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HANSARD

Monday, April 23, 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

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Hon. Ranj Pillai	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
Hon. Tracy-Anne McPhee	Riverdale South	Government House Leader Minister of Education; Justice
Hon. John Streicker	Mount Lorne-Southern Lakes	Minister of Community Services; Minister responsible for the French Language Services Directorate; Yukon Liquor Corporation and the Yukon Lottery Commission
Hon. Pauline Frost	Vuntut Gwitchin	Minister of Health and Social Services; Environment; Minister responsible for the Yukon Housing Corporation
Hon. Richard Mostyn	Whitehorse West	Minister of Highways and Public Works; the Public Service Commission
Hon. Jeanie Dendys	Mountainview	Minister of Tourism and Culture; Minister responsible for the Workers' Compensation Health and Safety Board; Women's Directorate

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Wade Istchenko	Kluane	Geraldine Van Bibber	Porter Creek North

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New Democratic Party

Liz Hanson	Leader of the Third Party Whitehorse Centre
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**Yukon Legislative Assembly
Whitehorse, Yukon
Monday, April 23, 2018 — 1:00 p.m.**

Speaker: I will now call the House to order.
We will proceed at this time with prayers.

Prayers

DAILY ROUTINE

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

TRIBUTES

In recognition of school councils, Carol Coote and school graduations

Hon. Ms. McPhee: As we approach the end of our school year, I would like to recognize the students, families and school communities of the Yukon. Students have worked hard all year, and their families have been busy behind the scenes, rushing to school buses, helping with school events and packing the dreaded lunches.

Part of our students' success at school is thanks to the good work of school councils and communities. I know first-hand from my time on school council how challenging and important their contributions are. This spring, there is an upcoming election for new school council members. I encourage people to consider running for a seat on their local school council and voting at their local school on May 7, 2018. School councils' leadership in their school community shapes the character of our schools, ensures that students' needs are met and involves families in their child's life at school. I would like to thank all school council members for their dedication and commitment.

I would also like to take the opportunity to recognize an organization that supports school councils in their important work, the Association of Yukon School Councils, Boards and Committees — known as the AYSCBC — and its founding executive director, Carol Coote. Carol Coote served the AYSCBC in the Yukon in this role from 2001 to 2017.

Her many, many years of supporting and encouraging school councils has led to greater and more informed parent participation in schools. We know that student success is enhanced by a family's participation in school and school activities. Over the years, Carol served on numerous education committees. Her voice at these tables brought community perspectives to conversations and many decisions about programs and services in schools. Carol's leadership and advice has been critical in the growth of school councils.

On behalf of the government, I would like to thank Ms. Coote for her dedicated contributions to schools and to school councils across the territory. We wish her all the best in her future challenges.

Just as Ms. Coote is moving on to the next adventure, so are many Yukon students as they graduate this year — also the students moving from elementary school to high school, those graduating from high school or from Yukon College,

and Yukoners graduating from colleges and universities and programs across the country and beyond. Whether a student is moving on from kindergarten, high school or post-secondary, they are about to face new challenges in their education, careers and lives.

Lifelong learners contribute to happy and healthy communities. Such an important role is played by our students, families and friends and mentors, so thank you to all those who instill confidence and support our students to realize their goals.

Thank you, Mr. Speaker.

Applause

Mr. Kent: I rise today on behalf of the Yukon Party Official Opposition and the Third Party to recognize the hard work and dedication of our school councils across the territory.

Until a person puts their name forward to serve on a school council, it is hard to grasp just how much work is required of the position.

I know that many members of this House on both sides of the aisle have served on school councils at various times, so they would recognize the hard work that goes into these jobs.

School councils are made up of parents of children who attend a Yukon school or residents who reside within the school's attendance area. The duties of school council members range from advising on matters of interest to the school and the Department of Education, participating in the hiring of school principals, providing frameworks on how to spend school budgets and reviewing disciplinary policies.

These are not small feats and they require a high level of dedication and a desire to support and enhance student learning. We all know that education is a partnership. It requires the cooperation of parents, students, administrators, teachers, school councils, all levels of government and the community. School council members not only strengthen this partnership, but work to ensure quality education for Yukon students and an accountable education system here in the territory. Thank you to each and every one of our Yukon school council members for all you do to support Yukon students and education.

As the minister mentioned, school council general elections are held every two years to elect between three and seven members for each school council. The next school council election is to take place on May 7. In order to participate as a candidate, a nomination paper must be filed by this Thursday, April 26, 2018. For more information on becoming a candidate or details on school council elections, we encourage Yukoners to contact Elections Yukon or visit their website.

Like the minister, I would also like to give a very special thank you to Carol Coote and the AYSCBC for all the work they have done in supporting our school councils over the years. I would also like to congratulate and wish Sue Harding the best of luck on her new position as president of the Yukon Teachers' Association.

In conclusion, I would like to congratulate all of the classes of 2018. I hope everyone has a safe and happy graduation and best of luck in your future endeavours.

Applause

In recognition of National Day of Mourning

Hon. Ms. Dendys: I rise today on behalf of the Yukon Liberal government to pay tribute to the Day of Mourning.

When I was young, I would race home from school every day. I went to Jack Hlland and lived just a few blocks away. I would meet my sisters there and we would wait for our mom. She worked downtown and usually got home shortly after we did. We would spend long anxious moments anticipating her arrival. The house seemed enormous and especially empty without her there. We would make as much noise as we could to fill up the silence of her temporary absence, and even though we would turn on the lights, the room still seemed a little bit dim.

Eventually, we would hear her pull up outside. The car door would open, then close; her footsteps would approach the house; the front door would open, and when she walked in, it felt like that moment when the dark clouds part on a cold day and the bright sun warms your face with its light. There was nothing better than when mom got home from work.

As I stand here today and reflect on the Day of Mourning, I can't help but wonder, "What if she didn't come home one day? What if my sisters and I had been left alone because of something that happened to her at work?" I feel blessed to say that this was never the case, but I am pained to recognize that it is not true for everyone.

People still die in Yukon because of their experiences at work, and workers still suffer serious injuries on a daily basis.

The workplace is where many of us spend most of our time. It defines who we are as people and as citizens. It's a place that, for many, is always the same, but, for some, is ever-changing. For a mechanic, one garage might be their workplace for decades. For a field biologist, every day could bring a new work environment. Regardless of what defines a "workplace" for any person, they have the right for it to be safe. They have the right to it not threatening their health. They have the right to leaving in the same condition in which they entered it. That goes for their body and their mind. In recent years, we have come to recognize that workers' mental health must be safeguarded with the same steadfastness as their physical health. That is reflected in this year's Day of Mourning ceremony.

The theme is: "Violence and harassment: not part of the job". This expression captures the spirit of a new era here in Yukon. It began last year when we, as a Legislature, made amendments to the *Workers' Compensation Act* and established a PTSD presumption for emergency response workers. We also amended the *Occupational Health and Safety Act* to enable the development of regulations that will protect mental health in the workplace.

A long time ago, some words of wisdom were passed on to me by a mentor: "Tomorrow is never guaranteed — be grateful for each day." I cherish that notion, but I do not

accept that work should ever be allowed to threaten a night's peaceful sleep or the dawning of a new day. Work should never rob a child of their parent or any person of their friend or loved one. Work empowers us. It should never defeat us, and it never will.

Work and safety are complementary initiatives. Together, they are stronger. I know this because I see workplace health and safety practices getting better year after year. I see children being born into a culture of safety that fosters their growth into safe workplaces of the future. I can see the territory itself growing stronger and richer as work and safety unite.

I know that one day, someone will stand here in my place and celebrate the fact that a year passed in Yukon without a single worker injured or killed. I can sense their future pride from my position in history. However, I know that, for now, we still have to turn to one another for comfort in the face of losses that continue.

Please consider attending the Day of Mourning ceremony this Saturday, April 28. It will take place at 12:30 p.m. in the Shipyards Park at the workers memorial monument.

We have a number of guests and I will introduce them at that time on our Order Paper. Thank you so much for coming today. You are very much appreciated.

Ms. McLeod: I rise today on behalf of the Yukon Party Official Opposition in recognition of the National Day of Mourning.

This Saturday, April 28, we commemorate workers who have been injured or killed due to workplace-related incidents. We recognize those who went to work on a normal day and either did not make it home to their families or sustained injuries on the job.

Each year, we call on our community to make a commitment to the safety of themselves and their co-workers. We ask that safety standards are reviewed by employers and that employees are tasked with meeting them. Each year, we remind Yukoners that workplace injury and death are preventable, but only if safety is taken seriously. It is easy to make a commitment each year on April 28 to be safe, but we have to make this commitment each and every day. We need to continue to focus our attention on workplace health and safety and the importance of adhering to safety regulations on the job. Employers and employees must work in partnership to improve health and safety conditions in the workplace. Workplace injuries are preventable and the responsibility for safety belongs to each one of us.

As we pause to think about and mourn those who have been injured or killed on the job, reflect on what the concept of workplace safety means to you and strive to make it a priority within your workplace. We must make a commitment to our communities and to ourselves to improve health and safety conditions on the job.

Ms. White: I rise today on behalf of the Yukon NDP caucus to pay tribute to the National Day of Mourning for workers injured and killed at work.

Like far more Canadians than maybe we realize, the Day of Mourning is a very personal one for my colleague and me. Between us we have lost a father, a colleague and close friends. How many of us out there are feeling the heartache of loss this April? How many new people will be joining ceremonies across the country — some for the first time — because they have been impacted by lives that were lost to or affected by workplace injuries or accidents this year in Canada? There are countless numbers of Canadians who feel like we do, who feel the very real loss of a loved one, a friend or a colleague who was taken before their time. Families, workplaces and communities won't ever be the same after one of these losses.

I wish that Yukon families had been spared this burden and were not included in these ranks, but we are and we continue to be. Those left behind all try to figure it out. We try to find the hidden meaning behind a loss and try to somehow make sense of the senselessness. It pains me deeply that people across the country and here at home are wrestling with feelings of loss and heartache, and asking themselves how an ordinary day could end so badly.

What does your ordinary routine look like before you head off to work? Are you in the middle of the chaos of a busy house or do you savour the silence of the world waking up? Do you spend some time with your kids, herding them toward the door or the school bus, reminding them of homework and after-school activities? When you get up in the morning, going through your normal routine before heading out the door, how many of us stop and think: This may be the last time I do this. Maybe tomorrow my life will be different. We don't and we shouldn't — no one should live with these fears looming around the corner, but there exists the sad reality that there is no guarantee that you or the one you love will make it home from work. That is why we have the Day of Mourning — to remember those who didn't make it home.

Every April, we mourn the stories that never got finished, the thousands of bedtime stories that never got read, the countless numbers of sunrises and sunsets that never got savoured, the dog scratches and kitten cuddles missed, the smiles, laughter, graduations, weddings and life events that weren't shared, the tears that never fell and the millions of tears that did. Loss is never easy, but the unexpected loss to a workplace incident is indescribable.

The Day of Mourning is more than just a ceremony or a pledge; it is about people and families. We honour those lives that have been dramatically altered, those lives that were lost and those who are left behind to do the remembering. We need more than pledges to do better to keep each other safe. We invite everyone to join us in remembering at the workers memorial at Shipyards Park on Saturday, April 28 at 12:30 p.m.

Speaker: Introduction of visitors.

INTRODUCTION OF VISITORS

Hon. Ms. McPhee: I ask my colleagues to help me in welcoming some visitors who we have here today. With us we have Tracy Thomas, the new executive director of the

AYSCBC. We have, of course, Carol Coote, the founding executive director of the AYSCBC, and some of her family and friends with us. We have Brian Farrell, Darnel Coote, Duchane Richard, Neil MacDonald, Emily Farrell and Penelope Gawn. Thank you for all that you do for our communities and for being here today.

Applause

Hon. Ms. Dendys: I would ask all my colleagues in the House today to help me welcome Linda Moen, Lee Tanguay and Justin Lemphers. They're all from the Yukon Federation of Labour. Thank you so much for being here.

From the Yukon Workers' Compensation Health and Safety Board, we have Kurt Dieckmann, who is the president and CEO; Mark Pike, the chair of the board; and a number of staff members. We have Bruce Milligan, Andrew Robulack, Sheila Vanderbyl, Nathalie Ouellet, Pauli Gabb, Clarence Timmons, Jessyca Gutt and Lucie Wright. Thank you so much for all that you do on behalf of all Yukoners. We really appreciate the work that you do for us, so thank you for coming today.

Applause

Speaker: Are there any further introductions of visitors?

Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Ms. Frost: I have for tabling a number of documents today.

I would like to table the *Environment Act* performance audit report from 2012 to 2015.

I would like to also table two responses to questions raised by the Member for Porter Creek North on April 16.

I also have for tabling a document as it relates to a matter outstanding for the discussion related to Vote 52, Department of Environment, in Bill No. 206, entitled *First Appropriation Act 2018-19*, on April 12. This map of the boreal caribou population range is, as requested, for the MLA for Takhini-Kopper King.

Hon. Ms. McPhee: I have for tabling the annual report for the Department of Education for 2017, which is tabled pursuant to section 5(h) of the *Education Act*.

Mr. Kent: I have for tabling a screenshot of a Facebook conversation between the Premier and a constituent of the Member for Kluane on October 29, 2016.

Mr. Istchenko: I have for tabling a letter to the Minister of Energy, Mines and Resources regarding the Alaska Highway west local area planning process.

Speaker: Are there any further returns or documents for tabling?

Are there any reports of committees?
Petitions.

PETITIONS

Petition No. 2 — response

Hon. Ms. Frost: I rise in response to Petition No. 2 calling on me, as Minister of Environment, to reappoint John Trotter to the Alsek Renewable Resources Council. While I thank those individuals who have taken the time to sign the petition, I must advise that there is a defined process under Yukon First Nation final agreements, which we must follow with respect to appointments to councils.

The *Champagne and Aishihik Final Agreement* identifies that the Alsek Renewable Resources Council has six full members; half are nominated by Yukon First Nations and half by the Government of Yukon. Appointments to the renewable resources councils are made by Cabinet. Eligibility requirements for councils are outlined in Chapter 16 of the final agreement, which also guides the nomination and appointment process. In the spirit and intent of the final agreement, which established the renewable resources councils, these appointments are not political. Once appointed, the council members must work within the renewable resources councils' mandate pursuant to the final agreement and the RRC's operational manual.

Renewable resources councils are community-based groups that provide input, advice and recommendations to government. While I have this opportunity, I would like to express my appreciation for the important contribution of Yukoners who sit on various boards and committees on behalf of their communities. Their work and deliberations are important to the government. In the 2018-19 fiscal year alone, we have had over 80 vacancies on the renewable resources council which have been filled through this process.

We will continue to work in a timely manner to fill vacancies to ensure continuity for renewable resources councils in Yukon.

Speaker: Are there any petitions to be presented?
Are there any bills to be introduced?
Are there any notices of motions?

NOTICES OF MOTIONS

Ms. Hanson: I rise to give notice of the following motion:

THAT this House urges the Government of Yukon to include energy storage technology and energy storage targets in its independent power production policy.

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

THAT this House urges the Yukon government to use its 2018-19 budget to develop communications infrastructure in rural Yukon, including partnering with the private sector to expand cellular phone coverage to people without service in areas including Grizzly Valley, Deep Creek, Fox Lake, Ibx Valley, Junction 37, Champagne and Mendenhall.

Ms. White: I rise today to give notice of the following motion:

THAT this House urges the Government of Yukon to ensure Yukoners get the best care every time by:

(1) not outsourcing microbiology testing to outside resources;

(2) upgrading equipment in the microbiology laboratory at Whitehorse General Hospital to ensure access to timely results; and

(3) supporting staff to receive and maintain up-to-date training on the new and existing equipment.

Speaker: Are there any further notices of motions?
Is there a statement by a minister?

This then brings us to Question Period.

QUESTION PERIOD

Question re: Carbon tax

Mr. Kent: Last week, we highlighted how the Premier and his Liberal candidates authored a work of fiction during the election by telling Yukoners that every single dollar from the carbon tax would go back to every individual's pocket.

Unfortunately, the Premier suggested that, even though that was what he promised, anyone who believed that was the way it would work was naïve.

Mr. Speaker, the Official Opposition has obtained copies of Facebook messages sent by the Premier himself, proving that he was telling Yukoners that everyone would get every cent back. Here is what the Premier wrote in a Facebook message — and I quote: "... if a 3-4 man placer camp spends \$2500 carbon tax on average, we will give back in cash. So the tax doesn't effect them..." That is directly from the Premier, Mr. Speaker. If you pay \$2,500, then you get \$2,500 back in cash. Those are his own words.

Does the Premier still think that Yukoners who believe they would get everything back, like he promised, are naïve?

Hon. Mr. Silver: We, again, see some needless confusion from the Yukon Party. We remain committed to our carbon-pricing mechanism rebate, which is that every dollar will be going back into individuals' pockets. We committed to that in the campaign and we'll move forward with that commitment.

The quote from that conversation on Facebook did use the words "on average", and that is how carbon pricing works. The members opposite know that.

Mr. Speaker, if you take a look at how much money is going to actually go back to Yukoners and Yukon businesses — as a complete whole — it is probably more than 100 percent if you take a look at the Government of Yukon's contribution, and also the people travelling through the Yukon contributing to that pot of money as well.

We remain committed to our campaign promise, which was to make sure that 100 percent of the money that is collected in the Yukon for a federal carbon-pricing mechanism — 100 percent of those fees that are collected — will go back to Yukoners and to Yukon businesses.

Mr. Kent: Let me read another quote from the Premier's Facebook messages. The individual who was speaking with the Premier asked — and I quote: "What do I

get out of the deal other than about an \$1,800 a year increase in my cost of commuting?" The Premier replied — and I quote again: "... grant money for new windows. and all that extra carbon tax money back in your pocket..." "Back in your pocket" is what the Premier said — "... all that extra carbon tax money back in your pocket..."

Last week, the Premier laughed off the suggestion that each Yukoner would get all their money back, so either the Premier forgot he promised this, or he was just saying this to get elected, knowing full well that he wouldn't honour this commitment. Which is it, Mr. Speaker?

Hon. Mr. Silver: Again, we committed to 100 percent of the money collected in the Yukon — 100 percent of that money — going back to Yukoners and Yukon businesses. I don't know what part of that the members opposite have a hard time understanding.

Maybe it is the matter of figuring out how the rebates are going to actually be given. We are looking forward to the work that we're going to do with the Chamber of Commerce when it comes to how the businesses will be rebated. We are going to be listening to Yukoners from "what we heard" — we get the document out in December — as to their suggestions of how to rebate that money. Again, Mr. Speaker, we maintain the commitment that 100 percent of the money collected in Yukon will be given back to Yukoners and Yukon businesses.

Mr. Kent: We know that the Premier promised Yukoners that everyone would get every dollar back that they pay into the carbon tax. In October 2016, he told CHON FM — and I quote: "...100 percent stays in your pocket for Yukon Liberal Party." On Facebook, he wrote to someone in a private message to say — and again I quote: "... if a 3-4 man placer camp spends \$2500 on the carbon tax on average, we will give back in cash. So the tax doesn't effect them..." In that same Facebook message, he also stated that you would get — and I quote: "... all that extra carbon tax money back in your pocket..."

However, last week, the Premier said that anyone who actually believed that they would get all the money back is naïve. Well, the only person who is naïve is the Premier for thinking that he could get away with this and not get caught.

Will the Premier apologize to Yukoners and live up to his promise that every individual Yukoner and Yukon business will get 100 percent of their money back?

Hon. Mr. Silver: Oh, how the mighty have fallen. A once-proud Yukon Party government reduced to soap-opera-style politics, Mr. Speaker. It is unbelievable.

Again, we have been very clear in our campaign commitment to giving 100 percent — I don't know if the member opposite can hear me through my mic — again, 100 percent of the money collected in the Yukon to Yukon individuals and Yukon businesses. We remain committed to that. It will be interesting to see the Yukon Party's chagrin when these rebate cheques start coming out in the mail. I guess they don't want to see us rebating this money to Yukon businesses, because we keep saying that we are going to do it, and they keep having complaints about it. We keep saying that

we are giving back the money to Yukon individuals and we keep hearing complaints about it.

Again, Mr. Speaker, no change here — just another question from the opposition on this and another answer from the Premier saying that we will give 100 percent of the money collected to Yukon businesses and Yukon individuals.

Question re: Carbon tax

Mr. Istchenko: We know that the Premier promised that every Yukoner would get every cent back on this carbon tax that he has signed on to. Not only did he say this on the radio, but Liberal candidates were going door to door during the election saying this. Facebook messages directly from the Premier confirm this as well; however, the good work of the Yukon Party last week revealed that GST will be charged on top of the carbon tax and Yukoners are not going to get that money back. This tax on a tax is going to take even more money out of the territory's economy and Yukoners aren't getting any of it back.

Why did the Premier tell Yukoners that they would get 100 percent of the carbon tax money back in their pockets even though it isn't true?

Hon. Mr. Silver: I hate to tell the Yukon Party this, but the concept of the GST debate has been going on in the nation for quite awhile, so it is good that they finally caught up to that conversation.

Again, let's review the facts. The federal government is implementing a carbon-pricing mechanism across the country. We are not implementing our own mechanism, so the federal government backstop will apply here in the Yukon. The Yukon Party seems to be hung up on some kind of fantasy that Yukoners could somehow avoid that carbon-pricing mechanism altogether. But again, I digress.

We negotiated an agreement with the federal government to have all of the carbon-pricing revenues returned here to the Yukon. That is good news, Mr. Speaker, to Yukon businesses and Yukon individuals. We will distribute it to Yukoners through a rebate, just like we committed. Without our negotiations with the federal government, this money wasn't coming back to Yukoners. It would be interesting to see what the Yukon Party would do if they were in power and Ottawa was going to collect all of that money and then Ottawa was going to decide how to spend that money.

Mr. Istchenko: During the election, the Premier told Yukoners that everyone would get 100 percent of the carbon tax money back in their pockets. According to the Premier's Facebook message — he went on and said that a placer mining camp that paid \$2,500 in carbon tax would get that \$2,500 back in cash. In those same Facebook messages, he also told an individual that they would get all the extra carbon tax money back in their pocket.

Mr. Speaker, I have a simple question for the Premier. This is switching from fantasy to reality for the Premier — let's not forget that. It is estimated that the Liberal carbon tax scheme is going to increase the cost of living in rural Yukon by \$825 per household. The Premier promised during the election that the carbon tax money goes back into your pocket.

So I have a simple question for the Premier: Will every rural household get back that \$825 — yes or no?

Hon. Mr. Silver: Again the Yukon Party is confusing indirect and direct costs to their advantage. They are taking my quote that they just put into the Legislative Assembly on record and only using part of it in the response — very interesting style from the Yukon Party.

Again, Mr. Speaker, we have committed to giving 100 percent of the rebate — 100 percent of that money collected here in the Yukon — back to Yukoners.

I don't know if the member opposite knows this or not, but when he is using the amount of \$800, he's talking about direct and indirect costs. I guess what he wants me to do now is to go into Ottawa, into Quebec and into British Columbia and Alberta and give back that money that has been collected in those carbon-pricing mechanisms. I don't know if that's what he wants or if he doesn't know the difference between direct and indirect costs, but that's what that \$800 amount is. We have committed that any money collected here in the Yukon will go back 100 percent to Yukoners.

Question re: Ombudsman, Information and Privacy Commissioner, and Public Interest Disclosure Commissioner 2017 annual report

Ms. Hanson: The Office of the Ombudsman, the Information and Privacy Commissioner and the Public Interest Disclosure Commissioner issued an omnibus annual report last week. My questions today have to do with this report and the legislation that guides this office.

The Ombudsman's office has pointed out that Yukon is the only jurisdiction in Canada where the Ombudsman doesn't have the ability to initiate investigations on its own. Currently, the only way an investigation can be launched is if a complaint by someone directly affected is filed with the Ombudsman. It's easy to understand how this both limits the action of the Ombudsman and disadvantages vulnerable people who may not be familiar with the Ombudsman's office or the process involved.

When will this government give the Ombudsman the power to initiate its own investigations like every other Ombudsman in Canada?

Hon. Ms. McPhee: The member opposite is correct. The Ombudsman has just issued her annual report. She does have commentary in there about improvements that she suggests with respect to the legislation. She is an officer of the Legislative Assembly, of course, and reports to this Legislative Assembly through the Members' Services Board, which is an all-party committee in which contemplation of such matters takes place. In addition to that, what is contemplated in the question is a legislative change, so, obviously, the all-party committee will need to contemplate the annual report, take into account what the Ombudsman has suggested and make some decisions and direction for this Legislative Assembly.

Ms. Hanson: Ultimately, it is government that makes that decision. The report also speaks about the limits of Yukon's access-to-information and privacy laws. Those limits

are obvious to anyone who has ever filed an access-to-information request. In fact, this very morning, our office received an ATIPP containing over 50 completely blank pages.

The previous government amended the ATIPP act, making Yukon government one of the most secretive in Yukon. At the time, when he was in opposition, the Premier said of the amendments — and I quote: "They are a step backward and only serve to keep information from the public, period."

The minister responsible has stated that draft amendments to the ATIPP act will be distributed for consultation this May. Will the amendments roll back the changes made to ATIPP by the previous government that, in the Premier's own words, only serve to keep information from the public?

Hon. Mr. Mostyn: I want to thank the Leader of the Third Party for her question this afternoon because, frankly, the public's access to information is a subject that is very important to me and it is very important to society. It is one of the reasons why we have undertaken a review, a rewrite and recasting of the ATIPP legislation so that it reflects today's modern society.

The department is currently doing the good work to look at how to improve, bolster and strengthen our privacy protections that we have in that act as well as making sure that we get as much information as we humanly can to the people of the territory, who own the information. I have projected — I have spoken to the media about this and I have spoken in this House about this — this information is the public's information. There are privacy concerns, of course, and we have to respect that, but, for most of the information held by this government, it is the public's information.

We have an open data repository that we are launching; we are rewriting the ATIPP act; we are doing a lot of good work on this front, and I am more than happy to talk about it at length to the member's next question.

Ms. Hanson: Unfortunately, he didn't answer the question about the ATIPP act.

The third section of the annual report speaks to the *Public Interest Disclosure of Wrongdoing Act*, known as the whistle-blower act. The act was proclaimed three years ago; it says that government departments and corporations have to develop their own disclosure procedures and educate their employees on their rights and the process to follow to make a disclosure. Yet the commissioner is — and I quote: "... not aware of any work undertaken by public entities" — that includes departments — "to inform their staff." The commissioner adds that she is only aware of one public entity currently drafting disclosure policies.

Why are all government departments except one not complying with the whistle-blower legislation and failing to implement disclosure procedures?

Hon. Mr. Mostyn: I thank the member opposite for this question as well. I have gone through the annual reports released last week as well, and we have done a lot of talking in the last few weeks about the *Public Interest Disclosure of*

Wrongdoing Act that was passed by this House in 2014, I believe.

Imagine my surprise to learn that, after that legislation was passed, suddenly it went to radio silence. There was no work done. There was no work done on this integral piece of legislation designed to protect our civil servants from reprisal should they come forward with legitimate and significant concerns of wrongdoing and malfeasance in this government. Well, that's part and parcel of a much bigger discussion. It has to do with the legacy of fear that we see in this territory that goes back years, which this legislation was supposed to address.

Frankly, my colleagues here and I are committed to dispelling this legacy of fear. I have spoken at length about the processes that people can use to go forward. I have spoken with the Public Interest Disclosure Commissioner recently. These processes are going to get beefed up under our watch.

Question re: Pharmacare

Ms. White: Last week, the federal government released the report *Pharmacare Now: Prescription Medicine Coverage for All Canadians*. It should come as no surprise that a universal pharmacare program would reduce drug costs, ensure all Canadians have access to needed medication and save taxpayers' money.

This government talks about the importance of research and statistics. In Yukon, we have the highest prescription drug costs in the country — not a particularly great statistic. Will this government be looking at universal pharmacare for Yukoners in order to bring down drug costs, reduce poverty, and ensure access to necessary and prescribed medications for all Yukoners?

Hon. Ms. Frost: Certainly, the Department of Health and Social Services is reviewing the overall federal mandate and we are taking that into consideration as we proceed in the Yukon. We will assess the costs of pharmacare, recognizing that it is an increasing cost for us here in the Yukon. It is certainly something that we would take under advisement and proceed with as we review our policies and procedures to better align with federal initiatives.

Ms. White: In the past, the government has participated in bulk-buying with other territories and provinces to help reduce the costs of prescription drugs. Unfortunately, the negotiations were only for a few drugs.

The Parliamentary Budget Officer, in a review of a national pharmacare program, noted that unless the country changed its approach and began to take a harder line with pharmaceutical companies, costs would only continue to climb.

So is this government partnering with other provinces and territories to negotiate with pharmaceutical companies to reduce the high costs of drugs in Yukon?

Hon. Ms. Frost: Yes, we are. We are working with our northern colleagues, specifically looking at the work that we're doing with Nunavut and Northwest Territories. We sit at the federal table — the P/T table — and part of the review is to look at efficiencies across the country. Right now, the

federal government is going out and looking at the high cost of drugs and trying to streamline through a federal process and through their federal policies. We are engaging in that process and we will continue to do so to ensure that we align ourselves nicely with the rising costs of pharmaceuticals.

As well, there are specialized drugs that are required and the cost is astronomical, as the members opposite know. That is something that is clearly problematic for us. We do want to ensure that, as we look at our relationship with physicians and our relationship with the caregivers, that we provide the best services possible and ensure that collaborative care and the wraparound care that is required — that those who come into acute care requirements or services within the Yukon are given the supports.

Ms. White: That question was about our relationship with pharmaceutical companies, not about our relationship with physicians.

Not every Yukoner has a private health insurance program they can rely on to cover the cost of their medications. Even with the coverage through chronic disease programs, there are still gaps. For the person who is not covered by the chronic disease program, either their prescription goes unfilled, or something else goes missing in a person's life — food, bills and other necessities. Research has shown that one in 10 Canadians cannot afford to fill the prescriptions their doctors write.

Does this government support federal universal pharmacare and are they pushing for it with the federal government?

Hon. Ms. Frost: We are working with the federal government on a universal approach. We are going to work with our federal and provincial colleagues with respect to the response around universal pharmacare and our partnerships. Most definitely we do need to work with the physicians in the Yukon. We need to work with our partners here in the Yukon as well as our national partners to ensure that we best align services and efficiencies — and, of course, cross-management.

Question re: F.H. Collins Secondary School sports field

Ms. Van Bibber: During Question Period earlier in this Sitting, we asked the Minister of Community Services why the budget document showed \$6.8 million for the F.H. track and field, while the joint Canada-Yukon news release, issued two weeks later, said the project would cost \$8.1 million. The minister was unable to answer the question at the time, but followed up with a legislative return. In the return, he stated that the federal government approved the extra \$1.3 million as a contingency fund in case the project went overbudget. The return goes on to say that this funding is for factors that were not known when the project was designed and the budget set.

Why would this project be brought forward and included in the budget with a cost estimate that could be 20 percent lower?

Hon. Mr. Streicker: I will try to respond that whenever we have infrastructure projects, up until completion,

there is always some uncertainty and some risk around the costs with those projects. There is always some cost-overrun contingency that is put in, and all we do — and this is true of all projects — is, we just manage that over time. As you get closer to the project and to more refined designs, that contingency comes down.

The great news is that we're investing a lot in infrastructure across the territory. We have the ongoing gas tax funds. We have the clean water and waste-water fund, which is getting water and waste-water to our communities. We now have the small communities fund and we will be working with our partners — municipal governments and First Nation governments — to plan the six years by this coming fall. We now have coming forward the Investing in Canada infrastructure plan. I'm worried that they are going to change the name on these things again.

There is just a lot of money that has come to the territory and it is good news for all of our communities.

Ms. Van Bibber: Are all the projects in this budget in Yukon jointly funded with Canada artificially inflated by 20 percent?

Hon. Mr. Streicker: There is nothing artificial about it. This is the appropriate design practice and engineers — the professional groups that we work with — will always design to have contingencies in there. It is good to have those contingencies.

What is unfortunate is when we get large cost overruns — for example, with the F.H. Collins Secondary School. There are times when it doesn't work and that is because we don't plan well in advance. It is really important that we plan far out and well in advance.

I think on the track, we have been doing that work. I hope that we don't have cost overruns, but it is always wise to have the contingencies in there. That is best practice.

Question re: Mining sector development

Mr. Hassard: Earlier this year, the Minister of Energy, Mines and Resources announced that before any work could commence on the ATAC tote road north of Keno, a road management plan and a subregional land use plan would have to be completed. He set a deadline of March 31, 2020, to have this work finished. The land use plan will require a committee to be set up.

With the clock now ticking, can the minister tell us if the committee has been appointed? Have the terms of reference been set? If so, who is on the committee and will he make those terms of reference public?

Hon. Mr. Pillai: Just for those who are not as aware of this particular conversation, which has to do with the ATAC tote road just north of Mayo, the Government of Yukon and the First Nation of Na Cho Nyäk Dun have reached an agreement and issued a joint Yukon Environmental and Socio-economic Assessment Board decision document that may lead to the construction of an all-season tote road by ATAC Resources to access their mineral exploration site north of Mayo.

The proposed tote road would cross settlement and non-settlement land, making both the First Nation of Na Cho Nyäk Dun and the Government of Yukon decision bodies. The agreement between the government and the First Nation was signed on February 21. It came into force and a joint decision document was issued for the tote road. The planning committee will endeavour to continue to look to submit for 2020. I will reach out to our department to find out the status on this.

I think what is really concerning is the fact that there has been a spin, specifically by the Yukon Party, on this topic that it is a bad-news story. We have one of the largest — if not the largest — mining companies in the world — Barrick Gold — and their CEO commending this. We have our First Nation partners and First Nations across Canada looking at this and saying that this is best practices. We have the local company cheering this on as well. I am not sure why —

Speaker: Order.

Mr. Hassard: I think what is more disturbing is the fact that we can't get answers to very simple questions.

Obviously, in a planning region of this size, there will be other proponents affected by these actions. In reviewing a recent YESAB submission for a project located in the planning region, I have noticed that the Stewart River watershed plan was referenced by some of the organizations providing comments to the designated office. Can the minister assure other proponents that their projects will not be delayed by two years or longer as a result of this planning exercise?

Hon. Mr. Pillai: I appreciate that. I tried to give a little bit of context about what this project is. I would say specifically that I commend the staff at Energy, Mines and Resources because we are talking about a specific case here where an NGO — I believe — identified the watershed within their statement, and nobody else. Within a very short period of time I have had an opportunity to talk to industry, specifically the organizations that are moving forward, in this area. Certainly, I have clarified that our perspective, at this particular point, is that we're in a planning process.

We don't see any negative impacts. We do have an obligation to speak to all of the stakeholders. I have outfitting operators who are coming to us as well, and they have concerns because they are being impacted by other stakeholders in the region. They're losing some of their concession areas to development. We have people who are trapping in the area and we have to have conversations with them. We have, of course, the First Nation itself.

Absolutely, this is a complex question. We have to ensure that —

Some Hon. Member: (Inaudible)

Hon. Mr. Pillai: As the Leader of the Third Party shouts across the way — this is part of land use planning, just to answer your question as well — so I will do both here at the same time and she can maybe wait and save one for later.

Anyway, we think this is a fantastic project and a great relationship that we have built, and we think they are best practices and that's why people are commending us.

Mr. Hassard: I don't think that the questions are actually that complex. I have asked about the committee, who has been appointed and what the terms of reference are. I have asked whether other proponents and their projects will possibly be delayed.

Again I will ask a fairly simple question, I think. We have well over 50 percent of the land mass of Yukon now off-limits for staking, so will the minister be able to tell us this: Will there be a staking ban instituted in this planning region at any time during the next two years?

Hon. Mr. Pillai: I believe I did answer the question — that there would not be a delay in the other projects. I will just clarify that again.

The majority of the staking bans, to clarify, have to do with the previous government's legal cases — one after another that they had within many regions — and now we're in a position where we're trying to work, going forward, with specific First Nations to come up with agreements and a path forward on a series of areas so that we can get access for our amazing prospectors.

What I can do is — when it comes to the specific details, I'm going to confer with our partners, Na Cho Nyäk Dun. I can bring forward an update as well, but at this point there are no concerns.

Once again, we see it. It's very clear — the same old story of fear, fear, fear — wherever we can lay it, whether it's on carbon pricing or whether it's on mining. It certainly didn't work before and Yukoners see right through it.

Speaker: The time for Question Period has now elapsed.

We will now proceed to Orders of the Day.

ORDERS OF THE DAY

Speaker: Government designated business, motions respecting committee reports.

MOTIONS RESPECTING COMMITTEE REPORTS

Motion respecting Committee Reports No. 2

Clerk: Motion respecting Committee Reports No. 2, standing in the name of Mr. Gallina.

Speaker: It is moved by the Chair of Standing Committee on Rules, Elections and Privileges:

THAT the *Second Report of the Standing Committee on Rules, Elections and Privileges*, presented to the House on April 18, 2018, be concurred in; and

THAT the amendments to Standing Order 11 recommended by the committee be adopted.

Mr. Gallina: I am pleased to speak to the second report from the Standing Committee on Rules, Elections and Privileges. This all-party committee remains active with input from members on all sides of the House, and for this engagement, I want to thank those members who sit on the committee and bring their ideas forward and keep me to task as chair.

Our primary focus as a committee is to continue to find efficiencies and modern ways of conducting our business with respect to the parliamentary procedures of this House. I feel as though, as a committee, we are finding these efficiencies, and this is evident in the report we are speaking to today.

The committee is proposing two changes to the Standing Orders that govern this Assembly. The first would see the Introduction of Visitors come before Tributes in the Orders of the Day. The committee felt this adjustment would help visitors to this Assembly by recognizing them individually up front. Visitors could then stay and listen to tributes and any other business of the day and leave when they are ready and not have to wonder if members will be recognizing them, as is the case with our current order.

The second proposed change speaks to modernizing our procedures and would see the Speaker of this House, at the beginning of a Spring, Fall or Special Sitting, recognize the First Nation's traditional territory upon which we are conducting our business. This is a significant step forward for this Assembly. It speaks to the importance that members of this House place on recognizing traditional territories within Yukon and the importance of relationships with all First Nation community members through the territory.

In closing, I again want to thank the committee members for their contributions and willingness to participate in making our Standing Orders more efficient and modern, and I look forward to hearing from other members on this topic.

Mr. Kent: I am one of the Official Opposition members on the SCREP committee, joined by my colleague, the Member for Lake Laberge as the other Official Opposition member. I would like to echo what the Member for Porter Creek Centre mentioned and thank all the members for their work in bringing forward these changes to the Standing Orders.

Members will remember that, in the previous SCREP committee report, we set the Sitting dates so that the Fall Sitting would start the first week of October and the Spring Sitting would start the first week of March. That gives certainty, obviously, for everyone involved with this Legislative Assembly — not just elected members, but all those officials and others who provide support services to the Assembly — so we are very happy with that.

We brought in time limits on Tributes as well, which I think have done a good job in keeping us to task and help us as House Leaders work out the routine of Tributes. I thank the Government House Leader for her work on this as well, specifically in identifying Tributes as soon as possible, as well the House Leader for the Third Party. I think that this work is important to ensuring that our House is as efficient as possible.

Of course, we will be supporting the changes that we are voting on today. I think that the changes to the Daily Routine by moving Introduction of Visitors to the top of the routine, prior to Tributes, will make it a little less awkward for us in the House when we are introducing visitors who are here as part of a specific tribute. I think we have all seen some of our

visitors, after the tribute is complete, get up to go. I think that members on both sides of the House have asked them to remain until after Tributes so that they could be introduced, so this will take care of that issue. This is something that came out of House Leaders' meetings.

Again, I thank the Member for Riverdale South and the Member for Takhini-Kopper King, working as House Leaders with me to identify this as an issue and, of course, the acknowledgement of the traditional territory of the First Nation where the sitting is. I think it is a good start for us. It is something that we can do as part of the Standing Orders. I know at SCREP, we have referenced Members' Services Board and what their role would be in perhaps altering the Legislative Chamber to reflect the First Nation contributions to the territory as well.

Again, thank you to all the SCREP members for their work. We have an aggressive work plan to complete and I look forward to continuing that work with members from all parties in this House.

Ms. Hanson: As the NDP member on the SCREP, I am pleased to stand in support of these proposed amendments to the Standing Orders and I echo much of what the House Leader for the Official Opposition has indicated today.

These two amendments to the Standing Orders represent, as he mentioned, part of the work plan of the Standing Committee on Rules, Elections and Privileges, and I think it is good to be having regular reports from this Committee to the Legislative Assembly because we set an expectation that the committee will continue to meet and will in future be coming back to this House with further motions that may be more challenging in some ways with respect to how we change some of the conventions that have guided the conduct of the Legislative Assembly.

I think, just in reflecting on the conversation that the Committee had with respect to the motion that would amend the Standing Orders in terms of introductions of visitors and the conversation really centred around the fact that we are welcoming people to this House — their House. When you invite somebody into your home, you usually introduce them at the beginning of an evening or a gathering as opposed to after you have sat down to dinner. So we are inviting people into the House — their House — and we are introducing them at the outset.

Of course, the notion that at each of the Sittings, the Fall Sitting and the Spring Sitting — maybe it's from the days when there has been a past precedent where the Legislative Assembly has sat outside of Whitehorse, outside of the traditional territory of Ta'an Kwäch'än or Kwanlin Dün — so that the amendment would speak to the ability to also be recognizing the traditional territory of wherever this House sits.

Motion respecting Committee Report No. 2 agreed to

Speaker: Government bills.

GOVERNMENT BILLS

Bill No. 15: *Cannabis Control and Regulation Act* — Third Reading

Clerk: Third 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 third time and do pass.

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

Hon. Ms. McPhee: I would like to take this opportunity to thank Yukoners who engaged with our government to tell us their views on this very important topic. I would also like to thank the staff and the government officials who worked tirelessly — and I am happy to say, not endlessly — on this project and the bill that is now before the House. There is, of course, much more work to do as the legislation and the regulations evolve. The House has covered a significant amount of material during the debate on this bill and I would like to just take a few moments to discuss the bill and its context before the vote.

The Government of Canada is set to legalize cannabis in the summer of 2018. Legalization requires provinces and territories to prepare legislation that will regulate the possession, consumption, retail distribution and personal cultivation for their respective jurisdictions. Over the past nine months, our government has undertaken three rounds of engagement during which it has worked with First Nation governments, municipalities, stakeholders and the Yukon public. The proposed act works to meet the needs of Yukoners and seeks to balance the elimination of the illicit market, while providing for the health and safety of all Yukoners. In order to achieve these principles, the Yukon government's proposed *Cannabis Control and Regulation Act* provides Yukoners with access to cannabis in a controlled and coordinated manner.

The proposed 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 by adults who are 19 years of age or older. The 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 or in public, including medical cannabis, will not be permitted. Those who wish to consume cannabis will be permitted to do so at a "dwelling-house", including the property associated with the dwelling house. There is an extensive definition of "dwelling-house" in the legislation.

The act has been developed to organize the sale of cannabis around the distributor corporation, controlling importation and wholesale of cannabis, while also working to support the private sector. The proposed act enables the private sector to provide retail and remote sale of cannabis and privately run consumption venues in future.

As the Member for Lake Laberge will no doubt take the opportunity to remind us, the Yukon Party is not in favour of the governance model supported by Yukoners and presented in this bill — that of a distributor corporation. As previously mentioned, it is the intent of the government to advance the development of licence-specific regulations, with the goal that there could be private retailers licensed as soon as possible, likely in the late spring or early summer of 2019.

Over the past months, we have heard support for a government distributor corporation, the need to take a cautious and well-thought-out process to legalization and the need to support the private sector. We believe that the proposed act provides for these priorities in a balanced and careful way.

Having the distributor corporation control the importation and enforcement aspects is intended to ensure that the cannabis that is sold to retailers is licit and obtained in accordance with federal law. Further, this approach allows for the monitoring of health and safety impacts of the legalization of cannabis.

Yukon's approach to distribution matches that proposed by other Canadian provinces and territories. The seven parts of this bill in the proposed act address the full scope of this government's authority and, at the same time, allow great flexibility in respect of the type of arrangements that can be made pursuant to that authority in future.

In conclusion, I recommend that the members of this Legislature support the passing the *Cannabis Control and Regulation Act* as a means to ensuring that Yukon is prepared for the legalization of cannabis by the Government of Canada and, further, to ensure that the Government of Yukon is able to meet the expectations and priorities of Yukoners.

I look forward to this bill receiving unanimous support here today.

Mr. Cathers: I will have to disappoint the Minister of Justice. Our caucus will not be supporting this legislation because of the government's refusal to accept the amendments we proposed during the Committee of the Whole stage.

I would note that we do appreciate the work of the officials on this legislation and we do support much and, in fact, most of the content of the legislation; however, my colleagues and I are not willing to support a model that grows government and that spends millions of dollars of taxpayers' money unnecessarily on the purchase of cannabis inventory. We are not willing to support this legislation, since it facilitates a government retail and government distribution model.

That being said, we do recognize and agree that legislation needs to be in place before the federal government completes the legalization of cannabis. As I have stated on a number of occasions, the position of the Official Opposition is that we recognize that the topic of legalization is one that Yukoners have strong feelings on. There are people who are strongly in favour and those who are strongly against. We respect the views of all Yukoners on this legislation, but our view is that since the federal government is proceeding with

the legalization of cannabis, it is the job of the Government of Yukon to take the necessary steps to put in place a responsible model.

Where we believe the government has made a significant error is in choosing to go down the road of growing the size of government by getting into the retail and distribution of cannabis. We proposed amendments that would have moved the model for Yukon to one very similar to the model that is in place in the Province of Saskatchewan. At some length, I laid out explanations of how the government could move quicker in those areas and pointed to examples of where government, using structures for licensing similar to that under other pieces of legislation, could in fact move quickly to allow Yukon companies interested in entering the legal retail of cannabis to apply for a licence quicker and to place the onus on them to demonstrate that they can do it safely, as it is done under several other pieces of legislation where government can revoke a licence if a company fails to follow their stated safety plan.

This model, unfortunately, put forward by the Liberal government does not do enough to support a legal private sector model as I laid out. I know that my colleague, the Member for Watson Lake, and others are concerned about the fact that, since government is stalling for a year on allowing private sector retail and opening a single store in Whitehorse, it stands the risk of increasing black market sales of cannabis in rural Yukon during that time period. We acknowledge that it's not the intention of government. I believe that they have made a significant failing in that area.

It continues to be our view that a properly regulated private sector retail and distribution of cannabis can be done just as safely as government retail, and for that reason, as I noted, since government chose to vote down the amendments that we proposed that would have strengthened this legislation, my colleagues and I will not be supporting this legislation at third reading.

Ms. White: I can start off with: colour me surprised.

There has been a lot of conversation around Bill No. 15, the *Cannabis Control and Regulation Act*. First and foremost, I want to thank the public servants — those who were involved in the drafting, those who were involved in the research, those who not only gave us one briefing but gave us two briefings — the close to a dozen people in the room. I want to thank the public servants who came into the Chamber and supported their ministers as we went through Committee of the Whole.

I have already said that there was a mountain of work to get to this point, but there is a mountain of work on the other side of this passing the House. I just want to acknowledge that and thank them for the work that they've done.

There were questions that I had that, when we went through Committee of the Whole, we were able to engage on and get answers to and have a back-and-forth dialogue about, which I really appreciate. I want to thank both of the ministers for that.

Things haven't changed. The NDP both nationally and locally have talked about the legalization and the decriminalization of cannabis for a very long time. I'm happy to say that, as a country, we're getting to that point. I do fundamentally believe that this is a big piece of legislation, and I stand by my statement earlier, which is that this is similar to the end of prohibition. This is the first kind of change like this in Canada, and I look forward to other drugs becoming decriminalized so that it becomes a health issue and not a justice issue.

Social responsibility for us is key when it comes to the legalization of cannabis. We want to make sure that young people have limited exposure. We want to make sure that it doesn't target vulnerable populations and, like we have talked about at length here, we want to make sure that it does protect youth wherever possible. One of the things that I think is really important is that we talk about the siting and the co-location of cannabis retail. I think that we have an opportunity here, when government goes through putting in regulations and putting the board together — where we can have a greater conversation about where we hope these locations will be and where we expect them not to be. We talked about the importance of co-location — or not having co-location with liquor and how that is key. I look forward to seeing how that turns out.

The last time we were in the Chamber with the officials here, I highlighted the celebration when I was pointed to the regulation section in section 80(1)(m) where it talks about the locations of paraphernalia. When we talk about social responsibility, in my mind, one of the things we want to think about is limiting the exposure of young people to paraphernalia. My example is, of course, the gas station. I think that in 20 years, maybe we'll have come down the path as we are — well, I guess it could be up for dispute as to whether or not we're there with liquor. The hope is that in 20 years from now, the population will be responsibly consuming cannabis and then maybe we can look back at having paraphernalia sold in gas stations. Until that point, my hope is that we look at section 80(1)(m) and talk about the location of paraphernalia.

I mentioned early on in the debate that we thought it was really important that the Yukon government, along with their provincial and territorial counterparts, lobby the federal government to make sure that the cannabis being sold across the country has been tested for harmful pesticides. The perfect example for us is that tobacco has been legal in this country for a very, very long time, but that didn't prevent that industry from using harmful pesticides until scrutiny happened from outside sources. Again, I realize that is not the responsibility of Yukon government, but we do have a responsibility to play in a federal role.

Last but not least, again, for me, it's the importance of Yukon government maintaining distribution. It's not about the shipping of cannabis to the territory or the shipping of cannabis within the territory. It's the fact that we believe that the distribution company should be the Yukon government. We don't believe that should be outsourced. I'm happy to

know that private retailers will exist and government will remove themselves from that part at some point, but we fundamentally believe that distribution is the responsibility of government. We believe that for a bunch of different reasons, including the importance of social responsibility.

So just because, at one point in time, I was confused as to whether or not I was looking at the term "distribution" correctly — but I was, because it's the action of sharing something out among a number of recipients. That's the first definition. So, in our mind, distribution belongs as the role of government. I have fewer concerns about how it moves to the distribution company and from the distribution company — but it's the fundamental belief that Yukon government be responsible.

Again, I thank the ministers. I especially thank the public servants. It will be interesting to see how this comes. It will be interesting to see how it rolls out, but I know that, at this point in time, people have done the best within their abilities to do the right thing. I appreciate them for that work.

It's probably not going to surprise anyone to know that the NDP will be supporting Bill No. 15. We look forward to when Canada reaches that point and to when, across the country, this is no longer a criminal matter.

Hon. Mr. Streicker: I'll just say a few words here at third reading. First of all, I thank both members opposite for their comments. First of all, for the Third Party — I thank them for expressing their interest in seeing the regulations talk about co-location and I look forward to that discussion, and how paraphernalia is considered with respect to sales — great.

The biggest issue that I heard from the members opposite was around making sure that, here in the Yukon, the government maintains control of the distribution system. That is both true in principle and practice with the plans that we have before us. I thank them for highlighting that concern.

With respect to the Official Opposition — again, I thank the Member for Lake Laberge for his comments. I want to direct my comments through you, Mr. Speaker, to all members of the opposition. While I appreciate that he has alerted us to the fact that they don't intend to support this bill, I am still going to make my arguments in that hope.

I want to talk about the fact that we are not stalling. I have said here in this House and can say today that I had a bilateral meeting this morning where we were discussing these very issues, and I know that the departments are working on regulations and the licensing procedures as we speak. That work will continue apace and we will get it before the citizens of the Yukon shortly. It is not going to be today or tomorrow and it is not going to be rushed, but it is going to be diligent in its work. So I am looking forward to that.

I think it is also true that we have stated from the beginning that we wish to support, facilitate and enable the private sector in the retail market. I'm thankful that, here in this Legislature, it is generally supported by all parties — differently, slightly. The point that I'm trying to make is that all of us here agree on that — or at least that is what I have heard.

I think, as the Member for Lake Laberge has noted, that we all recognize that there is a range of views on this topic among Yukoners and we all respect that range of views. It is also important to acknowledge that 80 percent of Yukoners asked that we legalize cannabis — or are supportive of that. That is a strong number, Mr. Speaker. It is not a modest majority; it is a significant majority. I think it's important that, here in this Legislature when we work together, we try to find that common ground about how to do that.

Let me reference for a moment the Saskatchewan model. I appreciate that the members opposite have focused on that one because, of course, that is the one that follows their recommendations. Again — fine. It's not the one that is followed by any other jurisdiction in Canada. In particular, that's the jurisdiction that they wish to look for, but what I wanted to try to understand — under their approach, I still believe that there will be the equivalent of a cannabis corporation in Saskatchewan. I believe it's under the Saskatchewan Liquor and Gaming Authority and there will be some sort of corporation. That doesn't mean that the corporation will not privatize the distribution — they may — but there still will be a corporation.

When we were here at the Committee of the Whole reading and going through it clause by clause, there was a proposal to cut out 10 of 70 or 80 pages of the bill — no, we did not support that. That was because there needs to be an umbrella organization — in this case, the cannabis corporation — that is responsible. That is true in Saskatchewan as well, in my mind.

The point that they are not going to support this at third reading is misplaced because it does not have to do — in my mind — with the ability to facilitate the private retailers coming on stream. In fact, it feels to me like we would have a system where we host a conference for anarchists, everyone shows up, and someone is waiting to see who is going to chair it and there is no one there.

The situation should be that, private or not private retail, we require a corporation there in order to receive information, to support the cannabis board — there is a requirement for that structure.

Finally, Mr. Speaker, what I heard from the Member for Lake Laberge was that our opening a government retail store will somehow encourage the black market. Frankly, I cannot follow that logic at all. It makes no sense to me. What I am hearing from the member opposite is that if we open a retail store, it will somehow enable the black market, or support them or allow them to continue. I draw the completely opposite conclusion. In fact, that is part of what is motivating us. As we have said all along, the purpose here is to remove the black market as quickly as possible. All of the evidence that we have before us about bricks and mortar stores are that they are essential to displacing the illicit trade. We are doing it for the interim — that is all.

While I appreciate that the members opposite want to see the private sector in place on day one, there are several issues to resolve — for example, regulations, the licensing procedures and, as is the case with those members of the

private sector who have come forward to me and discussed their interests in opening a store, there is still the question of zoning within the City of Whitehorse as well. There are some things to work through. In the interim, our intention is to open a private retail. We will not be growing government over the long term to do so. We will just do it for the interim, and we will repurpose folks and we will look for folks within our system right now who are interested in getting involved for the short term.

Overall, I appreciate that the members opposite support the notion of legalizing cannabis. I hear that they are not supportive of this legislation. The reason that they have given seems to be that they wanted to remove the cannabis corporation; however, I don't think that is achieving the goals that they have stated, so I encourage them to please consider supporting the legislation.

Speaker: Is there any further debate on third reading of Bill No. 15?

If the honourable member now speaks, she will close debate.

Does any other member wish to be heard?

Hon. Ms. McPhee: I will just take a couple of moments here to close the debate. I too remain hopeful that the Yukon Party can be persuaded to support this bill. To be clear — and my colleague has noted this — the proposed amendments brought by the Yukon Party last week during debate of this bill would simply not have achieved what the Member for Lake Laberge suggested they would have. The member indicates that he — and I assume the Yukon Party — wanted to support private retail to be available sooner.

Mr. Speaker, the model here in this bill and in this legislation supported by Yukoners has been designed for the purpose of protecting the health and safety of our youth, disrupting the illegal market, for maximum flexibility and for Yukoners to have access to legal cannabis as soon as it is legalized. Mr. Speaker, legalization without access will not have the desired effect of replacing the illegal trade and that is important to note.

I ask the Yukon Party to reconsider and I am also asking them to support the passing of the *Cannabis Control and Regulation Act* as a means of ensuring that the Yukon is prepared for the legalization of cannabis by the Government of Canada, and further, to ensure that the Government of Yukon is able to meet the expectations and priorities of all Yukoners with unanimous support.

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. Dendys: Agree.

Hon. Ms. Frost: Agree.

Mr. Gallina: Agree.

Mr. Adel: Agree.

Hon. Mr. Mostyn: Agree.

Hon. Mr. Streicker: Agree.

Mr. Hutton: Agree.

Mr. Hassard: Disagree.

Mr. Kent: Disagree.

Ms. Van Bibber: Disagree.

Mr. Cathers: Disagree.

Ms. McLeod: Disagree.

Mr. Istchenko: Disagree.

Ms. Hanson: Agree.

Ms. White: Agree.

Clerk: Mr. Speaker, the results are 12 yeas, 6 nays.

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

Motion for third reading of Bill No. 15 agreed to

Speaker: I declare that Bill No. 15 has passed this House.

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): The matter before the Committee is Vote 19, Yukon Liquor Corporation, in Bill No. 206, entitled *First Appropriation Act 2018-19*.

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

Chair: I now call Committee of the Whole to order.

Bill No. 206: *First Appropriation Act 2018-19* — continued

The matter before the Committee is Vote 19, Yukon Liquor Corporation, in Bill No. 206, entitled *First Appropriation Act 2018-19*.

Is there any general debate?

Yukon Liquor Corporation

Hon. Mr. Streicker: I would just like to begin by welcoming Mr. Matt King, the president of the Yukon Liquor Corporation, and Ms. Susan Russell, our manager of Finance, to the Legislature today. They are here to help up answer questions from the members of the opposition.

Mr. Chair, the Yukon Liquor Corporation is a government corporation created in legislation and mandated to purchase, distribute and ensure the responsible sale of liquor products in the Yukon. Operating at arm's length from the Yukon Liquor Corporation is the quasi-judicial Yukon Liquor Board. The board is responsible for making liquor-licensing decisions.

The corporation regulates the sale of liquor products and, through its inspections and social responsibility programs, it supports safe, legal and low-risk consumption. In the rural communities, the Yukon Liquor Corporation staff are also territorial agents who deliver key government services on behalf of other departments to rural citizens.

The corporation has undergone a lot of changes since the 2016-17 year by focusing on improving internal processes, improving services for customers and licensees, increasing the efficiency of the corporation's operations and making the corporation an employer and business partner of choice.

Mr. Chair, I would like to acknowledge the Yukon Liquor Corporation staff and the entire team for their efforts. I commend the dedication of the Yukon Liquor Board's directors.

In the 2018-19 budget, the Yukon Liquor Corporation anticipates generating \$14 million to return to the government's general revenue fund. On the expense side of the ledger, the Yukon Liquor Corporation is expected to expend \$674,000 in capital expenditures and \$9.1 million in O&M expenditures.

In 2018, our \$14-million contribution to government is comprised of \$9.2 million in net income from operations and \$4.8 million in liquor tax revenue. Sales are expected to increase a little under six percent from \$38 million in the previous year to about \$40 million in the upcoming year. The increased sales reflect Yukon Liquor Corporation's shift to update its price book on a monthly basis, providing a variety of products, the growth in Yukon's population, and, in particular, the increase in tourism traffic. This year, Yukon Liquor Corporation is conducting a review of its pricing structure to ensure a balance of smaller producer benefits, revenue generation and social responsibility.

Let me talk for a moment about the capital highlights. To save costs and improve client services, the corporation will invest \$674,000 in the following: \$108,000 to update community stores and office equipment; \$300,000 to replace its licensing and inspection software; \$86,000 to upgrade security cameras and to purchase hand-held scanners to improve inventory management; and \$180,000 to improve warehousing infrastructure to maintain regular operations.

The corporation has made efforts to improve information technology and these efforts are generating benefits. New hardware has improved the information technology system stability and has significantly reduced system service

interruptions. Streamlined processes are helping to improve operational efficiencies for ordering, shipping, warehousing, distribution, retail and wholesale sales so the corporation can obtain reliable and enhanced produce supply. As a result, customers and licensees alike are experiencing improved access to product variety, supply and reduced wait times. Over time, these changes will also help to improve the bottom line. This work will continue until the Liquor Corporation's operations meet performance standards our customers and licensees expect.

In step with the corporation's capital investment, the corporation's operation and maintenance investment will contribute to achieving our goals and help to advance the government's enduring priorities. This year, the corporation is allocating \$9.1 million for operation and maintenance, which is a 0.1-percent decrease from the 2017 main estimates. Of that figure, \$6.5 million is to meet payroll expenses. A total of \$2.7 million is allocated to the cost of running the organization, the warehouse, stores, leases, utilities, et cetera. A total of \$200,000 is allocated to delivering on the corporation's social responsibility programs.

As previously mentioned, we are committed to being a leader in social responsibility and helping to further our government's people-centred approach to wellness by focusing on responsible service, lawful sales and consumption, and by encouraging responsible consumption, conducting inspections and enforcing the liquor legislation.

The Yukon Liquor Corporation delivers on its social responsibility mandate through partnerships and by continuing government-wide initiatives that intend to reduce alcohol-related harms. This includes our Be a Responsible Server course, ensuring lawful sales and consumption through inspections and licensing services, reducing harm to minors with the Check 25 program and through partnerships with youth groups in supporting substance-free grads, and working in partnership with other agencies such as Mothers Against Drunk Driving, the Fetal Alcohol Syndrome Society Yukon and various interdepartmental committees that focus on reducing alcohol-related harms.

Promoting awareness about responsible drinking is important for the Yukon Liquor Corporation and we want to make sure that the tools we use to promote responsible drinking are effective. That is why we are participating in the northern territories alcohol study.

The Liquor Corporation is improving its social marketing efforts to also encourage moderate consumption, responsible service and low-risk drinking guidelines, and is working to inform the public about the effects of drinking and pregnancy in partnership with FASSY and the inter-agency team, as well as Highways and Public Works and Mothers Against Drunk Driving, to prevent impaired driving.

Just a couple more points — to support the continued success of our local producers and licensees and to improve its social responsibility programs, the Liquor Corporation conducted an extensive *Liquor Act* public engagement process earlier this year. In the review, the Yukon Liquor Corporation

staff participated in approximately 50 meetings and visited 14 communities and three local advisory councils.

The Yukon Liquor Corporation met with First Nation governments, municipal governments, licensees, health-focused organizations and the public in communities across the territory, as well as with local advisory councils and government departments. The public engagement process results will be released in the near future. The aim is to modernize the legislative framework to meet current and future needs, to balance social responsibility and net profitability appropriately and to contribute to healthier Yukon communities.

Of course, we also have been working hard as a corporation to support the legalization of cannabis. Just earlier today, the *Cannabis Control and Regulation Act* passed third reading and we look forward to later this summer when the federal government plans to legalize cannabis.

I will stop there, Mr. Chair. I just want to note that the corporation is dedicated to client-focused services, recognizing the role it plays with producers, licensees, permit holders and as a corporate citizen throughout the Yukon.

Mr. Istchenko: I want to start by welcoming staff here today. I also want to just put a plug in and thank the Liquor Corporation for the quick response on the minor/major problem that happened in Haines Junction in the liquor store there. As we know, it is also our territorial agent, so there are people going there for driver licences and they go in there to get liquor, but they also do lots of other stuff. The cleanup time was quick, fast, and efficient, and it is better than ever. It doesn't smell at all in there — it's great — so I want to thank them for that.

Again, welcome to the staff here and I thank the minister for his comments.

My first question today is regarding the special order system for alcohol. Can the minister confirm whether or not you still have to order this through the Liquor Corporation?

Hon. Mr. Streicker: My understanding of the system — and I will wait for follow-up questions from the member opposite just to make sure that I'm understanding his question correctly — is that all orders go through the store. What we have been doing is improving, first of all, the inventory and the purchasing system to make sure that it is efficient and faster. We have been working with some licensees to provide them access to online information with the groups where we receive our wholesale so that we can get them more direct information. This is so that they have knowledge, for example, of whether products are available or not, but ultimately the system is set up so that orders still move through us. What we are doing is just trying to make sure that those systems are more effective and efficient through the information technology systems we are using. We also have — people can order through the stores or they can go to our sales team at the warehouse, but in all cases, it goes through the Yukon Liquor Corporation.

Mr. Istchenko: Then I guess following that, what is the average length of time for a special order to be completed? How many special orders were there last year?

Hon. Mr. Streicker: The length of time for orders depends on a few things — for example, the availability of the product out there in the marketplace. For example, if that product is available in Alberta, the delivery times are different if it is coming from Alberta than if it is coming from British Columbia because of the supply chain or the transportation methodologies that we have.

It can also depend on whether that product is backordered. In the annual report, we note that more than 1,600 special orders were processed for individual customers and licensees in the 2016-17 report, and I think that number is just going up. Our experience is that licensees are interested in special orders and we want to try to maximize that. The challenge that we have to be careful with is to note that it does add service cost on our end, because if you have a large volume of a product, then your systems are well set up. If it is just a case of something or a couple of bottles of something, that takes setting up SKUs and handling.

What we are doing right now is trying to make sure that the overall information technology system is more digital so that we can get updates on prices for the licensees right away — that we can get information to the licensees about the availability of product — whether it is available or not, and you don't have to wait to find out through an order whether something is going to be able to come — and that we can manage within the warehouse the movement of that product so we can handle the numbers of products that we can carry at any one time.

That has been increasing. For example, within the last year, we have added 300 additional products to our regular inventory. That is not even the one-off special orders. What we are doing is trying to maximize those numbers while recognizing that we are still a small jurisdiction and have to work to be effective within the scale that we have here.

Mr. Istchenko: That brings me to the conclusion — as I have seen with the Liquor Corporation — absolutely, you have to stock more stock, and sometimes, a certain product is all the rage. Order it in and it is great, and then you wind up with a bunch of that product that doesn't sell because the phase has gone by or whatever. It begs the question — rather than the difficulties that the minister spoke about for that — would the government consider making changes to the special order system to eliminate the requirement to go through the Liquor Corporation, and anything now that you order online — when you go to a product and it doesn't matter what you are shopping for — it gives you the shipping rates, you put in your address, it gives you shipping times, length of times.

I will give you an example. Say a specialty store like Corked, in the Horwoods Mall, could just order scotch directly from Scotland and everything would be on the website — the cost, how long it would take to ship, the shipping rates — or maybe a local restaurant wants to order a specialty Italian wine straight from Italy. Can the minister comment on that?

Hon. Mr. Streicker: The notion of alcohol and, as we have been discussing during this Sitting, cannabis is that they are intoxicants and, as such, are controlled and so come

through a controlled system. The notion that the Member for Kluane is discussing is a little bit like what was just in front of the Supreme Court with the Comeau case where — could individuals choose to go out and purchase? The basic answer is no. It must come through this controlled system.

There are always possibilities through technology to manage it so that control happens. We will always work to take advantage of technologies while, at the same time, ensuring that there is a system in place that allows us to track and control all of the alcohol that comes into and goes out of the territory.

At the same time, Mr. Chair, we continue to participate in an interjurisdictional working group on alcohol beverages that explores opportunities to enhance trade in beer, wine and spirits across Canada. We are looking for ways to maintain control while maximizing the opportunities and flexibility for the private sector so that they can get those choices in front of their customers; however, we still need to keep it inside the system.

Mr. Istchenko: I thank the minister for that answer. The minister did talk about the Comeau case in the Supreme Court — known as the “free the beer” case. I am just wondering what the government's position is on this upcoming case. He spoke a little bit about a working group with other provinces and territories on trade barriers for alcohol. Will the government be giving an intervention into this specific case? If they are, why?

Hon. Mr. Streicker: Mr. Chair, within the last week, the court came forward with a decision. The decision of the Supreme Court of Canada concerning the Crown v. Gerard Comeau case affirms the current rules regarding interprovincial and territorial trade in liquor. We are still in the process of evaluating the entirety of the ruling. It essentially means the status quo for the Yukon and other jurisdictions. In other words, because alcohol is an intoxicant, we have a right and a responsibility to control it. In the meantime, we are reviewing the *Liquor Act* and will consider personal importation limits in the process. This and other trade issues are being discussed by a broad working group under the *Canadian Free Trade Agreement*.

Mr. Istchenko: I want to apologize. I think I misspoke. What I wanted to ask was: Did the government give any intervention in this case? That was my question.

Hon. Mr. Streicker: We did have conversations about the case. I remember discussing it with the president of the corporation and sitting down with the Attorney General to discuss the choice of whether or not to be an intervenor. Our decision was not to intervene, as in not to speak at the case itself. We definitely were following the case and were actively looking at what the possible outcomes would mean for the Yukon. Now, we are doing that diligence work and have been since the case has been decided.

Mr. Istchenko: I thank the minister for that answer. The minister had just brought up the *Liquor Act* regulations — the review of it. The engagement period was set to run until February of this year, so can the minister confirm who was

consulted during this engagement period and what methods of consultation were used?

Hon. Mr. Streicker: In terms of methodology, there were several tools that were used. There was a team from the corporation that went around for community visits. There were letters that went out to communities, licensees and various other non-governmental organizations that have an interest in alcohol or social responsibility. I said in my opening remarks that I believe there were 50 meetings. There was a survey as well. Generally, there was a really strong response from the Yukon, and there was a lot of input. I happened to attend several of those meetings and they were very engaged.

Mr. Istchenko: An analysis of the survey done on the changes to the *Liquor Act* — I believe there was one done. I think the results were supposed to be available in April of this year. Can the minister confirm if the results are available or when they will be made available to the public?

Hon. Mr. Streicker: What's happening within the corporation right now is that the folks are sort of collating all of the information that they got. It was pretty extensive. We're a little bit behind where we had hoped to be, and I think some of that has to do with focusing on other issues as well, like cannabis, but it's not too far off.

The survey results will come out in the standard "what we heard" document with all of that input. I'm anticipating it fairly soon. I don't have an exact date, but I have seen some of the draft work on it and seen some of what was there. It shouldn't be too long.

Mr. Istchenko: This begs the question: Have there been any steps taken in drafting legislation to update the *Liquor Act*, or will you wait for the results of the analysis?

Hon. Mr. Streicker: There are some pieces that we have begun work on right away. For example, under the act, we can see some administrative pieces that would require some clarification, and so that work gets underway right away.

The work that really needs policy direction gets informed by the "what we heard" document, so the sequence of events from our side will be: Having collected that information from going out to the public, we will then release that "what we heard", and then it will come into the Cabinet committees to discuss that input from the public and inform the policy directions that will go back out.

The legislation has not yet started to be drafted, in terms of substantive policy work, but it is beginning to be drafted in terms of the administrative side of the work. There is always some work, as well, that the corporation will undertake in order to develop policy options. Knowing the range of responses that are there, some of that work starts now, so you can call it the precursor to the drafting.

Mr. Istchenko: I just spoke a little earlier about the territorial agents and the good work that they do. As we know, they are the salesmen for the Liquor Corporation, but they also deal with driver's licences and renewals of licence plates — among other things — and hunting licences and fishing licences. There was an issue with driver's licences in rural

Yukon, and folks went in to renew their licences — and this will come back to liquor here in a second — but people going in to renew their licences who had a City of Whitehorse parking ticket were unable to do that. The territorial agents, as I said, are also the front-line services for liquor sales — and you can't pay your City of Whitehorse ticket online, so then they could not renew their licences and they would have to bum a ride to Whitehorse to pay their parking ticket, to come back and renew their registration.

I am just wondering if the staff at the Liquor Corporation — if this has been flagged by the staff to say, "Hey, minister, can you maybe work with the Highways and Public Works minister, or can you do something about this?" — if that had come up in conversation at all.

Hon. Mr. Streicker: Just to go back for a second, one of the things that I will note about the evolution of the *Liquor Act* is that, of course, it is different from cannabis. This is not a new act and so it is amendments. We are still looking — our timeline is for — what we are working on now is that the *Liquor Act* would come back to this Legislature this coming fall, to the Sitting then, to be considered here, and regulations would come the following spring — just to tie that up, Mr. Chair.

With respect to the situation with outstanding parking tickets, I am happy to work with the Minister of Highways and Public Works and also to be checking in with the City of Whitehorse on whether they are anticipating any changes to their ability to pay for tickets — whether that is in the works. The flagging system that is there is, in my understanding, fairly new and so these are all things that we're totally willing to try to work through.

We always have to navigate the privacy rules around information-sharing and things like that; however, the more we can find ways to enable our citizens to deal with things directly and not have to travel from their communities, the better it is. We are happy to try to work on a solution there.

Mr. Istchenko: The reason that I brought that up is because I know a lot of the staff who work for the Liquor Corporation in most of the communities, and when someone goes in to renew their driver's licence or something and they are told they can't, and it can't be fixed there right now, they are usually not that happy. It puts undue stress on the staff at the Liquor Corporation and I don't think it is fair to them. They should not be taking the brunt of people's concerns when it is at a higher level and maybe can be fixed at a higher level, so I sure hope that this does happen.

A new question, I guess — with respect to the northern territories' alcohol study being carried out, can the minister update us on exactly what labels are currently being applied to bottles of liquor in the territory, and are they applied at all liquor stores? Also, if he can also clarify whether the FASD labels are still being applied, if it isn't clear — and can the minister also confirm whether these labels are applied to locally produced product?

Hon. Mr. Streicker: I thank the member opposite for that question. Let me back up for a second. I thank the member opposite for his comments about our front-line staff

everywhere and how sometimes they can be the people who share information that isn't always welcome. I get that it is hard for them, and so I appreciate that he is acknowledging those challenges and agree with him that it is important for us to make sure our systems are as efficient as possible so that we don't put them in the way of concerned citizens, if they don't need to be.

To move on to the liquor study, there were questions that were raised here in the Legislature by the Member for Takhini-Kopper King. Just late last week, I had a conversation directly with the researchers, because originally it was my understanding that we would put our pre-existing warning labels about drinking and pregnancy back on the bottles. Late last week in that conversation with the researchers, we talked about that possibility. The study has recommenced; it is being conducted in the Whitehorse government liquor store. Labels continue throughout the rest of our liquor stores around the territory, which is another five stores, I believe. The warning labels about drinking and pregnancy are continuing at the government stores throughout the rest of the territory.

There is also the control case in Northwest Territories, which is continuing with its labels. I talked to the researchers directly and asked them if we could please use the labels as part of the study — the warning labels about drinking while pregnant.

The researchers dissuaded me from that, saying that if my goal was to try to find out information about the effectiveness and efficiency of these labels or whether they were working or not — their point was that we would, as a territory, get more information from not including them during the study period. I will do my best to try to describe this here on the floor of the Legislature and I'm happy to follow up afterward with further conversation.

The labels that are going out now in the study in the Whitehorse store are the safe drinking guidelines labels. Somewhere over the next month of the study, which I believe will be concluded in July, there will be standard drink labels alerting the consumers to how many drinks are in those bottles. When I asked the researchers whether we could add the other labels, their concern was that, with the study being the length of time that it is, that more moving parts were going to weaken the study.

Then I said to them if it was okay that we put it on the alcohol products that are not part of the study, and they said yes, although the recommendation was to not do that, because they felt that, with a window of time where we don't have those labels in place, it would provide the researchers with an opportunity to understand whether that affected Yukoners' knowledge about the information that was being relayed on those labels.

For example, with the 26 or 27 years of the labels that were in place, when the researchers came in and conducted baseline studies, they asked Yukoners for their knowledge about the information that was contained on the pre-existing labels. With this window of time where the labels are not used, then they would come back and test again, and we could understand whether that created a change in knowledge or

understanding by Yukoners — or even behaviours. Over the next couple of days, we were working to go back and check with each of our partners — for example, the non-governmental organizations like FASSY — to let them know about that.

Let me just stop it there, Mr. Chair, and then we will follow up with more questions if there is further information about this — and I'm happy to answer them.

Mr. Istchenko: I just wanted to confirm whether the minister did say labels were on bottles and whether they are being applied to locally produced liquor — the labels.

Hon. Mr. Streicker: There are ways in which we differentiate between small producers and large producers. We don't tend to differentiate between local producers and non-local producers, and we do have differences out there around small producers. The challenge came around the standard drink label question, so the more different types of alcohol that you have — because, if you walk into a liquor store and you start looking around, bombers have more than do 351-millilitre beer cans.

Different-sized bottles have different drinks, so that label became the challenging label for the researchers. They sought to simplify the study as much as possible. If I recall correctly, I think there will be four different labels about standard drink sizes. That was part of the choice — excluding the small producers from the label study, so they are not part of it.

Mr. Istchenko: Just to clarify: locally produced liquor does not have the labels?

Hon. Mr. Streicker: What I am saying, Mr. Chair, is that the study is being conducted at the government store here in Whitehorse, so we do have labels out there in our other communities. For here, within the government's Whitehorse store, there are no labels on the small producers. It doesn't matter whether they are local small producers or small producers from another province or territory — if they are small producers, they are not receiving labels in the study in the Whitehorse store.

Mr. Istchenko: I thank the minister for that — enough on that.

I had asked the minister earlier in the Sitting — I believe in Question Period — to please explain the rationale for making the change to liquor transportation to the territory, eliminating the ability for the product to be barged to Skagway and trucked from there to Whitehorse. He responded that he would speak to the department and come back with a very specific answer. We have yet to hear further on this, nor have we received a legislative return on the matter. Can the minister provide any information here today?

Hon. Mr. Streicker: Mr. Chair, if I failed to give something back here, I apologize. I thought that I had followed up. I will try to look back. Maybe it was just that I had a direct conversation with one of the members opposite and I don't recall. We did resolve that issue. I will just refer to them as the "corporation". When it was raised here in the Legislature, I turned that day and called the corporation and was informed that it had already been withdrawn. Since then, we have followed up. I will just clarify it to make sure that I

get it correct here for the Legislature, and I am happy to give a return.

I just want to acknowledge that we are coming up to 140 or 150 legislative returns since we have been here over the three Sittings.

Some Hon. Member: (Inaudible)

Hon. Mr. Streicker: I am very happy to answer the questions. I am also very happy to get legislative returns. It's just that I happened to look back at the previous term, and I saw one legislative return — it's interesting to me. I am very happy that we provide legislative returns. I hope the members opposite are happy about that too.

On this issue, the original rationale around the transportation was that the corporation had gone out and done some tests to understand what the costs of trucking alcohol from Vancouver might be. They had done some analysis to see that range and felt that it was competitive with barging the product, but had the distinct advantage of taking several days, not several weeks.

When that became a differentiating factor for our licensees, who are always looking to get product in a timely fashion — the corporation thought that the bids would result in something that was comparable, but better and more effective. That is how the RFP was designed. When the results of the RFP were received, it was realized that the bid prices were too high and would push costs up, so we cancelled the bid.

What happened was we extended the existing contract and we will re-issue the RFP. What we did was split the RFP into two pieces. My understanding is that the BC side of it will be closing tomorrow and so that side was separated from the Alberta side.

Mr. Istchenko: The minister brought up legislative returns. The reason for so many legislative returns is because we also submit a lot of written questions. Often, the ministers can't answer the questions that we ask in this House during Question Period, so that is why there are so many returns.

Sticking with the tender here, it was released and subsequently cancelled, like the minister said. This led to a number of questions, of course, from the private sector and the opposition. The minister had said that the decision was made to split the contract, so that the product from Alberta could be trucked and the product from BC could be either trucked or barged. I know the minister just spoke about the current tender that is open for the current transportation from Vancouver.

I just have a question for the minister — if he can explain what changes were made to this contract from the original contract that was cancelled and what significant changes were made for this to make it different from the first one.

Hon. Mr. Streicker: First of all, with respect to written questions, in the Spring Sitting we received 18. Thank you. We provided 50 legislative returns. In the fall session last year, there were three written questions — and I'm not checking to understand whether they were the Official Opposition or Third Party, but that's in total, and we submitted 52 legislative returns. In this Spring Sitting so far, I see two written questions and as of today I think we're up to

over 30 legislative returns. It is much more than just a response to a written question. We're happy to respond to written questions and I looked back to see what — I just decided to look back through the indices. What I found was that, in the spring of 2013, there was one legislative return from the Yukon Party when it was in power. What that means is that I think we are providing information and I'm happy to answer it here and to get it as legislative returns. I think it's important to try to answer these questions and to provide this information.

What happened with the contract? First of all, as I already stated, the contract was split into two parts. We worked through the Procurement Support Centre to talk about how to reissue the contract and make sure that we could do it appropriately. We changed — the consolidator inside of BC changed so the point from where it was emanating was different. We changed how timing was assessed so that it would allow for barges to compete, but that this would be a consideration underneath it all. Based on our discussion with the Procurement Support Centre, they made the determination that the Edmonton portion of the process was fair and could be awarded to the low bid for that portion of the original tender and so that was a fair competitive process. That is also there.

Mr. Istchenko: I thank the minister for that answer. The minister keeps returning to legislative returns. I don't think that we're here to debate legislative returns. I think we're here to debate the Liquor Corporation and I might — with that fantastic number he just provided, it sounds like there are a lot of times in this House that the members opposite don't have an answer to a question. The odds aren't good.

I will switch over to the Be a Responsible Server, or BARS, program. Can the minister confirm whether a review on the Yukon's Be a Responsible Server program has been undertaken recently to ensure it is up to date and reflects training in line with other jurisdictions, and, of course, whether there have been discussions of making it mandatory training for licensees, premises managers, servers and permit holders within Yukon?

Hon. Mr. Streicker: Again I'm happy to answer questions. You would be surprised as an engineer how far I go at trying to analyze these things and think them through. I won't bore you, Mr. Chair, with my geekiness.

Yes, the Be a Responsible Server course is under review as part of the whole *Liquor Act* review.

One of the things that we are doing is working to try to get that course available online so it will provide more access for our communities. There were questions posed out there as we were considering the *Liquor Act* review about whether that course should be a mandatory course or not and in talking here with the president today, what he has said to me about the responses is that — as is so typical for us as Yukoners — there is a real range of responses. There is no indication yet that Yukoners had a clear sense of that one way or the other so I can't provide any further information on that here today.

Mr. Istchenko: I thank the minister for that and I totally understand what the staff are telling him. There sure are a diverse range of thoughts on that.

I want to go back to what the minister had quoted earlier, referencing small producers. I was going to ask how many small producers are there and where are they from? I know there are small producers from Yukon, but where else would small producers be from — and how many are there?

Hon. Mr. Streicker: At the risk of going backwards on questions, another small piece of information I got is that, over the past five or so years, we have trained 750 individuals in the Be a Responsible Server course. That is a good number.

Small producers — of course, there are many across the country and it always depends — for example, with our licensees — on what kinds of requests they put out to try to get those small producers in or out. It is not a number that is written in stone. We have five small producers — now there are more, now that I think about that. Sorry, there are new beer producers and we have another one that is letting us know that they are about to come online. Let me use a word I have used before: illicit — a humourous response, but a handful; we have got a handful of Yukon small producers.

The number that we have got here in the territory at any one time is probably under 20. As I say, it is rather dependent. Typically, it is beer producers and the threshold for what makes a small producer is different depending on whether you are talking beer, wine or spirits. We do have a couple that are small spirit producers and at this point we don't have any small wine producers under our current categories.

Mr. Istchenko: Under 20 and a handful — I got that from the minister. So the rest of the small producers would be mainly Canadian?

Hon. Mr. Streicker: No, they are not all from Canada. There are some that are international — some from the US and some from abroad. Sometimes we have events where these are requested, and sometimes they are product lines. What we are finding is that our licensees — both those that are sort of offsales and those that are licensed premises for serving alcohol — tend to want to carry distinct product lines that set them apart from their competitors. As much as possible, we will try to accommodate that. The challenge, as I have noted, is that there is an overhead to carrying small volumes of a large number of products. That is the system that we are tussling with. The more we can get our systems working efficiently, then the more we can accommodate the interest from the private sector.

Mr. Istchenko: I thank the minister for that. Can he just give a little information on defining exactly what a small producer is?

Hon. Mr. Streicker: The definition for small producers for beer is — these are based on their reported production to the Canada Revenue Agency — beer producers that produce under 25,000 hectolitres per year. For wine producers, it would be those that produce less than 7,500 litres per year. For spirits, it is the same number — under 7,500 litres per year.

I will also note that, as we have been looking at the *Liquor Act* review, we have been considering those thresholds. We do design them so that they work for the Yukon.

Mr. Istchenko: I thank the minister for that. I think we have brought up our concern about the \$3 million to get into cannabis retail. We have been pushing this government big time to look at private sector retailers, which would save money, rather than spending millions of our taxpayers' dollars on cannabis.

Can the minister confirm how much of the Liquor Corporation's budget will be used for the new government-run distribution of retail cannabis? We already know that they are going to be spending \$3 million on products.

Hon. Mr. Streicker: When this debate first came up and I was asked questions about the seed funding for cannabis, there were questions coming from the members opposite about how we shouldn't spend that money. It is not a good thing to do — that is what I heard from the opposition.

I took a moment to discuss it with the Leader of the Official Opposition. We went aside, and I said, "You do realize that, regardless of whether it's private retail or it's us as retail in the interim, we still need to import that cannabis into the territory from licensed producers, so we will still purchase that inventory to make sure that we start to displace the illicit market." It doesn't matter — we're going to spend that money and recover that money regardless.

I thought I got an understanding based on that sidebar conversation, but questions from the members opposite leave me concerned that they have a different view of what that money will be used for. Once cannabis is legalized here in the territory, we need to have cannabis for sale. I don't care whether that's private sector or a government store; you have to have that cannabis for sale and, therefore, we need to create an inventory of that cannabis.

As I have stated here in the Legislature, one of the things we have discussed is that, once cannabis becomes legalized across the country, there will be, for a short term, a lot of pressure on that supply because, at this moment, all that can be produced is medical cannabis. Until such time as it's legalized, we can't get into the production levels that will allow there to be cannabis produced that will start to displace the full illicit market.

The Yukon — in order to shore up against the competition of other provinces seeking the same product nationally, we entered into supply agreements to try to ensure that there would be enough supply. The dollars that we believe will be needed for ensuring that interim supply, and to get over that dry spell in production, will mean that, as soon as we get to the far side of that, we will drop down inventory levels and roughly half of that amount of seed money will go right back in.

Our sense of it is that it's very low risk. We can encourage Yukoners to move away from the illicit trade toward the legal market, so we're looking forward to getting rid of the illicit trade.

The member opposite asked the question about how much of that is coming from the Liquor Corporation's budget, and

the answer is nothing. When I gave the opening discussion today — or my remarks in Committee of the Whole — and I talked about the budget for the Liquor Corporation, I was discussing the Liquor Corporation budget. The cannabis corporation has a seed budget of \$3 million, the dominant portion of which is going to go for inventory, mostly over the very short term, and ultimately will be self-sustaining after that.

There's just a requirement that we account for these two entities separately, that we report for them on an annual basis and that they will be audited. We just passed third reading of legislation for the control and regulation act today on cannabis.

The one will abide by that piece of legislation — once it is enacted and once cannabis is legalized federally — and the other will use the *Liquor Act*. We can't use liquor profits to pay for cannabis, et cetera. We need to ensure that the costing of these things is maintained separately.

Mr. Istchenko: Staying with this conversation, I asked about the budget, but now I will ask about actual resources and/or staffing. Are there any existing resources within the Liquor Corporation that are going to be allocated toward the new cannabis retail and distribution?

Hon. Mr. Streicker: There are resources that we are using within the Liquor Corporation. For example, we are going to use part of the warehouse space to act as warehousing, so that is an existing resource that we will use. Of course, cannabis is something that we anticipate changing over time. That is kind of a dynamic situation all on its own. In terms of some of the admin side of what is going on, we are using some of the existing Liquor Corporation staff — public service resources.

What might happen, for example, with someone like Ms. Russell — maybe we get her to do some of the financial management — and the dominant portion of it is the Liquor Corporation and a small portion of it might be the cannabis corporation. I'm just using this as an example, but maybe 0.1 or 0.2 of her time is then dedicated to the Liquor Corporation. It will mean that those resources will not mean additional staff. It will mean that they are carrying out those functions without increasing or growing government in order to do it, but the accounting of it will be separate.

I can try to add up the various small portions that will be going across — to understand what that is in terms of overall staffing requirements for the administrative side of the cannabis activities.

Chair: 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.

The matter before the Committee is continuing general Vote 19, Yukon Liquor Corporation, in Bill No. 206, entitled *First Appropriation Act 2018-19*.

Mr. Istchenko: I have one final, short question. Before I ask the question, I would like to thank the staff who are here today. I do look forward to working with the minister on a few other issues, like maybe re-engaging with the non-profit societies on some lotteries stuff in the future. I will get back to him on that.

My last question for the day is: What are the projected revenues and how much money will the government make in the first year off the distribution and running of cannabis?

Hon. Mr. Streicker: I will try to answer the earlier questions as well about staffing more completely now, so that I don't have to give a legislative return. Let me start with the staffing one, and then let me get to the projections side of this. I need to preface this with: everything is in progress. The team at the corporation has a plan, including a projected budget, but, of course, that will change once we get the transportation contracts in place for the cannabis. There are so many pieces that are still at play. I want to give these numbers, but also describe how the team is working with the best estimates that they have in place at any time.

In terms of the admin side of staff, there will be a couple of positions in total, taking all those little partial positions. For example, on human resources and on finance, they will add up to a couple of positions. Those are existing positions within the Liquor Corporation. When it comes to warehousing, we might add a position or two. That's the side of it to make sure the distribution is able to go — like a warehousing and a sales position. The plan is to work from within the existing pool of FTEs, or for folks who work with the Liquor Corporation to come across into those positions.

Once private retail is in place, we will need inspection as well — maybe one, maybe two — that's there. Again, we've talked within the existing pool of inspector; there are some who want to move across and do that work — great. Then so far, as far as I know, we might have increased the full-time equivalents — but it's the Liquor Corporation, so it doesn't count into the grand total, but it still counts — by a couple.

When we get to the sales side of it, it will be four or five who are doing the interim sales side. Again, we'll approach Liquor Corporation staff to see if any of them want to do that and take them across in term positions, so that they know there is an end date, once the private sector is up and running.

Those are the numbers, and I'm not trying to be coy with the numbers. I'm trying to give them as best as we know them, based on the models that we have around how this is all going to proceed.

In terms of the budget, first of all what we have is that this will be pro-rated for seven months — so it depends on when cannabis legalizes — and in our first year, including that we have a lot of start-up costs, our projection is to have roughly \$40,000 in net income at the end of the year — so call it “near break-even”.

Those numbers, as I say, are always in flux as we resolve questions around things like where the warehousing will be

and what the process will be around purchasing cannabis and delivering it here — freight on board, the cost of freight delivered here.

What I want to say is it is far too soon for us to give exact numbers, because we don't have a solid cost of goods and we will be revising this as we move forward.

Ms. Hanson: I thank the officials for being here this afternoon, as well as for the briefing they provided us on Vote 19.

I would like to start with three questions that are grounded in the legislation. The Yukon *Liquor Act* talks about the powers of the corporation in section 8, and in section 8(d) it talks about the powers of the corporation to have the sole jurisdiction and power to control the sale, advertising, storage, yada yada, and delivery of liquor.

I am more interested in this context with respect to how the corporation defines and views advertising, and what controls are placed on that. I say this because I look at various websites from time to time, and I am looking at a website for a — it says, “welcome to so-and-so's beer, wine and liquor”, and you are looking for alcoholic beverages, and so it goes on to talk about “visit our recently renovated and fully stocked beer, wine and liquor store; open seven days a week, with an expansive collection of domestic and international beers, including locally brewed craft beer,” yada “and extensive collection of red, white and rosé wines and numerous classic and premium spirits for a true one-stop liquor shop, and you can sign up and earn rewards with every purchase. Cash in your points for rewards and savings on your favourite beverages.”

I am curious as to — is it just a free-for-all? Are we now talking about private liquor stores basically modelled on the rewards model for drinking? Under the act, it says that the sole control over advertising rests with the Liquor Corporation. What kinds — what forms of control and what kinds of review are done, and is that kind of advertising the kind of advertising — we don't do it with our Yukon Liquor Corporation store. We certainly don't offer reward points. I am just looking for the parameters that are applied by the corporation.

Hon. Mr. Streicker: The act was amended in 2016, and my understanding of the act is that licensees shall not advertise, except as permitted by the regulations in this policy, as approved by the board. As of the end of October last year, the board developed a policy around advertising and based it, more or less, on the CRTC — or the Canadian Radio-television and Telecommunications Commission — regulations. I will happily share this across and even table it here, so that it is entered into the record for the Legislature.

My basic answer is that, in 2016, when the act was amended, it put this — sorry, not the act — pardon me, the regulations —

Some Hon. Member: (Inaudible)

Hon. Mr. Streicker: Sorry, I am talking about them then — when the regulations were amended, then the — I apologize — I understand the difference. When the regulations were amended in 2016, it pushed the authority of

this to the board and the board has developed the policy around it and I will share that.

The thing I want to note here is that we are currently reviewing the act and this is one of those places where we want to ask the question: Where should the authority for that lie? Currently we are following the rules as they exist before us.

Ms. Hanson: I thank the minister for that. I think the minister may find that the tone of my questions is really leading to ultimately questions that balance, as he indicated earlier — a balance between profitability and social responsibility. We have been very successful at the profitability side, and I will argue that we have been less — it is demonstrably proven in this territory that we are not successful — on the social responsibility part.

When I asked that question, in terms of a pointed and focused question with respect to the scope and the liberality of the kind of advertising that we are currently doing, it is leading toward that and it ultimately will be part of the conversation going forward.

The act also speaks to the fact that the Liquor Corporation has a sole responsibility to issue, refuse, cancel or suspend licences and permits. I realize that this is difficult to produce on the spot, but I would appreciate it if the minister could provide an indication of the number of licences and permits that have been cancelled, refused or suspended, against those issued over the last year. Then I would like him to — this would probably form part of a legislative return in the sense that I would like to know what trends there are in terms of suspensions and cancellations.

Hon. Mr. Streicker: I appreciate the questions from the member opposite. I recognize the concerns. I will say that, as a jurisdiction, it is difficult to try to use as a measure the alcohol-related harms that we have in the territory — about whether or not social responsibility is effective.

My concern is: If we did less, would it get worse? I think the point that is being made, is that we do have alcohol-related harms and they are significant here in the territory; therefore, we have a lot of responsibility on this. That is what I want to say. I guess the reason that I am trying to make that subtle differentiation is that I appreciate the work that the corporation has been doing. I know that they take it seriously.

What I know is that, in looking over the past three years, in 2015-16, there were 1,313 inspections. In that year, there were no cancellations via enforcement, and there were no enforcement actions — meaning no suspensions. In 2016-17, there were 1,175 inspections. There were no cancellations as a result of enforcement, and there were two suspensions issued. In 2017-18, there were 1,383 inspections; there were no cancellations as a result of enforcement, and there were two suspensions issued. All of the enforcement actions are posted on our website, and I will also share that with the member opposite. It is at www.ylc.yk.ca/enforcement_action.html. I will get that to Hansard as well, Mr. Chair.

Ms. Hanson: Section 9(1) says: “... the Commissioner in Executive Council may issue directives to the corporation with respect to the exercise of the powers and functions of the

corporation.” Section 9(2) says: “... the minister and the corporation shall negotiate annually a protocol about performance expectations for the corporation to meet and roles of the minister, board, and president, respectively, in the work of the corporation...”

I was unable to see that on the website, and I am wondering if the minister has a copy that he could table?

Hon. Mr. Streicker: Absolutely, I am happy to table it. I am informed that it is on the website. I personally haven't found it, but it is a piece of public information. I will table it and will also ensure that it is on the website.

Ms. Hanson: I thank the minister for that. I couldn't find it either.

I would ask the minister if he could outline the types of licences and the criteria — the types of licences for offsales and the criteria for them.

I think for the layperson — again, I know it's defined in the legislation, but I would like it in a layperson's terms — so you have those that are seen to be food-related and those that aren't, but if the minister could explain what the difference is and what is the criteria for granting those licences for offsales.

Hon. Mr. Streicker: First of all, the president did just point out for me that on our website when you go to our main landing page, there is sort of a sidebar on the right and down at the bottom is a link for the protocol agreement. I just saw that it is there so that's great.

The types of licences — basically, I will try to give an overview, but I'm happy to answer further questions and to try to get into a description as the member opposite wishes. There are basically two types of licences. You have to have a primary licence, which is either a food-primary licence or a liquor-primary licence. An offsales licence afterwards for an off-premise liquor licence, for example, is a secondary licence and must be attached to one of those two. For example, if you have a food-primary licence, that's when inspectors are going to go in and say, let's see your menu; let's see that you have food to serve, et cetera. That's part of that issue.

I'll just stop there. I want to be careful because these are technical questions and I'm going to want to continue to refer to my colleagues to make sure that I give the technically appropriate answers, but I'm happy to continue to provide information.

Ms. Hanson: I understand that the next one is the liquor-primary. Can the minister tell us how many food-primary liquor licences, how many liquor-primary and how many off-premises liquor licences there are in the territory?

Hon. Mr. Streicker: We will see if we can't find all of the numbers that the member opposite is asking for, but what I can share at this moment are offsales licences. They are secondary licences. There would have to be another licence to begin with and split out by community. Along the Alaska Highway west, there are from Beaver Creek to Burwash and Destruction Bay six licences. Haines Junction has five licences. Carcross and Tagish have six licences.

Going east, Watson Lake has five licences and Teslin has three. Starting to head north, Carmacks has three licences, Faro and Ross River have one, Mayo-Keno has three, and

Dawson City has 12. Finally, in Whitehorse and area, there are 43 licences — those are offsales licences. That's all by community.

Ms. Hanson: It's interesting, because when I was looking at the website today — there are currently three applications before the Liquor Corporation for licences with respect to liquor. In the summary that's attached below the application, it says that there are 40 food-primary all liquor licences, and 29 off-premises liquor licences issued in the City of Whitehorse. There's a difference between 43 and 29.

Can the minister tell this House the amount of money attributed to the Yukon liquor store and the five community outlets — so the earnings of those — versus the earnings from the licensees that are operated — so the offsales that are operating in the Yukon Territory?

Hon. Mr. Streicker: I seem to be one question behind, so I'll do my best to get some answers for the member opposite.

Let me begin by saying, in response, that the numbers I gave for Whitehorse offsales was Whitehorse and area. That might be one of the differences. I also just received information from the corporation that there are 152 food and liquor licences in the Yukon as a whole territory. Of those, 82 also have an offsales licence attached to them as a secondary licence.

Mr. Chair, I will try to give some numbers in sales for the Leader of the Third Party. I'm not going to be able to answer it exactly as it was posed, but I'll present the information and then see whether or not she has follow-up on that.

With respect to total sales — net sales — by all of the community stores outside of Whitehorse, that is \$8,383,000. The total sales from the Whitehorse government store is \$17,990,000. The total for the warehouse — now, the warehouse typically will be selling to licensees who then go on to sell both at their premises for drinking and at their offsales. We would have to dig a little bit deeper to try to separate out that piece because it isn't immediately available. What I can say is that from the warehouse store we are selling — last year's net sales were \$12,797,000.

What I can also say is how those have been changing over time. The community stores have gone up on average — they are up and down depending, but on average they are up four percent; the Whitehorse store — this year over last year — is down 1.7 percent; and the warehouse, which means sold to licensees, is up by just under 12 percent this past year. I also need to say that I know that the corporation has been working hard to improve the efficiency of its system and so that will also be part of it. Some of the changes in net sales will also mean that there is less wastage and spillage because there were issues in tracking inventory and making sure that the product didn't stale date. Now that system is much improved.

Ms. Hanson: Thanks to the minister for those numbers. Perhaps there is a correlation between the 12-percent increase from the warehouse sales and the de facto privatization of liquor shops in neighbourhoods now that have the full range plus reward points.

Does the Liquor Corporation have any criteria with respect to determining the liquor service hours? I ask this question because I represent the riding of Whitehorse Centre. Of the number of off-premises liquor licensees in the City of Whitehorse, a significant number of them exist in downtown Whitehorse. I notice that the latest application has offsales service hours between 9:00 a.m. and 2:00 a.m., seven days a week. I am wondering how the minister sees that balancing with his social responsibility obligations.

Hon. Mr. Streicker: I thank the member opposite for her questions. They are insightful.

First of all, some of the sales — especially the sales out of the warehouse — are more driven by tourism because, in large part, the tourists will go to drinking establishments and that is where they get more.

It is an increase, I think, to her point that some of it has to do with the offsales premises, but it isn't just that. That is all I'm saying.

I have asked these same questions to try to understand the underlying drivers of what is going on — to try to get a handle on the trends. When I have talked with the corporation, what I have understood is that there are never simple answers. It is not so easy to distinguish. All I am saying is that I ask those same questions to try to understand the drivers that are underneath it — to try to get at them as well.

With respect to the hours of sales, the changes that came to the regulations in 2016 specifically allowed for more hours. That was one of the things that came out of it. So what are we doing? We are putting that right back into the discussion around the *Liquor Act* — to go to Yukoners and ask and to see where we should go. We have scoped it right back into the conversation. My simple answer to the member opposite is that I do believe this is a choice that we should make as a society about what we want in terms of access to alcohol, and that is a great question to pose. I think it's an important question to pose.

Ms. Hanson: In addition to the social responsibility aspect, it is also the corporation's responsibility to ensure that all citizens have peaceful use and enjoyment of their property. I can tell you the number of times that I get complaints from citizens in downtown Whitehorse — and we have seen it repeatedly over the last few years — about what opens up as a small place and suddenly they have these expanded hours of operation. People don't have a problem, Mr. Chair, when the facility — the operation, the restaurant or whatever — is selling its offsales during the opening hours, but the notion that it is at 2 a.m. and the notion that it is at 9 a.m. — then that intrudes upon the peaceful use and enjoyment of citizens' property. That is when it becomes an issue.

I had to laugh, because I have lived here for 40 years and I can tell you that every time somebody talks about how Yukon has one of the highest per capita consumption of alcohol, the response has been, invariably, that it's the tourists and that we don't drink that much in the Yukon. Well, quite frankly, there is a word for that — there is a "b" and an "s."

The fact of the matter is that the corporation is forecasting an 8.77-percent increase in the net income that it is going to

transfer — the two sources, the corporate net income and the liquor tax revenue — so that is 8.77 percent. There is only a 4.4-percent forecasted increase in tourism.

This still leaves a pretty healthy percent coming out of the Yukon from Yukoners, not just from those tourists who drink so much. Really, if there is a four-percent tourism increase, are we going to attribute that whole 8.77 percent increase in revenue to them? I doubt it. I think that the other attribution is the increase in licensing sales. This comes from the key points on the capital budget from the Liquor Corporation briefing. Does the minister have a forecast or does the corporation target the number of licensing sales that they are targeting year over year?

Hon. Mr. Streicker: I apologize to the member opposite. I missed the very last point that she raised — if she could just repeat that and then I will get right back up.

Ms. Hanson: I was asking if the corporation has a target for the increase in licensing sales. So there are a number of factors that the corporation set out in its notes that accompanied the briefing to identify the assumptions that support the projected sales increases — so there is a 1.3-percent population growth anticipated in 2018, and 4.4-percent increase in tourism in the summer season and increases in licensee sales. I made my comments with respect to — I don't think you can put the 1.3 and 4.4 together and still get the 8.77-percent increase that is forecast, so is the balance of that to come from licensee sales?

Hon. Mr. Streicker: I think I said here in the Legislature the other day, and I will just repeat myself, the — sorry, let me get at some of the numbers first and then I will get to the point that I'm trying to make.

First of all, the corporation projects what it anticipates for sales and revenue. It's not doing that to try to — that doesn't create those sales. That just says that this is what we're anticipating. It is basing it on the information that it has at hand, for example, population growth, tourism growth and trends in licensees. That is the piece. I'm not sure that the math will work out this simply — and I trust the member opposite and her math; I haven't run it myself — but if it's 8.7- or 8.8-percent growth, and I just have to grab the number, but if it's 1.3-percent growth and a 4.4-percent increase in tourism then, all right, maybe the remainder is the trend. I don't even know whether it is additive and I just have to check that.

All I'm trying to say is that the corporation is just projecting where they think this is going to go. There are other ways in which we try to get at the social responsibility side. One of them, I will state, is by developing policies around the density of offsales premises and proximity of those offsales premises.

In response to concerns, I know that the board was discussing those very issues. There is consideration that the board has put to this, and I will check with the president in a moment to get an update on where that is at, but those were considerations that were out there.

The other thing is that any time a licensee wants to change hours — to extend them to later times — then they're

required to put that out to public notice. Then we offer the public an opportunity to come and express their concerns about that. There is a process that we can have to try to get at what the neighbourhood's perspective is on issues of various premises.

One of the things that is worth noting is that one of the licensees that had the problem — having lived downtown as well, I know of the one that was on Sixth Avenue. In that instance, it wasn't that this licensee had a licence that allowed for the activities that were going on. In other words, that becomes an enforcement issue and not an issue where the board issued a licence that was inappropriate for that neighbourhood or didn't fit.

We are seeing an increase in licensee sales from the warehouse. Businesses have changed their approach in recent years to meet the consumer demands. One of the ways they're doing that is through having a wider variety of products for sale. I was speaking about that earlier in terms of how we manage our information technology system to allow for that range. That has shifted things from our own liquor store to the licensees. Some of that is that response as well.

The final point — I will loop back now, Mr. Chair, to the point that I wanted to make. What the corporation wants to do is support safe and responsible consumption of alcohol and to do everything in our power to diminish the consumption that is not responsible, because the harms that accrue to our society are far too many for those issues. For example, I had the opportunity to speak to the Canadian Association of Liquor Jurisdictions twice now. In both instances, the only topic I talked about was social responsibility and it was a dominant topic. I got to speak to that, and I talked about how important that is. One of the reasons — and I will acknowledge it — is that here in the Yukon we have high rates of harm related to alcohol. We do need to do our best to ensure that we are seeking social responsibility around the consumption of alcohol. I don't see this as, "Oh, let's earn some more money from alcohol." That isn't how I think about it. I think about making sure that our systems are efficient so that we return the most we can to Yukoners and make sure that our licensees have a fair and efficient system. The issue of social responsibility is important to us.

Let me just leave it off there, Mr. Chair, and I will answer more questions as they come up.

Ms. Hanson: As I understand it, when you look at the applications and you look at the summaries for licensees, they generally indicate the proximity, as the minister indicated, to other licensed facilities. Keeping aligned with his comments about the importance of social responsibility — I don't see where it talks about proximity to social institutions like the Salvation Army, elementary schools, other social agencies or high schools. I don't see that social context for it.

I also have a question for the minister. I understand and I appreciate fully that he as a person may have that strong commitment and belief, but I don't see that reflected in the statistics in terms of the sales, nor do I see it in the numbers with respect to the expenditures by the Yukon Liquor Corporation on social responsibility.

If I look at the budget over the last number of years, it is at \$200,000. What is it this year? It is \$200,000. I look at an 8.77-percent forecast increase in revenue, the territorial government is getting \$9.2 million in net income — corporate income — and \$4.8 million in liquor tax revenue, and we are spending \$200,000 — the same amount as we have spent year over year.

How does that reflect that heartfelt commitment to social responsibility? Usually, the commitment is commensurate with the expenditure that you are willing to make on it.

Hon. Mr. Streicker: Let me begin by talking about the — I referred to it as a policy. I am going to refer to it as a guideline. The board did draft some guidelines and I am happy to share these. They are mandated under section 37 — to consider a number of factors with respect to granting a new licence of any type, including the number of licensees in the area, the number of different types of licences in the area and the population of the area, including seasonal variations.

There are questions that we can have about proximity or the closeness to things like parks and/or alcohol treatment facilities. That is possible.

As part of the guideline — and this is what I need to say — it states that, when considering an off-premises licence application, the board will consider density and proximity targets for an area. They have a density target, and the proximity target says a minimum of — and currently it is 150 metres away from a public park, school, daycare, youth centre, alcohol treatment facility, existing offsales licensee, Yukon Liquor Corporation store or other areas considered by the board to pose a potential conflict, including those frequented by children, youth or other vulnerable persons. This was developed this fall with the corporation and the board. It is also being considered as we review the act right now.

I also have had conversations with municipalities. They also recognize their jurisdiction on setting zoning rules regarding how close things are to other things and how many of these there are. We have a couple of tools in our tool belt and are working on them.

This guideline is new, as I have just noted, and it doesn't impact existing businesses. We're not going back retroactively and saying, "Okay, licensee you are too close." We have some existing ones, but this is for any applications that come before the board.

On to the notion about what we're investing — I will try to answer it in a couple of ways. I appreciate the observation that is being raised. The \$200,000 is for programming, but what we have done is that we have gone from one position on social responsibility to two. That is an investment that we have done. We have one position that is now the manager of social responsibility, policy and planning, and the second position is a social responsibility coordinator.

We have invested slightly more. We have also — for example, when we undertook the labelling study, that was at no cost to us — although maybe some in-kind costs, working with the researchers — but we do think that will help to give

us more information and evidence that will help to drive some of our decisions.

I just have to say that these are the drops in the bucket. This is not where the serious investment in social responsibility lies. It is more through things like Alcohol and Drug Services and those sorts of places where I see us investing more.

I'm not trying to shy away from the responsibility that exists here — it exists — and the corporation takes it seriously, but I need us to think about it in a coordinated fashion. As a government, we make efforts to inform our citizens about responsible consumption to raise awareness about the lower risk drinking behaviours, and we make efforts to reduce alcohol-related harms caused by heavy consumption.

All of the profits that are earned through the sale of the beverage of alcohol are allocated toward a wide range of programs and services. For example, one of the first things that I did as the Liquor Corporation came to me is that I went and searched out the budget that we spend on alcohol-related harms to try to compare that to the revenue, which is why it just pales in comparison. The money that we spend as a territory on alcohol-related harms far outweighs the money that we generate in terms of revenue from alcohol. What that says to me is that we have some serious problems and we need to work on them.

However, that is when I turn to the Minister of Health and Social Services and the Minister of Education, et cetera, to work with them and make sure that our efforts are coordinated with theirs. We have a responsibility, but I want to use those other departments that have more resources to put toward addressing the harms of alcohol.

Ms. Hanson: I just have one last question and comment. It is unfortunate that all of these are grandfathered, because as far as I am concerned, you have maximum density right now in downtown Whitehorse. We have the Salvation Army directly across the street. You are sitting in the cafeteria at the Sally Ann and you are looking at: "Buy liquor, 9:00 a.m. to 2:00 a.m." Great coordination — it effectively undermines the whole purpose of what the minister is espousing here right now. It is that kind of experience that causes real issues in downtown Whitehorse.

When I look at some of the new proposals — if you look 150 metres anywhere on Second Avenue to Fourth Avenue, there is hardly any 150 metres where there is not one facility or another that is dealing with socially vulnerable people — OFI, Challenge, the youth emergency shelter, group homes, the Sally Ann, the proposed new St. Elias supportive housing unit, Blood Ties Four Directions. It is like there are none. That is where the coordination has to happen, not after the fact. I have spoken with the minister and the mayor about these issues.

That's it. I don't have any more questions. I am quite prepared to move on to whatever.

Chair: Is there any further debate on Yukon Liquor Corporation?

Seeing none, we will proceed to line-by-line debate.

On Yukon Liquor Corporation

On Operation and Maintenance Expenditures

On Gross Advances

Hon. Mr. Streicker: I am just noting that this is all going to clear here in a second. That dollar will clear in a moment. I just wanted to thank the members opposite for their questions and for raising their concerns. I also thank the public servants who came in to support us today.

Gross Advances in the amount of one dollar agreed to

On Cannabis Distributor Corporation Fund

Cannabis Distributor Corporation Fund in the amount \$3,000,000 agreed to

On Less Internal Recovery

Less Internal Recovery in the amount of one dollar agreed to

Total Operation and Maintenance Expenditures in the amount of \$3,000,000 agreed to

On Revenues

Revenues cleared

Yukon Liquor Corporation agreed to

Chair: That concludes consideration of Vote 19. We will now move on to Vote 3, Department of Education.

The matter before the Committee is Vote 3, Department of Education, in Bill No. 206, entitled *First Appropriation Act 2018-19*.

Do members wish to take a brief recess?

Some Hon. Members: Agreed.

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

Recess

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

The matter before the Committee is continuing general debate on Vote 3, Department of Education, in Bill No. 206, entitled *First Appropriation Act 2018-19*.

Department of Education — continued

Chair: Ms. McPhee, you have 16 minutes and 16 seconds.

Hon. Ms. McPhee: I thank Deputy Minister Rob Wood and Assistant Deputy Minister Cyndy Dekuysscher for joining me here today. I recall that we have answered a number of questions with respect to the Department of Education regarding the main budget for 2018-19. There have been a number of opportunities for me to provide information about this budget, through answering questions, in particular, and presenting some information at the beginning of the debate in Committee of the Whole.

As such, I will not take the remaining 16 minutes. I am happy to continue to answer questions. I understood that it was to be the Third Party, but I am happy to answer whichever questions are for us this afternoon. I appreciate that

time is short but we will happily provide whatever information we can in the minutes we have in today's schedule.

Ms. White: I thank the minister for that and for giving me the opportunity to make my way in here. I thank her for that.

One of the questions I have — probably the only question I have today, with the 10 minutes we have left — is around trained and certified school counsellors.

I was looking online and the best I could tell is that we have about 31 schools in the Yukon, and that is not including the Aurora Virtual School. Certified school counsellors are critical to our school system and to how our children and youth in schools are able to grow.

The first question I have is: How many schools have certified and trained educational counsellors on staff?

Hon. Ms. McPhee: I don't have the number at my fingertips, but I am certainly happy to undertake to provide that. I think it is important to explain that school staff are allocated through the formula with respect to enrolment and any particular and special requests, but they are allocated in individual schools by the administration. The principal has the opportunity to decide, with their administrative staff, whether they require an in-house school counsellor, and whether they choose to use teacher FTEs for that purpose. That's in addition to some school counsellors who are provided through the Department of Health and Social Services.

I will get a more expansive answer, but certainly, there are some school counsellors in schools who are provided by Health and Social Services and there are others who are allocated to counselling roles. Obviously, a counselling role at a high school is different from at an elementary school, and we can get that breakdown for you. They are in addition to those folks — people who are available in the department through the Learning branch and the learning support services. I will get you a fulsome answer with respect to that. Let me just see if I can add some help.

I currently have information that there are 24.24 FTEs for all the schools, which does not include EET, or École Émilie Tremblay, for the 2018-19 school year. Those 24.24 FTEs are for school counsellors, but again, if the member opposite is interested in the breakdown of where counsellors are and in what schools, we can certainly get that.

Ms. White: I thank the minister for the answer. Just for a clarification — those are 24.2 FTE specially trained school counsellors, so they are educators who have gone off to university to receive the counselling portion of that degree?

Hon. Ms. McPhee: I don't have that information in the information that has been given to me today, but we will determine if that is the case. There may be some who have that and there may be others who are in a counsellor role with special training. I don't want to speculate, but I will get the information.

Ms. White: When I'm talking about school counsellors — just looking online at some of the job descriptions across the country, we're not talking about people who, only in high schools, talk about your future and what university you want

to go to; we are talking about — it could be the first point where a child or youth might feel safe to disclose information to an adult. School counsellors support staff, they support the students and they support the families.

I appreciate when we talked about the allocations decided by the principal — we have got a government that talks about the importance of mental health and wellness and if I was in a community and, even if there was a community hub, is that a place that would be appropriate for a child? School counsellors — it is just a really important role. We know that there is an increase in numbers of children in need of assessment, whether for mental health or behavioural issues arising in classrooms that the counsellor can help with. There is also that concept that they don't just have the counselling training, but they also have the education background, so they understand how to incorporate that into the learning time.

I will just leave it at that. My pitch would be that every school in the territory — and if it is a challenge for the principal to find the allocation to put it in, maybe we need to look at it through the mental health perspective and mental wellness. It shouldn't be the burden of a principal to figure out where they are going to cut to be able to get a school counsellor. Maybe that is when there should be a partnership with Education and Health and Social Services, and a school counsellor position should be put into every school based on that care and the importance of students.

The last time we talked was March 27 and I asked about the last time the Department of Education met with the YTA. A president was newly elected last week, so I just wanted to know when Education officials or the minister herself was going to be meeting with the YTA.

Hon. Ms. McPhee: I sincerely appreciate the comments about school counsellors. It is something that the Department of Education is working on with respect to a partnership with Health and Social Services, not only in relation to the mental wellness hubs, but in relation to a concept that many people have been talking about for a number of years and what I certainly hope, in conjunction with this government and my colleagues here, we will take further down the road — schools as community hubs.

In addition to the teacher-trained counsellors who are in some schools, there are Alcohol and Drug Services counsellors in some schools, and should be. The suggestions by the member opposite about having a counsellor — whatever that title might be — perhaps that person is a social worker, depending on the situation of a particular school. In mental health and wellness hubs, there's absolutely a place for that but, again, child-focused opportunities for counsellors and for an extensive review of our education support services would make sure we are providing services in the schools, as opposed to just services at the department that come and go — really trying to repair, in my view, or improve and enhance the idea of the experts at the department being welcomed in schools — not simply doing assessments outside, but really becoming a part of that school community.

With respect to the additional question, I placed a phone call this afternoon to try to give my congratulations to the new

president of the YTA. I expect that I will invite her to meet. Although I have worked with the YTA many times over the last years, I have not met that particular new president for the YTA, and I am keen to do so. I was very encouraged by her comments earlier today about wanting to get back on track, or repair — I think that was her word — the relationship between the department and the YTA.

I have a very strong view that the YTA members are Yukon government employees and that our interests do not diverge to a great extent. We are very keen to make sure that our teachers and our educators are, in fact, providing the best possible education for our students. Working together is the best way to do that.

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. 206, entitled *First Appropriation Act 2018-19*, 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.

Speaker: The time being 5:30 p.m., this House now stands adjourned until 1:00 p.m. tomorrow.

The House adjourned at 5:30 p.m.

The following sessional papers were tabled April 23, 2018:

34-2-60

Performance Audit of the Environment Act – FINAL – 2012-2015 (Frost)

34-2-61

Department of Education 2017 Annual Report (McPhee)

The following legislative returns were tabled April 23, 2018:

34-2-131

Response to matter outstanding from discussion with Ms. Van Bibber, related to general debate on Vote 18, Yukon Housing Corporation, in Bill No. 206, *First Appropriation Act 2018-19* (Frost)

34-2-132

Response to matter outstanding from discussion with Ms. Van Bibber, related to general debate on Vote 18, Yukon Housing Corporation, in Bill No. 206, *First Appropriation Act 2018-19* (Frost)

34-2-133

Response to matter outstanding from discussion with Ms. White, related to general debate on Vote 52, Department of Environment, in Bill No. 206, *First Appropriation Act 2018-19* (Frost)

The following written question was tabled April 23, 2018:

Written Question No. 27

Re: Alaska Highway West local area planning process (Istchenko)