government involvement in the retail market?

I have a few other questions, but I will leave it at that so that I'm not placing too many questions on the list for the ministers to answer at this point.

**Hon. Ms. McPhee:** I appreciate the suggestions from the member opposite. Many of these decisions have taken into account ideas such as those put forward by the Member for Lake Laberge, but the problem, in my submission to this House, is that the process as described — or as an option — would create a new process that would likely take as much effort to develop as the regulation of the plan going forward that I have described. In particular, while some of the options described are already in the legislation, much of it would probably have to go into regulations.

I will come to the question about some regulations — and not all of them — in just a second, but the difference with respect to the bill now before this House and what has been described as an option by the Member for Lake Laberge is that our legislation is complementary to the federal legislation, which is yet unknown. There will be restrictions and timelines, presumably, that will come from that federal legislation, so we are moving forward on this basis in order to make the decisions that we can make as best as possible going forward.



Going forward, based on what is in the bill, classes of licences would need to be established, types of consumption — for instance, smoke or edibles, which are not on-stream immediately because of the federal legislation — so there are a lot of small detail factors that do not make that possible.

With respect to bringing in regulations in two stages, certainly this is an area of unknown legislation. All of the provinces and territories in Canada, as well as the federal government, are dealing with making laws in this area that are yet unknown and, as a result, are taking a careful approach. The two stages of regulations are not, in our opinion, an option because we have factors with respect to social responsibility. We are taking, as I said, a cautious start. There is an evolving federal regime that we need to comply with. We also want to make sure that there is fairness to all applicants to work within a consistent and known regime. We don't want to have individual businesses sort of coming out of the start under one regime and then not complying, or ultimately having a changed regime going forward, so a comprehensive set of regulations is the best situation here. Also, we want fairness to the communities and to Yukoners so that they will be heard, going forward.

There will be the plan of some sort of must-have regulations, although they won't be a comprehensive set. Things that are required to give life to the actual provisions of the act — things like the OIC that will establish the corporation. Those are required upon proclamation.

We're also intending possibly to have one with respect to server training, because no matter what retail store opens, the government retail store will require that server training for people who work there very early on.

We are considering, as part of our process, being ready to issue a call for applications — I don't think I explained that in the last answer. There would be an opportunity for anyone who might be interested but, of course, at this point, we're not sure how much private interest uptake there will be. Once the details are in place — the regulations, a policy framework and a board process — we will be ready to call for applicants to express their interest. The call would be in accordance with the licensing requirements that will be in the act and in the regulations, some of which will require compliance with the federal regulations that are yet to be approved. The Yukon's details are to come.

With respect to the question about when the government would intend to no longer be in the business of retail cannabis sales, I think it is fair to say that some of that is unknown, but as soon as possible is our goal. We need to make sure that there is private sector uptake and that there will be appropriate individuals and businesses interested in taking over, but we would exit the retail business once the private retail is established.

We are going back to our primary objectives here. We are trying to displace the illicit market, we are trying to protect health and safety, and we think the best way to do that is to start with a small location, run by the territorial government, and an opportunity for that process to be established properly through regulations.

Some experience in the US market shows that it takes some time to reduce the illicit market. We don't expect that to happen immediately but, as I have said in answer to previous questions and earlier today in second reading, we think that a very important way to do that is to provide Yukoners with access as soon as the cannabis legislation is completed. As soon as cannabis is legal in Canada, we need to make sure that access is a piece of that puzzle.

Once our process is established, we need to consider the conversion from the illicit market to ensure compliance. Initially, a single retail location run by the territorial government on a temporary basis will not require too much enforcement. It is a way in which we can evolve into that process as well and grow in a careful way. Enforcement, inspectors — there will be an opportunity for that process to be developed and established. If, all of a sudden, there are many — or more than one or five or 10, or I don't know how many — private businesses that would go through this process and ultimately become a licensed establishment, that will require us to increase the enforcement, on behalf of the territorial government, to make sure of their compliance — not only with the regulations that we have here, but obviously the legislation here in the territory as well as the federal law and regulations. That is an important piece of this puzzle, and just one of the examples of the cautious approach and why we are taking it.

**Mr. Cathers:** I appreciate the answers and the explanation from the Minister of Justice on this. We appreciate the government's rationale. We don't agree with it and are not convinced that this is the approach that needs to be taken. I am not going to spend a lot of time here this afternoon arguing points about which I am going to likely get the same answer from the minister. I just want to note for the record that the government's conclusion that they have to bring in all the regulations at once, can't take a phased approach and can't act more quickly on retail is one for which we simply have not heard an argument that we are convinced of yet. We believe that they are simply making the wrong policy choice in this area.

I am going to lay out a couple of specific questions related to that, without disagreeing with or commenting on everything that the minister has said so far.

One of the problems with the government's approach is that if the government is proceeding in a way where they won't allow private retail until roughly a year from now, what that also means — because of their plan to build one government retail store in Whitehorse and not allow applications from the private sector, either in Whitehorse or anywhere in the Yukon, to open up a retail outlet there — is that rural Yukon is not going to have retail options in their communities for at least a year. What that means, in our view, is two-fold. Because the legalization of cannabis will make it harder to crack down on illicit use, we risk having a situation where the black market in rural Yukon may actually grow stronger because of the government's choice to create a store in Whitehorse but delay the ability to have legally operating cannabis retailers in rural Yukon. We already know that there

is fairly widespread use of cannabis already, despite it not being legal. Someone who is looking for a black-market source of cannabis in, for example, the Town of Watson Lake, the town of Dawson, or any of the Yukon communities outside of Whitehorse — someone who is looking for a non-legal source of cannabis is probably able to find one already.

For government to delay, allegedly on the basis of taking a cautious approach — but end up with a situation where it will be a year down the road, or maybe more, before a legal retailer can operate in any one of the communities outside of Whitehorse — we enter a situation where it would appear to us that, because consuming cannabis is going to be legal, it will be much harder for government to determine the source of the cannabis if somebody is consuming it or is in possession of it. That delay on private retail will simply make it easier for the black market currently operating in rural Yukon to operate and not face consequences. That is one of the problems that we see with government arguing that they are taking a cautious approach on moving forward with retail — but, in effect and in large part because of that delay, creating a situation that seems to us to stand a good chance of actually increasing black-market activity in rural Yukon.

I doubt that I am going to get anywhere with the minister on this, but I do have to again emphasize that we believe that the government would be better to take the approach of simpler, streamlined regulations allowing companies to come forward at an earlier date and apply to be able to sell cannabis, and do so in a way that places onus on those companies to demonstrate that they can do so responsibly and, retaining the controls that government has in a comparable area under the *Liquor Act*, to be able to suspend or cancel a licence if the licensee behaves inappropriately. Contrary to the minister's assertion, there is nothing that prevents government allowing for early applicants and saying quite clearly that the rules and the regulations in this area are going to change. Government is going to bring in additional regulations, and the benefit you get as an early applicant if you are successful is that you are one of the first legal retailers, so you have some opportunity to establish your business before competitors are in the field. On the other hand, you also face some risk in that government is going to change the rules as it evolves and learns from the early phases of the new world after legalization.

That is the point that we would make on that. I would appreciate hearing from the minister her thoughts on how taking a year or more to allow for a legally operating retail in rural Yukon will realistically do anything other than potentially increase black market sales in those communities.

**Hon. Ms. McPhee:** I think that the important part of this response is that, upon legalization of cannabis in Yukon and Canada, when those two things line up, the intention is for the Yukon government to have one retail location and also to have available remote sales, which will be available throughout the territory, as I said, upon legalization. It's important to note that we are working to enable private retail as soon as possible and to ensure that there is due diligence and not a rush. I note that the member opposite has indicated that you could cancel a licence, and that would be an option.

We're in the process of moving through to the legalization of cannabis through a set of regulations that will enable private industry and enable access for Yukoners, but again with the primary goal of displacing the illegal market and ensuring the health and safety of Yukoners is key. The idea of cancelling licensing — we're not wanting to set up businesses or have them make an investment — financially, in energy or otherwise — and then ultimately have them not be successful, so it's careful, due diligence that is necessary. E-commerce stores, if I haven't made that clear, or remote access — e-commerce will be available across the territory upon legalization.

I need to go back to emphasize that the fastest way for Yukoners — which appears certainly to be a theme and a concern of the member asking the questions — to have access is for the territorial government to open a retail store outlet and to have remote sales upon legalization because very few regulations will be required for that process to unfold. We will continue to work at the same time.

It's not a matter of having the legislation come in and then waiting for the regulations. The regulations are being worked on now. Conversations are happening with private industry now. The Liquor Corporation is currently working on how warehousing and sales implementation, distribution, purchasing of cannabis and access for Yukoners is all happening as we speak, as we go forward with hopes and anticipation that this piece of legislation, this bill being brought here and debated, is as enabling as possible, is as broad as it can be, while still trying — and I say achieving — our goals of having an opportunity to displace the illegal market and to protect Yukoners and educate young people.

This is not about promotion. It's about legalization and access. It's not about the promotion of cannabis. We will also take care to make sure that any retail outlets that do go forward will be properly designed on behalf of the private industry, but also in order to meet the requirements of that legislation, so that the promotion of cannabis is not the key — access for Yukoners is.

**Mr. Cathers:** I appreciate the answers from the minister, but in the area of rural Yukon, in particular, I do have to question how the government is realistically going to displace black market sales if the sales are available just online — or what the method is. Perhaps the minister can clarify. When we talk about sales to rural Yukon, is that going to be online sales? What will the method of distribution be? Will it be the case that somebody who is in a rural Yukon community purchases legal cannabis through an online or electronic retailer — how will it be shipped to them? Will it go via Canada Post? Will it go via courier? Will it be available for pickup at the local territorial agent? How is that actually being distributed to them?

It also again raises the question, because people who want to consume cannabis, I think it's fair to say — not being one myself — are probably similar to a lot of people who are choosing to consume alcohol. If they decide they want a bottle of wine to go with dinner that evening, they don't want to have to wait for several days to have that product arrive via

remote distribution. Realistically, how does the minister see this not creating a situation where, even if the online purchase is an option, someone is more likely to go to the quickly available local black market source and purchase cannabis?

I appreciate hearing the minister's thoughts on it.

I would again point to the fact that this is one of the reasons it leads the Official Opposition to the conclusion that, if legalization is occurring, moving forward more quickly on allowing private retail is probably one of the most effective means of combatting the black market and making adjustments, if necessary, in the overall structure — especially if licensees are very clearly told that one of the conditions of being an early applicant is being advised that the regulatory framework is probably going to change. That would be a way that government can responsibly manage this without entering this one-year limbo period that they are currently talking about for rural Yukon, where it will be harder to take action against the illicit sale of cannabis and there will be no ability for anyone to legally offer local retail of cannabis.

**Hon. Ms. McPhee:** Clearly the displacement of the illegal system will take time. It won't be immediate, even if we opened a store in every single town and community here in the territory. There is very good information that the displacement of the illegal system will take time. It will take an opportunity for the concept of the legalization of cannabis to become common in our communities and in our society.

The assumption being made in this question is that, if private retail was permitted out of the gate or immediately upon proclamation of this piece of legislation, with or without proper regulations — which we say, of course, are required — the market would provide access in every community. I don't think that is the case. It needs to obviously be an established business. It needs to be an appropriate business opportunity, and there are a number of things — details — both in this legislation and that will ultimately be in the regulations, that are going to require compliance by a possible business owner, including things like the prohibition of co-location of cannabis sales with that of alcohol.

Clearly, in some communities here in the territory, there is only one store, so that work is going to need to be done to determine if that prohibition on co-location applies in all of those communities and, if so, what is it going to look like with the co-location with alcohol? If they sell alcohol or if they don't sell alcohol will be another question, but certainly there are individual issues that need to be addressed.

I appreciate the analogy to the bottle of wine, but even if a retail location existed in every community, it won't be available at all times. The stores will not always be open. There is not going to be an opportunity for that to be the case, but I take the point that online delivery of sales — e-commerce of cannabis — is something that will be new to most people in the territory, but not all people.

The Yukon Liquor Corporation is working on the e-commerce for safe delivery of cannabis by Canada Post, and Canada Post will ensure age and identification verification upon delivery, but Canada Post has been in the business in

many jurisdictions for liquor delivery already and will be the delivery agent for cannabis in most jurisdictions.

I need to note that not all Yukoners will be unfamiliar with this, because there is online sale and delivery available now via Canada Post with respect to the use of medical marijuana; it is done this way across Canada.

Smaller communities will benefit from licensed retailers, we hope, in the near future, but the establishment of that system, the establishment of those businesses, the compliance with the requirements of this legislation and the federal legislation, will take some time. Our estimates are based on the assumption that we may capture up to 45 percent of the total illicit market — we hope, very soon into this process. In Colorado, where cannabis was legalized some time ago, after three years legal sales represent approximately 70 percent of the total, so we are hopeful that we will be able to reach for and achieve those goals. In Washington and Oregon, it's approximately 50 percent of legal versus illegal sales. Those are the jurisdictions that we know or have some information about that may be compatible with our own.

It will take time, but our goal is to capture as much of the total market over time and as soon as possible. We hope the plan put forward here will achieve that goal.

**Mr. Cathers:** As I mentioned earlier, while not convinced by some of the arguments laid out, we appreciate the minister explaining the rationale. In the interest of time, I'm not going to spend a lot of time revisiting some of the points that we are simply not going to agree on with the minister and the Liberal government on this legislation.

Moving on to a couple of other areas, I would like to ask the minister if she could elaborate on what the government's current plans are as they pertain to setting up the Yukon government's retail store. We know that the government cancelled the tender that would see them acquiring a location for retail space, and the question I would ask then is: What are the next steps? What is government currently planning on doing as far as a retail location?

Secondly — related to retail — how many staff does the government envision hiring for the retail store, as well the distributor corporation, and how many staff does the government plan on hiring as inspectors?

If we could get a full explanation for our information and for the record: When it comes to new staff, either for the retail store, the distributor corporation or enforcement and inspection personnel, what does that picture look like and what is the breakdown on where those staff will be located? By "where", I mean who they will be working for, not necessarily where their physical location will be, but how many of those staff are related to the retail operations, how many are related to the distribution operations, and how many are allocated to the enforcement operations of this area?

On a related note — with the potential for government inspectors in this area, if and when government allows for private retail a year or so from now, how many new staff does government envision adding then to conduct inspections, enforcements, et cetera, in Whitehorse and territory-wide?

I think that has captured the main questions related to retail, so I will just sit down and give the minister the opportunity to provide those answers.

The minister is obviously checking something, so I am just going to ask one other related question. The minister made reference to the possibility that co-location of alcohol sales and cannabis sales might not be prohibited in rural Yukon. Can the minister clarify whether that is something that is under consideration, and that the decision has not yet been made on — or has the government decided to allow co-location in rural Yukon?

**Hon. Ms. McPhee:** Thank you very much, Mr. Chair. I appreciate the opportunity to get all the information that is appropriate to answer this series of questions.

The City of Whitehorse has passed a bylaw with respect to the zoning requirements, which require the Yukon government to now look for a location within the Marwell area of the City of Whitehorse. It's somewhat convenient, initially at least, because that's where the Yukon Liquor Corporation happens to be located. As the member opposite and members of this House will know, there has been discussion about the warehousing of the cannabis initially being at the Yukon Liquor Corporation warehouse. So there would be some economies of scale there.

The Liquor Corporation will work to set up a retail store as an interim measure, as I have said, and plan to move out of that retail space once private retail is established. There has been some work with Property Management and a local architect, taking into account the perimeters of that neighbourhood. We are currently evaluating options, including perhaps a lease of space or maybe a government site, or building a space already in the Property Management division of the Yukon government.

The corporation is planning to use, as I have said, the existing liquor distribution centre and warehouse for storage, wholesales and for the e-commerce distribution. We're looking for a relatively small space, approximately 2,000 square feet, either already government property or a lease option. At this time, there is no plan for the distributor corporation to have new employees. In fact, a decision can be made under this legislation for the distributor corporation to be named as the Yukon Liquor Corporation. That's an option set out in the legislation.

With respect to inspectors, again at this time, we initially think the inspectors could be as few as one person, possibly from the Liquor Corporation. The idea is to have temporary opportunities available to current employees who might show the proper skills to be able to take on that role, as well as any of the roles of the staff for a store. We anticipate at this time — being clear that these are numbers and details that are under consideration — that we're looking at the staff of a small retail store to be at least three employees, possibly more, depending on hours of operation and those kinds of details. The intention is to staff the store on a temporary basis with either a contractor situation or individuals who take on temporary opportunities to work there. I think that has

answered all of the details in that last question with respect to the numbers of individuals.

With respect to the co-location question — of course, our government wants to work with the individual communities to determine what is in their best interests and how they anticipate this opportunity — if they do. Some communities may not be interested in such an opportunity and others will be. We need to work individually with those, Mr. Chair.

The government is considering options for co-location and siting restrictions. In response to the engagement with Yukon communities, it was highlighted on the community visits — and the other engagements with those communities, First Nation governments and individual Yukoners — that there were infrastructure limitations in some communities that would hinder the ability for retail to exist or, in particular, for a prohibition of a co-location with alcohol, for instance, to exist. There are a few opportunities or ways in which this could happen, either through regulation being developed under the legislation to deal with certain situations of the communities here in the territory based on their individual needs, or it could be a case-by-case basis as needed through a licensing condition. There are a couple of options for how that might happen.

**Mr. Cathers:** I appreciate those answers. I am just going to move on to another area, which is the area of highway safety. There are a number of questions that we have, as do many Yukoners, about what the impact will be on highway safety with the legalization of cannabis. Of course, as I believe the Member for Mayo-Tatchun noted earlier, there was reference to the fact that a lot of people are already consuming cannabis, and the issue of people potentially consuming cannabis and getting behind the wheel is not a new one that will be created. While I wouldn't entirely disagree with that statement, what I do have to point out is that I think it is a fair assumption — and probably one that the minister would agree with — that, as cannabis becomes legalized, there will probably be people who are currently deterred from consuming it by the fact that it is not legal who will choose to consume it once it is legal. Many of those people may not have any past familiarity with consuming it and won't have a good understanding of what is a safe amount to consume.

I am going to ask several questions related to this. What information can the minister provide on what level of intoxication from cannabis creates a situation where someone would be driving impaired? What are the testing methods? How is government ascertaining that or how would the RCMP ascertain whether someone is impaired? What are the testing methods that are expected to be used?

Are they simply relying on the drug recognition enforcement techniques that have been developed? If so, how many of the RCMP members are actually even currently trained in that testing technique? Alternatively, if there is a method now for roadside testing of intoxication levels, can the minister explain how that is occurring because, as the minister will know, one of the pilot projects looking at roadside testing in Canada had some significant problems, including issues around false positives in cold temperatures. I just would

appreciate an update on what the current status is on how the police in the case of an suspected impairment — what tools they have that they can use to test for that or testing methods that they would employ.

With that, I would also ask a related question. There are guidelines available for people who consume alcohol around what is a safe level to consume and at what level of consumption they are likely to be in a situation where they might be impaired getting behind the wheel, and that information certainly has not been made publicly available in a comparable manner as it pertains to cannabis. With that question in mind, if government provides information to people and education on what amount of alcohol it is unsafe to consume before getting behind the wheel, what is the answer on cannabis as far as a comparable level? Is zero cannabis consumption a safe level? If government is actually legalizing it, is that considered a realistic approach or is it somewhat comparable to the oft-criticized “just say no” anti-drug campaign in the United States back in the 1980s?

Moving on to a related question, if government is not being clear with people about what consumption level is safe and is unsafe, how does government realistically not see a situation where there are people who believe they are probably being responsible, but have never been given proper information on what constitutes responsible and what constitutes risky as it pertains to cannabis consumption?

Last but not least in that area, because of the issue of the fact that cannabis stays in people’s systems differently than alcohol, if someone has consumed cannabis, what information is the government planning on making available to people on how long you need to wait after consuming enough cannabis to become intoxicated before getting behind the wheel? Any information the minister can provide about whatever guidelines or information government will be issuing in this area would be appreciated because it is one that I don’t know the answers to. I know that I have heard from a number of Yukoners who are left with this question: What is safe behaviour in this area? What is government even suggesting is safe versus unsafe?

In the absence of that information, I think it is fair to say that some people will accidentally engage in consumption or driving behaviour that is risky, without realizing they are doing so.

Any information the minister could provide related to that list of questions would be appreciated.

**Hon. Ms. McPhee:** Thank you for the opportunity to address these concerns. I think it is important to repeat — I said it earlier today — I know that the Member for Lake Laberge is aware, but as he on occasion says, for those listening out there, we want to reiterate that currently the *Criminal Code of Canada* already prohibits driving while intoxicated by alcohol or drugs — be they marijuana, cannabis, prescription drugs or other illicit drugs. That is an important piece to reiterate and to make sure that we emphasize.

The Yukon government is working with the Government of Canada to ensure that the RCMP will have the training.

One of the parts of his question is about the training required to enforce the impaired driving provision under the current *Criminal Code of Canada* and under our *Motor Vehicles Act*. Bill C-46, which is one of the bills before the Canadian Parliament and Senate right now, is seeking to enact new criminal offences for driving with a blood-drug concentration that is equal to or higher than the permitted concentration. They authorized the Governor in Council to establish blood-drug concentrations, so part of the second part of this question — Bill C-46 authorizes that, and it authorizes peace officers who suspect a driver is impaired to demand a sample of a bodily substance for analysis by drug-screening equipment that is approved by the Attorney General of Canada.

I appreciate this question here today, because it is clearly a part of the federal government’s law that is yet unknown that we will need to adjust to.

The Yukon government is also working with the Government of Canada and the RCMP to ensure that the RCMP will have the devices required to detect impaired driving. There is funding provided, not only for those devices, but for the training of officers with respect to having our officers across Canada. We are concerned, particularly here in the Yukon Territory, about having the appropriate training and equipment that they need.

I think the number I have seen recently here in the territory is that we anticipate the one of every three officers would be specially trained. It is not unlike, Mr. Chair, where the breathalyzer technicians are trained specially as members of the RCMP, but not every member is authorized or trained properly to administer a breathalyzer test. It would not be dissimilar to that. It won’t be every officer, but they have training to detect and the equipment that they need to do so.

A federal, provincial and territorial working group was formed in July of 2017 to address the proposed drug-impaired driving legislation in Bill C-46 and the drug testing methodology. As part of that working group, Yukon is working closely with Public Safety Canada and the RCMP to identify best practices, to determine enforcement issues and to address the RCMP capacity and training — so, key parts of the question here today, which is a very important one.

With respect to working with the Government of Canada regarding the guidelines as part of this question, it is very important that consumption levels form part of the public education piece that will be going forward with respect to that. Our government is working with the Government of Canada and other jurisdictions in Canada on education, because this is an issue across Canada. It is our understanding that Canada is working on regulations that will speak to the health risks and messaging for an education package. This is a new world for our territory and for the provinces and for the federal government.

I want to emphasize that we are working together well with our counterparts across the country, because reinventing the wheel, or inventing the guidelines or the opportunity for the messaging — the health risks, education around consumption levels, education around use, education around using cannabis at all, the use of it by young people and the ill

health effects — those are very important pieces of information that we need to get out to the public, that Canada wants to get out to the public, that the other provinces and territories do. We will also have the opportunity to make sure — as the Minister of Health and Social Services said earlier — take into account the input that we have had from our own youth here in the territory to make sure that — in addition to working with the other provinces and territories for messaging and for public education materials and opportunities — there is a Yukon focus as well.

The Yukon Liquor Corporation, Health and Social Services and Justice are also working together with the chief medical officer of health. We want to make sure that the lower risk cannabis use guidelines are something that is communicated here in the territory. Those particular guidelines are an initiative of the Canadian Institute on Substance Use Research and something that we have an opportunity to focus on as we go forward and make sure that it forms part of every message.

I know, for instance, that through cooperation with the Department of Health and Social Services, the Department of Education and the Department of Justice, our chief medical officer has done presentations already in local high schools, both for students and for students and parents, in the evening to make sure that we are starting this conversation. There is no point in waiting with respect to that and we want to make sure that forms a critical part of how we go forward.

I appreciate the question from the member opposite about consumption levels. Dissemination of that information is absolutely key. We are also in the process of developing a cannabis server training course that will be mandatory for all licensees and servers, including those who work in the retail store that is run by the government. That training course will include information about potency effects, forms of use, the effects of use and health risks, recognition of an intoxicated person and, of course, awareness of the national lower risk cannabis use guidelines — all of the important pieces coming forward. I appreciate the questions.

**Mr. Cathers:** I was hoping to get a little more information from the minister on what those levels of safe consumption and responsible consumption, et cetera, actually are. If she can provide them, I would appreciate it, but I got the sense from her answers that this may be currently under development. If that is the case, then we will accept that explanation, but also note that it is important in this area, as legalization approaches, to provide people with information on what is safe versus unsafe consumption so that they can understand what types or levels of consumption may be putting them at risk, either on the road or in another area.

I want to move on to the area of occupational health and safety. There is a potential effect in this area with people either smoking cannabis when they are on a break from the job site — presumably, they are not supposed to actually consume it on the job site — but this was around the enforcement of that. I raised the question of — if someone is consuming cannabis on a job site, if they are prohibited from doing so by this act or Occupational Health and Safety

regulations, what powers, if any, do the inspectors under Occupational Health and Safety have to take action when someone is running afoul of the law in that area? The act seems to set up a structure largely providing power to RCMP members, but it doesn't seem to be providing for those same authorities to be applied to Occupational Health and Safety staff. If the minister can clarify that area, that would be appreciated.

I would also note — and any information that the minister can provide on this would be appreciated at this juncture — one of the questions that we are hearing from employers and employees is that people are wondering what their respective rights and obligations will be in this area. For example, employers are wondering, as a result of legalization of cannabis, if there is an increased risk of employees showing up for work intoxicated, what will the legalization of cannabis mean when it pertains to their ability to test employees for suspected drug use? What are their rights and what are their duties?

As the minister is probably aware, as a result of federal legislation a few years back that places the potential for liability and even criminal liability on managers and supervisors who fail to adequately discharge their duties to keep workplaces safe, it does raise a concern for business owners and supervisors who work for businesses, as well as for the territorial government, about what they are going to be expected to do once cannabis is legalized — whether they will have any new responsibilities, whether it will be unchanged from the status quo and whether they will have any changes to their ability to what they can do in terms of requesting a sample to allow them to test for suspected intoxication. In fact, even as it pertains to that, I think it's fair to say that government could probably do a better job of educating employers on what their current powers and restrictions in that particular area are, even in advance of legalization of cannabis.

I will leave off with that Occupational Health and Safety question, and I will tack on one related to the ability of local producers to potentially become licensed to grow and sell cannabis, recognizing that a part of that relates to federal licensing. Can the minister provide any clarity on what government is doing to consider the potential for local, legal production of cannabis and to allow for the potential of Yukon farmers or greenhouse operators in that area to legally produce and legally sell that to the government's cannabis distribution corporation?

**Hon. Ms. McPhee:** None of the questions that form part of that last question are dealt with in this bill, but I am happy to indicate the current state of affairs with respect to workplace concerns because they are a concern. This bill does not deal with them. It's currently an offence to come to a workplace in an impaired state of any kind under Occupational Health and Safety legislation and under the law there. There are, of course, requirements in those pieces of legislation that require workplace safety plans by all employers currently. Of course, they have the authority and the responsibility to deal with enforcement of employees who

might come to any workplace in an impaired state but, to be clear, there are no new responsibilities as a result of this bill.

I might be able to add that the Yukon Workers' Compensation Health and Safety Board is working on a public information campaign that will reiterate much of this information, but also in relation in particular to concerns or questions that arise as a result of Bill No. 15.

They will work on a public information campaign that will educate workers and employers about their responsibilities and roles about impairment-related workplace safety risks. It will also provide mitigation advice, techniques and tools to help employers address these issues — none of which are changed by the responsibilities set out in this bill, but they exist currently today for the purposes of having and maintaining a safe workplace.

With respect to the last part of that question, given that cultivation is part of the federal legislative regime, we have directed and will continue to direct Yukoners who are interested in cultivation to Health Canada representatives. The federal government will maintain its responsibility and jurisdiction over the cultivation and the licensing of cultivators of cannabis here in Canada.

**Mr. Cathers:** I appreciate the answer. I would just note, as it comes to local production — and it may be a question for the Minister responsible for the Liquor Corporation — that there is not only the question of being licensed by Health Canada. Since the government's distributor corporation is the one that is likely doing the purchasing, the question around their potential willingness to purchase a local product is one that is a question for Yukoners who are interested in this area. As the minister may know — I certainly know I am aware of people who are interested in potentially getting into the legal growing of cannabis here in the territory. One of the things that those people are interested in is whether there will be any territorial regulations pertaining to their operations that will add on to the federal rules. Secondly — and perhaps even more importantly — there is the question of whether government is willing to purchase that product and in what way they would be prepared to do that, and when, if someone were to fulfill the requirements of the federal licensure.

I am going to move on to two different areas that I touched on in my speech at second reading. I would appreciate it if the minister could elaborate on what government is planning on doing as it pertains to government campgrounds and whether someone will be able to consume cannabis — and I am meaning, in this case, smoking it — at a campsite and what the rights, if any, will be for neighbouring campers, including those with children, who have a concern with second-hand smoke potentially drifting over.

There are two arguments to be made with that. One is the more permissive argument of allowing someone who is out in a campground to consume cannabis in the same way that they could use tobacco currently. The other argument is about the health and safety and freedom from unwanted intoxication of the neighbouring campers. It seems that, under the current legislation as proposed, government has created a situation

where — to protect the public, including children, from unwanted exposure to cannabis smoke — it won't be legal to smoke marijuana in public, on the streets, or on Crown land that isn't a government campground, but at the moment it may be legal to smoke cannabis in a government campground.

I would appreciate it if the minister can provide some clarity on that area. What is in the act? What is government envisioning doing or considering doing, either under this legislation or under the regulations that already restrict activities at campgrounds and provide the ability that, in the event of a complaint from someone at a campground, the parks officers can take action to require somebody to put their dog on a leash, to prevent them from using an ATV and to do a number of things that are spelled out under that legislation and give them the ability to stop certain behaviour if that behaviour is causing a problem to other campers at a Yukon government-run campground?

I will maybe just leave it there for the moment before moving on to additional questions.

**Hon. Ms. McPhee:** First, I will go back to the question about local producers or cultivators of cannabis. Of course, they will be required to deal with the federal government, but I want to note that licensing of producers and cultivators for the cannabis market, when legal, is a federal jurisdiction. I would like to emphasize that the Yukon government supports development and growth of local industry and agriculture. We have met with interested producers — or people who may be licensed in future as producers or cultivators — and we have assured them that there will be room for local industry.

We will have the goal of ensuring a variety of product for consumers. Federal regulations are expected to define the licensing process for a standard producer or for a microproducer. It may be that some companies or businesses here in the territory are licensed under either one of those. The Yukon government is helping to provide and share information as we learn more ourselves from the federal government. We have certainly also taken the opportunity to make sure that individuals, companies and communities that have come forward with respect to questions like this are assisted in getting in touch with the appropriate place at the federal government for an application for a licence. The Yukon Liquor Corporation, by way of example, supports local liquor producers and we certainly expect similar opportunities for local cannabis licensed producers or cultivators.

The question then moved on to one about campgrounds generally. There are campgrounds in the territory that are owned, run and regulated by the federal government, there are some that are owned, run and regulated by the territorial government and there are some private campgrounds. Clearly the answer to this question about cannabis use in and around that property will be determined by who is the owner of the campground. I should note that I think that consumption takes many forms, at least at this point — smoking and vaping being the most common part of the conversation with respect to this bill — but certainly, going forward, edibles and other forms of the consumption of cannabis may be available for taking in future. But those individuals who own those

campgrounds and own that property will be able to determine use on their property. Clearly part of the question is with respect to the territorial government and what will be done. Our territorial government campgrounds are regulated by the Department of Environment and we don't have final decisions with respect to what use will be available there.

I note that certainly a temporary residence — someone may be residing in a campground over a summer or something like that — could be considered a “dwelling-house” pursuant to the definitions in the legislation and so it will be important for owners of those kinds of properties to determine how they will regulate that use. They will, of course, want to take into account as well — the Department of Environment — going forward, the effect on other campers, other customers and other consumers of their business if it were a private business, for instance.

In any event, one of the major determining factors will likely be that an individual cannot interfere with the quiet use and enjoyment of another individual. Maybe this takes into account some of the earlier comments by the member opposite with respect to allergies or those kinds of things. Obviously we want to make sure that individuals are not having their quiet use and enjoyment of the Yukon great outdoors affected, but you know that certainly can happen without an intoxicant. It happens with respect to campfires or it can happen with respect to loud music — those kinds of things. Obviously these are things that will need to be dealt with by owners and the rules that they put in place. It's up to, as I say, the manager, owner or regulator of that campground. There is no government policy with respect to Yukon-owned campgrounds as of yet. It is still being developed by the department.

**Mr. Cathers:** I do appreciate the clarity from that minister on that point as it pertains to campgrounds and I would just note and emphasize that I think that's an important question that does need to be addressed even if the government intends to address it under the regulations of the Department of Environment, so that whatever the rules are, they should be clearly spelled out. If cannabis is legalized while government campgrounds are still open for the season, I think it's fair to say that this will be a problem that happens almost immediately and there will be a conflict between campsite users if there isn't clarity about what happens when one person's right to consume cannabis bumps up against someone else's right to not have that second-hand smoke affecting them and their children.

I appreciate that the minister has indicated that is under consideration at this point in time and the decision hasn't been made. Could the minister, or perhaps her colleague, the Minister for Environment and Health and Social Services, indicate whether government is planning on taking that question out for consultation with the public or is planning on acting based on the information they already have?

I am going to move on to another area, which is the question of whether the government has done any analysis — or have the provinces, territories or the federal government done any analysis — with the legalization of cannabis as to

whether there is a risk and/or a likelihood of increased insurance premiums for Yukon small businesses as a result of the risk of clients potentially being intoxicated? That pertains to tourism companies, including wilderness tours, and the question of whether government, either on its own or with partner jurisdictions, has done any analysis of whether the increased use of cannabis as a result of legalization may cause an increase to insurance premiums for Yukon tourism companies.

On a related but different area, is there any expected analysis related to the potential risk of increased insurance premiums for other Yukon companies, whether they be in the area of construction or perhaps some other field, such as retail, and so on and so forth?

**Hon. Ms. McPhee:** I thank the member opposite for the question. I want to be sure that I'm addressing the issue. There is no indication from anything that we have learned through our work with other provinces and territories, Canada generally, or other jurisdictions where cannabis has been previously legalized, that there is an effect on any insurance premiums. Certainly, for the kinds of activities that are noted here — without getting too far into it, clearly individuals who go on wilderness experiences or trips — for those kinds of things, they are often, if not always, required to sign a waiver indicating that they are not only fit for the trip, but that they will abide by certain safety rules. Clearly, the ingestion of intoxicants could be an issue and presumably could be dealt with in that way.

If I have misunderstood the question, I am happy to answer it in the future.

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

**Chair:** It has been moved by Ms. McPhee that the Chair report progress.

*Motion agreed to*

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

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

*Motion agreed to*

*Speaker resumes the Chair*

**Speaker:** I will now call the House to order.

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

#### **Chair's report**

**Mr. Hutton:** Mr. Speaker, Committee of the Whole has considered Bill No. 15, entitled *Cannabis Control and Regulation Act*, and directed me to report progress.

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

Are you agreed?

**Some Hon. Members:** Agreed.

**Speaker:** I declare the report carried.



**Hon. Ms. McPhee:** Mr. Speaker, 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.*