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HANSARD

Monday, April 9, 2018 — 1:00 p.m.

Speaker: The Honourable Nils Clarke

YUKON LEGISLATIVE ASSEMBLY

2018 Spring Sitting

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

CABINET MINISTERS

NAME	CONSTITUENCY	PORTFOLIO
Hon. Sandy Silver	Klondike	Premier Minister of the Executive Council Office; Finance
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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Yukon Liberal Party

Ted Adel	Copperbelt North
Paolo Gallina	Porter Creek Centre
Don Hutton	Mayo-Tatchun

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Yukon Party

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

THIRD PARTY

New Democratic Party

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

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Yukon Legislative Assembly
Whitehorse, Yukon
Monday, April 9, 2018 — 1:00 p.m.

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

Prayers

Speaker: Members and general public, it is my solemn duty and honour on behalf of the House to say a few words about two tragic events that have happened since we last met.

In remembrance of Joe Linklater

Speaker: As members are now aware, former Vuntut Gwitchin Chief Joe Linklater passed away suddenly last night in Old Crow. Chief Linklater has been a prominent and important leader in the Yukon. He was most recently the executive director for the Vuntut Gwitchin First Nation. He served five terms as Chief of Vuntut Gwitchin First Nation between 1998 and 2015. He was a member of the National Aboriginal Economic Development Board and chair of the Gwich'in Council International. He, among others, has played an important role in the effort to keep the Arctic National Wildlife Refuge free of oil exploration.

A more fulsome tribute to Chief Linklater will occur at the appropriate time.

In remembrance of Humboldt Broncos junior hockey team

Speaker: Members are also aware that this past Friday evening, April 6, there was a tragic accident near Tisdale, Saskatchewan when a bus carrying the Humboldt Broncos Saskatchewan junior A hockey team was struck by a semi-tractor. The Broncos were travelling to a playoff game in Nipawin. The passengers on the bus included players, coaches and supporters. Fifteen persons have died, including 10 players ranging in age from 16 to 21, the head coach, an assistant coach, the team's radio announcer, a young statistician and supporter, and the bus driver. Fourteen others were injured.

Our hearts, prayers and love go out to the Humboldt Broncos hockey team, the families and host families of the players, the team supporters, the community of Humboldt, the Province of Saskatchewan and hockey folks everywhere. What occurred outside of Tisdale on Friday is the worst nightmare of every parent, every community, every province and territory, every sports team.

Of course, so many Yukoners have been and are involved in hockey, sending our children both within the territory and Outside for travel for games and tournaments. I know many members of our House as well as our dedicated support staff from all parties have been involved in Yukon hockey for many years. As we all do, with our own varied and rich Yukon hockey experiences, I have wonderful memories of travelling to various tournaments in Haines Junction, Teslin,

Watson Lake and Dawson, as well as outside the territory on long road trips with our sons.

For the players, their supporters and their communities, the travel that often comes with being part of a team is an important part of the hockey experience. That experience gives us something in common and unites us with people we have never met across Canada. This is one reason why we all feel this as a deep, deep tragedy. To families, host families and friends of players Logan Boulet, Adam Herold, Logan Hunter, Jaxon Joseph, Jacob Leicht, Conner Lukan, Logan Schatz, Evan Thomas, Parker Tobin, Stephen Wack, head coach Darcy Haugan, assistant coach Mark Cross, radio announcer Tyler Bieber, bus driver Glen Doerksen, and statistician Brody Hinz — and to the entire community of Humboldt — we are sending to you our compassion, love and support from Yukon at this most difficult time.

I would now ask all members and members of the gallery to stand for a moment of silence in honour of Chief Linklater and those killed and injured in Saskatchewan.

Moment of silence observed

DAILY ROUTINE

Speaker: We will proceed at this time with the Order Paper.

Tributes.

TRIBUTES

In remembrance of Justin Kolla

Hon. Mr. Pillai: I rise today on behalf of all parties, with a heavy heart, to pay tribute to the late Justin Kolla — an exceptional Yukoner who passed away last year in a tragic airplane accident north of Faro.

Justin was born here in Whitehorse on July 22, 1986, to long-time Yukoners Rob and Michelle Kolla. He grew up playing many sports, including hockey and soccer. At an early age, he picked up his dad's passion for motocross and became an active dirt biker. He could often be found on the local track off Robert Service Way, putting in time and honing his well-known skills.

He and his dad, Rob, used to race dirt bikes in Alaska. This is a story from his good friend who is here with us today. In one memorable time, they were both in the same race, running first and second. They went off a jump, collided and smacked into each other. They were okay, but no longer in contention to win the race, and they immediately got into an argument, each blaming the other for what had happened. They shared a love for the sport and a competitive drive to push themselves.

Dirt biking was just the first of many passions that Justin pursued over the course of his life. After graduating from Porter Creek Secondary School, Justin attended Red Deer College and later the Southern Alberta Institute of Technology, where he received his electrical engineering technology diploma with honours. Soon after, Justin began working at ATCO Electric, pursuing his new-found

intellectual passion, electricity. He became an electrical engineering technologist and diligently worked to expand his credentials, becoming a power systems electrician and a journeyman construction electrician. In 2016, he began pursuing a technology management degree through the British Columbia Institute of Technology.

Justin's career path led him to Yukon Energy, where his skill, dedication and work ethic was instantly recognized and was even unsettling for some of his new colleagues. When told that some of his co-workers felt uneasy on how high he was setting the bar, Justin was surprised and said that he was just doing his job. Over the following months, Justin became a core member of the Yukon Energy team, earning a high level of respect from all of his colleagues. Within a few years, Justin was the go-to guy for just about all of YEC's electrical questions and issues.

Justin's impact is reflected in messages adorning a memorable quilt made by staff at Yukon Energy Corporation for his family following his passing. I believe that it is here with us today — staff brought the quilt in. The messages on that quilt included comments like: "remarkable"; "an exceptional individual"; "100-percent kind of guy"; "Justin had a megawatt smile"; and "a remarkable man who lived a one-of-a-kind life".

It's true — Justin did live a one-of-a-kind life. He never stopped pushing himself, and his love of dangerous sports and adventure developed into a passion for aviation. Justin got his pilot's licence in 2012 and began exploring the Yukon and beyond in the air. Being a pilot allowed him to pursue unique experiences that satisfied his drive for ever-greater adventures. Justin passed away on September 2, 2017, doing what he loved most in the world — flying his airplane across an endless Yukon landscape.

Justin had an immense impact on many people who knew him through school, sports, work and adventure, and we see that here today. He had a keen sense of humour, a bright smile, and he always helped those he loved and cared for, including his younger brother Ryan, whom he loved dearly.

His passion, dedication, enthusiasm and expertise were inspiring and widely respected. Another message from the quilt made by Yukon Energy staff sums it up well: "We are all better people having known you, Justin. A big hole has been left in our hearts with your passing." Justin Kolla was an exceptional Yukoner who will be loved forever.

There are a tremendous number of supporting people here today. I want to touch on two things. One is that the quilt is there that we touched on. Also, Michelle, Rob and Ryan have put together a time for people to meet downstairs here, just in the cafeteria, after the opening of the Assembly today. I am going to do my best — I have asked my colleagues both on this side and across the way to help me if I miss anybody, because there are a lot of people here today. I would just like to recognize some people who are here today.

From Yukon Energy, we have Nathan Peterson, Stephanie Whitehead, Guy Morgan, Melanie Pettefer, Cameron Hoyt, Michael Brandt, Jordan Corbeil, Paul Leslie, Jaeson Henderson, Ramona Toth, Janet Patterson,

Darryel Collins, David Johnson, Bob Burrell, Darrell Johnson and Ken Hasler.

We also have with us today Joey Chretien, who I had an opportunity to speak with today. Thank you, Joe, for being here and sharing your information so we could have an appropriate tribute today. Also with us are Paula Pancovich, Mario Poulin, Denise Beattie, Michael Hale, Stephanie Matchett, Mike and Jean Nikon, Megan Yakiwchuk, Jenni Matchett, Allison Chretien, Trent Jamieson, Justin Jamieson, Tara Kolla Hale, Nelson Lepine, Karen Lepine, Iain de la Mare, David Laxton and Mike Nixon, Anne Marie Peeters, Rick Boyd, Ed Peake and Alex Hill.

Thank you for being with us today to celebrate these words for this very important Yukoner.

Mr. Hassard: One more person I see here is Michael Mark, so thank you for being here as well.

Speaker: Thank you. If there have been any omissions, there could be further introductions of visitors at the time provided.

In remembrance of the Battle of Vimy Ridge

Mr. Istchenko: I rise on behalf of the House to pay tribute to the Battle of Vimy Ridge. It is Canada's most celebrated military victory and at that point in the war was the single largest territorial advance of any Allied Force. It has been 101 years since the fateful morning of April 9 — Easter morning — that the four divisions of the Canadian Expeditionary Force took part in the battle as a single cohesive formation.

The Canadians rehearsed the attack in the weeks before the battle. Aside from the ground-positioning training, heavy artillery bombardment was brought down on the German forces. This continued until the early hours of April 9, Easter Monday, which saw 1,500 Canadians take part in the first wave of the assault. Over the course of four days, 3,598 Canadians lost their lives and over 10,500 were wounded in the conflict.

The battle was a monumental event for Canadian history. Canada's united front and courageous actions not only led to victory at Vimy Ridge, but set the stage for a global view of Canada as a strong and independent nation. The victory itself led to a signature from Canada, separate from that of Britain on the Treaty of Versailles in 1919, officially ending World War I.

Following the war, Brigadier General A.E. Ross famously stated: "It was Canada from the Atlantic to the Pacific on parade... in those few minutes I witnessed the birth of a nation."

In 1922, Ottawa chose Hill 145 at Vimy Ridge in France for the site of the national monument to the Canadian lives lost during World War I. A beautiful and immense limestone memorial was built and inscribed with 11,285 names of Canadians who died in France with no known graves.

Mr. Speaker, I had the opportunity in 1988 to be there on Remembrance Day as a young soldier in the Canadian Armed Forces. It is Canadian soil, given to Canada, and we should be proud.

The Vimy Foundation was formed in 2006. Since then it has worked for the preservation and awareness of April 9 as Vimy Ridge Day in Canada.

I would like to thank those involved with the foundation for their continued dedication to the legacy of Vimy Ridge. The sacrifices at Vimy and elsewhere are not forgotten. At the going down of the sun and in the morning, we will remember them.

Speaker: Any further introductions of visitors?
Are there any returns or documents for tabling?

TABLING RETURNS AND DOCUMENTS

Hon. Mr. Streicker: I have for tabling today a legislative return in response to questions posed by the Member for Takhini-Kopper King on March 22, 2018.

Mr. Kent: I have for tabling an invitation to an event with the Premier and the Deputy Premier in Toronto on Friday, June 16, 2017, organized by Bluesky Strategy Group.

Speaker: Are there any reports of committees?

REPORTS OF COMMITTEES

Mr. Adel: I have for tabling the seventh report of the Standing Committee on Appointments to Major Government Boards and Committees, dated April 5, 2018.

Speaker: Are there any further committee reports to be presented?

Petitions.

PETITIONS

Petition No. 2

Mr. Istchenko: I have the following petition to put before this House today. The undersigned, some 99 residents in the Champagne and Aishihik traditional territory, ask the Yukon Legislative Assembly to urge the Minister of Environment to reappoint John Trotter to the Alsek Renewable Resources Council.

Speaker: Are there any other 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 engage with the Yukon Child Care Board pursuant to their functions set out in Section 4(4) of the Yukon *Child Care Act* to develop and implement a Yukon early childhood strategy

based on the principles of universality, high quality and comprehensiveness, and which includes the following:

(1) public plans for developing integrated systems of early learning and childcare that meet the care and early education needs of children, their parents and caregivers;

(2) public funding delivered directly to early learning and childcare services and systems;

(3) public management of the expansion of public and not-for-profit early learning and childcare services under public authorities, including integration of existing community services into publicly managed systems; and

THAT, further, to ensure that the Yukon Child Care Board be mandated and resourced to carry out consultations on these matters with First Nation and municipal governments, parents and caregivers of young children, and early childhood, education and health care professionals.

I also give notice of the following motion:

THAT this House urges the Government of Yukon to review the penalties included in the *Lands Act* for infractions and consider raising them to:

(1) reflect the seriousness and actual cost of damage done by infractions; and

(2) act as a real deterrent to ignoring the law.

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

THAT this House urges the Government of Canada to:

(1) recognize that federal Bill C-71 will negatively impact lawful gun owners in Yukon;

(2) commit to remove all provisions in Bill C-71 that create a new long-gun registry;

(3) meaningfully consult with all Yukoners before passing any legislation that affects Yukon gun owners; and

(4) provide more resources to police to focus gun control efforts on criminals and gangs instead of lawful gun owners.

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

THAT this House urges the Yukon Liberal government to oppose Bill C-71, *An Act to amend certain Acts and Regulations in relation to firearms*, which unfairly targets law-abiding Canadian firearms owners while doing nothing to address organized crime and provides for the backdoor establishment of a long-gun registry.

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

THAT this House urges the Government of Yukon to respond to the crisis of plastics in our oceans, our fresh water and our environment by working with industry and municipal and First Nation governments to:

(1) eliminate the distribution of single-use plastic bags;

(2) eliminate the use of single-use plastic food and beverage containers including straws, utensils and lids; and

(3) reduce the amount of plastic packaging throughout the retail industry.

I also give notice of the following motion for the production of papers:

THAT this House urges the Government of Yukon to table a list of government-led renewable energy projects that have been initiated by this government since the last election.

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: Bluesky Strategy contract

Mr. Hassard: Last week we asked about sole-source contracts to Bluesky Strategy. We got a lot of deflection out of the Premier but not a lot of answers — this despite the fact that, according to the federal lobbyist registry, this work is being managed by the Premier's own chief of staff.

Last week, we asked about two separate contracts totalling close to \$55,000 that were given out last year. The Deputy Premier alluded that this money, which is described as preparation for the Fraser Institute survey, was actually for hosting receptions in Toronto in June and September. However, the Fraser Institute comes out in February of each year, so it would seem that the titles on the contract registry may be misleading.

We're curious if the Premier could confirm if in fact this \$55,000 of taxpayers' money that the contract registry says was for preparation of the Fraser Institute survey was actually for those two receptions referenced.

Hon. Mr. Silver: A couple of different things are happening with Bluesky. The Department of Energy, Mines and Resources, as mentioned, did contract Bluesky Strategy Group to develop and implement a marketing campaign to promote the expanding mineral investment in Yukon.

Also, within ECO, a transition of new governments commonly involves expenditures associated with training and with guidance on a variety of subjects. This includes consultation costs to provide expertise and advice when meeting the communication needs of an incoming government.

So it wasn't necessarily just one contract with this particular group. There were a couple. There is not a lot of time in Question Period, but what I will say is that I will ask my Minister of Energy, Mines and Resources to elaborate on the contracts with Bluesky Strategy Group for the purpose of furthering the mandate to encourage and to expand investment in Yukon and to position Yukon as the number one jurisdiction with a four-month marketing campaign targeted at the mining and investment community from June to September 2017. It was really good work that I imagine the members of the Yukon Party would 100 percent get behind when we're promoting this jurisdiction.

Mr. Hassard: Of course we do support promoting the Yukon; however, I am still curious as to why the registry says that it was for preparation of the Fraser Institute survey. Maybe the Premier could tell us whose decision it was to

select Bluesky Strategy Group to receive this sole-source contract.

Hon. Mr. Pillai: I thank the opposition for the opportunity to speak to this subject.

As identified by the Leader of the Official Opposition, the timing for the actual results of the survey to come out is February. Early autumn is usually the time when the Fraser Institute starts to speak to industry leaders. For most people, when you look at a jurisdictional approach to this, the strategy is to have your discussions between June, at the earliest — even a little bit late, but really trying to ensure that, by September, you have your story out there.

Of course, what we wanted to do was to explain that we do have some political stability here in the Yukon. We had to touch on the fact that we felt that we were going to have a different approach to land planning and that we wouldn't see the challenges that happened previously. Of course, what that has done now is that we see the global investment industry has now rated the Yukon higher than it was previously — trying to get back to where we were even a number of years ago, but trying to tell the story of the Yukon.

So there were a number of things that happened. It wasn't just that. We did the development of the Yukon good news story strategy. We did mail-outs to a number of different analysts. We did have our events. We did the branding of the good news story. We did our website development. There were a number of things that applied. I think it has been good work. I hope the opposition will get behind us on this because it is good work.

Mr. Hassard: It seems to us that there are a lot of people, including locals, who would be able to organize meetings with mining companies, so we're left wondering why this lobbying firm received this sole-source contract. In the past, it was actually hard-working departmental officials in Economic Development and Energy, Mines and Resources who would work directly with industry to organize these types of events. They were able to do it without costing taxpayers an extra \$55,000 in sole-source contracts.

Today, we have tabled in the Legislature a copy of an invitation that has the Government of Yukon logo on it, but the e-mail address asks you to RSVP by e-mailing Bluesky Strategy. The invitation is for an event in Toronto on June 16 of last year and its advertising is featuring the Premier and the Deputy Premier. This is part of the reason why we find it so interesting that last week, the Premier didn't seem to know about this contract.

Could the Premier confirm if he and the Deputy Premier were actually in attendance at this event?

Hon. Mr. Silver: Mr. Speaker, of course we were. Again, there is lots of good work being done by the Executive Council Office, Intergovernmental Relations, Energy, Mines and Resources, Department of Environment — we could go on and on about all the good work involving the local capacity. Every time we go out and speak to the seniors, we talk about how the junior companies were really the ones, through lean times, that really promoted the Yukon as a great place for resource capacity.

Now, with a government that works hand-in-hand with First Nation governments, we might actually get an industry out of here, Mr. Speaker.

So the members opposite like to confuse the waters as to whether or not this is a contract working with the federal Minister of Environment and Climate Change or if this is for meetings happening in June. Specifically, what we are talking about here — of course, we talked about the good news story strategy that came out of this particular type of work with this particular company and the follow-up — the good news story that took place with Yukon mining and First Nations in attendance in Toronto as well. The list goes on and on. This is the good work that we are doing here.

I will say that, when we first started, we thought we might have to do what the previous government did, which was use a lobbyist or hire a group to get us meetings with the federal ministers, but we found a better strategy, Mr. Speaker. With just a really good rapport with the federal government, we can do those bookings on our own.

Question re: Bluesky Strategy contract

Mr. Kent: The reason that we are asking is that the invitation to the event clearly states that it was on June 16 of last year in Toronto. The Premier just confirmed for my colleague that he and the Deputy Premier were in attendance. However, when we looked online at the proactive disclosure of ministerial travel, there is no indication that the Premier or the Deputy Premier travelled to Toronto for these days.

Perhaps the Premier could tell us why they did not disclose this travel publicly as they are required to do?

Hon. Mr. Silver: This is a great opportunity to clear the air. We paid our own way.

Mr. Kent: As we mentioned last week, according to the federal lobbying registry, Bluesky Strategy was registered to lobby on Yukon's behalf starting on March 21 of last year. On March 22, 2017, they met with the federal Environment minister on Yukon's behalf; however, according to Yukon's contract registry, the very first contract awarded to Bluesky was April 1 of last year.

Much like the Premier and the Deputy Premier's travel was not publicly disclosed, we are left wondering why the government has not publicly disclosed the contract for Bluesky to lobby on behalf of Yukoners.

Hon. Mr. Silver: Again, we will look into this further for the interest of the members opposite. I will look into this a little further, but I believe what happened was that it was registered by the federal government, but I don't think we actually were billed for that particular engagement.

So again, saving some money here, we were travelling on our own budget and on our own dime — not caucus money, not Yukon taxpayers' money — for those particular trips because there were other engagements as well.

I will get back to the member opposite with this, but what I do believe has transpired in that case is that you have a contract group in Ottawa doing what they are supposed to do, which is registering the lobbying efforts, but again, I believe

what happened was that there was no charge to the taxpayers on that particular trip.

I hope I am not proven wrong, but that is what my memory is from this. I will absolutely get back to the member opposite with more details on that particular contract.

Mr. Kent: Perhaps the Premier can let us know if Bluesky has done any other work on Yukon's behalf that they either haven't charged for or is not currently publicly disclosed on Yukon's contract registry.

Hon. Mr. Silver: I am not sure if there is any work other than what we have already disclosed. I know that there is a service contract with the Executive Council Office that was rendered in 2017; that was a contract signed in June 2017. There was also a \$5,700 contract for media communications and training that was through the Legislative Assembly Office. The Executive Council Office contract was to provide experts and advice to meet the communications needs of an incoming government, as we spoke of.

I believe the two contracts to the Department of Energy, Mines and Resources totalled just over \$54,000. It was money well-spent to get us back on track as the number one jurisdiction in Canada and I would even say — boastfully — maybe even the world.

Question re: Liberal Party ethical standards

Ms. Hanson: Yukon has long been known as the wild west of political fundraising. There are no limits on how much one can donate to a political party. Corporations and unions can make donations and out-of-territory or even out-of-country donations are permitted.

While in opposition, the Premier was critical of the \$300 Vancouver Harbour fundraising cruise organized by the Yukon Party during an annual mining conference. In debating a bill I tabled in the last Legislature, the Premier said — and I quote: "... a ban on both union and corporate donations is absolutely worth looking into. I think that the concern about money buying influence is real..."

I hope that we can all agree that a system that literally allows anyone or any corporation on this planet to give an unlimited amount to a political party needs some serious fixing. When will this government take action to reform Yukon's weak political financing rules?

Hon. Mr. Silver: I do appreciate the question from the member opposite. As we work through different — there are different initiatives that are moving forward right now. Members' Services Board, for example, has a commitment to certain obligations that may come into this consideration. Of course, I can't talk about those meetings on the floor of the Legislative Assembly, but we will be looking at that process first and foremost.

I stand by those words. I know that the NDP and the Yukon government disagree on certain considerations when it comes to the way in which political parties do raise their money. I know that the opposition doesn't believe in contributions outside of Yukon; yet they have accepted nationwide contributions from unions. So there is a good conversation here to be had, whether it be the \$35,000 or so

that the NDP raises through union contributions or the \$40,000 that the Yukon Liberal Party raised through mining companies, this is a good opportunity to have conversations about how we raise our money. We stand behind those words and we look forward to the good work of Members' Services Board to be a predecessor to this conversation and working with all political parties in the Legislative Assembly.

Ms. Hanson: The *National Post* recently published a database of political donations in all Canadian jurisdictions as well as an overview of the rules governing them. It stated — and I quote: “Yukon Premier Sandy Silver said his party has not held any out-of-territory fundraising events.” Yet we have received a copy of an invitation sent by a senior BC mining executive to watch a Vancouver Canucks game in a private suite at Rogers Arena. The invitation reads: “Premier Sandy Silver, Leader of the Yukon Liberal Party, and Deputy Premier Ranj Pillai will be present... Tickets are \$500 per person and you will be issued a tax receipt. Please make cheques payable to the Yukon Liberal Party...” Did the Premier tell the truth to the *National Post*?

Hon. Mr. Silver: What I can say is we did have a fundraiser in Vancouver where members of the mining community were there in attendance and it was a political donation to the Yukon Liberal Party. It was well-attended. The Montreal Canadiens did not win, much to my chagrin, but, again, what we did in that case was we paid out of Yukon Liberal Party caucus funds to go down on a separate event — not tag and get in with the Roundup where there are other responsibilities and obligations for government which shouldn't be involved with fundraising. We took time out to do this fundraising and it was a successful event.

As far as any quotes in the *National Post*, I will have to read the full context of the particular article to make any statements on that.

Ms. Hanson: The Premier can try to deflect the attention all he wants. We have been clear, as the NDP, that we support banning corporate union out-of-territory donations and we're happy to help work with this government to make it happen, but not just after the next election. It's easy for the Premier to say he didn't break the rules when effectively there are no rules. The fact is that the Premier told the media that the Liberals don't hold out-of-territory fundraisers, yet they just did that a few months ago. How is this government any different from the previous government? A \$300 cruise in the Vancouver Harbour or a \$500 private suite at Rogers Arena — it is two sides of the same coin.

Will the Premier explain why he told the media that his party doesn't organize out-of-territory fundraisers and will he tell this House who paid for the private suite at Rogers Arena? Was it the Liberal Party or was it a corporate donation?

Hon. Mr. Silver: I think the big difference between the previous government's approach to fundraising and our approach is that we didn't go down at Roundup and use a captive audience to get them to pay for our political party. What we did was we went out and put out invitations to an event that wasn't coordinated around other opportunities or other meetings and we raised a very successful fundraising

show, I guess. We were happy to see the engagement from the mining companies that were there and also other individuals.

Again, I'm not going to comment as to a national newspaper article. I will have to read it before I comment on it, but, again, we made no bones about it. We were going down there on our own dime and raising money and promoting the Yukon as being a great place to invest, not only for the economy, but also for the environment's sake — you go hand in hand with the First Nation governments and let these companies know that no development is made unless the cooperation is there with those First Nations whose traditional territories are being affected.

Again, we're hearing that the NDP says it's all fine and good to wait until the next election — maybe something similar to when the NDP waited until they raised all their money before they said that they wanted to get away from union-sponsored fundraising.

Question re: Carbon tax

Ms. White: Last Thursday, opposition members were given a briefing by Yukon government staff on the impact of carbon pricing. To get a full picture though, two key elements are missing. The first is how the rebates to Yukon citizens will be distributed. The government has already stated that it is waiting for information from the federal government. The second missing element is what new incentives this government will introduce to encourage individual Yukoners to reduce their carbon footprint, the whole purpose of a price on carbon.

What new incentives will this government be putting in place to encourage and reward Yukoners for decreasing their use of fossil fuels and moving to renewable energy sources?

Hon. Mr. Silver: The Minister for Community Services will get up to address part of that question, but I would like to start with the premise that this question has been framed around, which is the federal government completing their analysis of the potential impacts of carbon pricing that may have effects in Yukon. That was released last week.

Again, just a couple of things there, Mr. Speaker — the analysis doesn't paint the whole picture when it comes to carbon pricing. We released a four-page summary document to provide some background and to fill in some of that missing information around these costs. The federal analysis estimates that carbon pricing will reduce Yukon's greenhouse gas emissions by nearly 5.5 percent by 2022. Now that is good for the territory as we look to reduce our carbon footprint.

The federal analysis also noted that the Yukon's economy is not expected to be significantly impacted by the introduction of carbon pricing. The data indicated a potential decrease in Yukon's GDP as an estimated 0.19 percent by 2022, but this does not take into account the commitment that we have made to Yukoners. All of the revenues collected from this carbon pricing will be returned to Yukoners through the rebate. Because carbon pricing will be revenue neutral to Yukoners, it will not directly affect GDP at all. In fact, the rebate money will likely contribute to Yukon's economy.

I will let the Minister of Community Services answer the specific question after that.

Ms. White: Although I appreciate the answer, it didn't touch the question. What we really want to know is what this Yukon government will be doing to support Yukoners to make changes and what new programs they will be offering.

The government has also been unclear about exemptions or corporate rebates that are being considered by this government. Blanket industry exemptions undermine carbon pricing by giving certain sectors a pass. Rebates can be much the same and can amount to the equivalent of an exemption, yet, even in remote locations, renewable energy is often an option.

We know that Northwestel uses solar energy to power some of their most remote towers, and we know that in the Northwest Territories, mines, such as the Diavik mine, utilize wind power to meet some of their energy needs. The technology and the knowhow are out there for industry to use renewable energy. So is this government planning on exemptions for any sector or industry by granting corporate rebates?

Hon. Mr. Streicker: Again, I will try to give part of the answer. The challenge here is that, when we're talking about energy, it's cutting across many departments and there are many programs that we are investing in this year. For example, I know that the Minister of Energy, Mines and Resources is investing in our remote communities to work to help them to get off-grid. I know that my own department is working on rebates around solar panels. It has been going through the roof — literally and figuratively. So there are lots of programs.

The main investment that we are making is — last year, we invested over \$10 million in energy retrofits. This year, I believe, it is more than \$20 million and we're working to make it \$30 million per year. That investment in energy retrofits targets the best location for reducing energy dependency. That is in heating our homes and our buildings. In this way, by insulating them better and by changing over the furnaces and the old oil tanks, we will reduce our emissions.

Finally, by giving the rebate back to Yukoners and to Yukon businesses — what that does is put money in their pockets for them to take the initiative. That is the whole point of a rebate. The way in which it works is that our citizens and our businesses can then take that money and reinvest it in a way to reduce their dependency on fossil fuels.

Ms. White: I thank the minister for mentioning all of those existing programs that I have had the opportunity to talk about for years already.

At the briefing last week, we were happy to hear from government officials that this government finally has a clear number for territory-wide greenhouse gas emissions. This government is expecting greenhouse gas emissions to decrease by five percent through carbon pricing, but government officials were clear that carbon pricing is just one tool to reduce greenhouse gases.

Does the government have an overall greenhouse gas reduction target for reducing our greenhouse gases beyond carbon pricing? If so, what would the target be and how will they reach it?

Hon. Mr. Streicker: I will leave the carbon targets to the Minister of Environment or the Minister of Energy, Mines and Resources to discuss here in this Legislature at some other point.

In the past, for example, I was invited to be part of a panel that worked on setting targets for the territory. These are not one-day questions. They are complicated questions. It is great to have targets. It's important.

However, what I will say is that it's not new to have retrofits. What is new is to have \$20 million of retrofits. That is a big deal. When we look at the sectors of where we have energy dependency here in the territory, transportation is the highest and heat is the second highest. Electricity is not very high at all.

We are shifting away from the discussion around the production of electricity to retrofits. The reason is because that is the place where we can really make a big difference in reducing emissions. By increasing the amount that we're investing this year — \$20 million — we're building toward \$30 million a year. It may not be new and it may not be fancy, but it is certainly effective.

Question re: Autism spectrum disorder statistics

Ms. McLeod: Last week, the Public Health Agency of Canada, together with the provinces and territories, released autism spectrum disorder, or ASD, prevalence estimates among children aged five to 17 years. According to this report, the prevalence of ASD is one in 66 children nationally and only one in 126 in Yukon.

On the surface, this sounds like a good news story. However, as reported by CKRW this morning, Autism Yukon has pointed out that Yukon's numbers may be artificially low due to the way that we track this in the territory. For example, according to the news story, the wait-list for receiving an assessment in the territory is nearly two years long, so lots of families go outside of the territory to get their assessment. The worry is that this results in Yukon not having a true picture.

Can the minister confirm whether or not the government's tracking excludes those families who go outside of the territory to receive assessments?

Hon. Ms. Dendys: This is an important question, for sure, that I'm sure many Yukoners are concerned about. I will seek the information that the member opposite is requesting here today and I will bring it back in a legislative return.

Ms. McLeod: Having the accurate numbers about the prevalence of autism spectrum disorder in this territory is essential for many reasons. It helps us to identify trends and it also helps us to identify needs. This information also helps to develop policies and services to support Canadians with ASD and their families. If Yukon's statistics are artificially lower, then we may not be taking enough action to address this issue.

Will the minister commit to review the methods by which Yukon tracks ASD prevalence in the territory to ensure that it captures the true reality?

Hon. Mr. Streicker: Of course, not this past weekend but the weekend before — over the holiday weekend — it was National Autism Awareness Day and we had the tribute the week before that. I really appreciated the Member for Takhini-Kopper King's comments about making it National Autism Acceptance Day.

We are, of course, aware that autism and the spectrum of disorders with autism are prevalent here in the territory. I really appreciate the Member for Watson Lake bringing this issue forward. It is always important to make sure that, when you are a small jurisdiction, we're watching how data is collected to make sure that there aren't differences that may be creating inconsistencies. It is terribly important to have evidence and to know what we're dealing with.

I said then and I will say now that we have a wonderful community that provides support around this issue, and I'm sure we can follow up with them to get their notion anecdotally about whether or not we are tracking the information well. It is important — I will stress that — and we'll make sure to have that conversation with the Minister of Health and Social Services.

Ms. McLeod: As was mentioned earlier, the wait-list for a child to receive an assessment for autism in the Yukon is close to two years. What is the government doing to reduce this wait-list?

Hon. Mr. Pillai: I think that the very important topic that has been touched upon today by the Member for Watson Lake is the fact of assessment and essentially being able to determine the challenges that individuals have in the Yukon — not just in a situation that we're talking about today, but even broader. I know that the people who are working to support education through FASSY — in working with people who have been diagnosed with fetal alcohol spectrum disorder — are also in the same position. This is something that has been going on for decades in the Yukon, where you have the ability to do diagnostics for maybe five or 10 individuals, but the reality is that there are many, many people — in some cases, potentially in the hundreds. Having a system that can focus on ensuring the most efficient way to diagnose individuals in a series of different areas so that you can ensure that you have the proper supports in place and that you have the proper education.

I know that stuff that my colleague has been looking at is part of the work not just in Whitehorse, but also focuses on our communities — but also the good work that is happening not just with Autism Yukon, but with FASSY and other organizations, to ensure that we have the best possible approach to diagnostics across an area of challenges.

Speaker: The time for Question Period has now elapsed.

Speaker's statement

Speaker: I have just a quick reminder to all member. I know that it was likely just an oversight, but, when quoting media sources where other members are involved in certain activities outside of the House, the same rules apply as far as naming any members. When you are reading a media source, it is still going to be “the Member for Riverdale North” or “the Premier” or whomever.

I was just provided that reminder by Mr. Clerk. If all members could be careful because that is doing indirectly what one cannot do directly. That is just a brief reminder on that topic.

We will now proceed to Orders of the Day.

ORDERS OF THE DAY

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

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

Do members wish to take a brief recess?

All Hon. Members: Agreed.

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

Recess

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

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

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

Is there any general debate? The Minister of Justice has 18 minutes and 42 seconds left.

Hon. Ms. McPhee: We were not thinking of how much time was left from the other day when we were here. I would like to welcome back our officials, Patricia Randell and Sandra Markman, and our friend from the Yukon Liquor Corporation, Matt King. He will be sitting with the Minister of Community Services and the Minister responsible for the Yukon Liquor Corporation today. We will, I understand, move to the Third Party for their questions and do our best to address all of the questions that they have. I won't use my 18 minutes; I will stop there so that we can get directly to the questions.

Ms. White: Did the Minister responsible for the Yukon Liquor Corporation want to start with a statement before I start asking questions? He just shook his head as a no, and so I will get started.

I just want to thank the officials for being in the Chamber and, again, for the two briefings that we got. I think at one point in time there were eight different officials and they were fantastic. When we asked for the second briefing, it was super helpful. We were able to work through the entire document, which, for anyone who hasn't had a look, is 80 clauses long and probably just about as many pages.

Like I said in my second reading speech, it feels like this is the next biggest thing since prohibition. I appreciate the time that the officials took with us and I'm thankful for the involvement of the ministers today.

There are a couple different ways that I propose that we can do this. I could ask the questions that I have written in my book, or if we could do a loose, unofficial, line-by-line debate — but we could start at the beginning and go all the way through. Maybe I will just ask the ministers which way they prefer. I can either ask questions that go all over, or I could start at the beginning and go through. I will just start with that.

Hon. Mr. Streicker: As we said at second reading, we're totally happy to move through this how the members opposite wish. Sort of following loosely is fine, because we'll just treat that like questions and answers. I just hope, as well, that our colleagues from the Third Party are aware that this may be the way that it rolls so they are able to be listening in — or the appropriate critic.

Ms. White: The Third Party is present and accounted for. I'm sure everyone will be listening and curious, in which case, I'm going to start off in part 1 under the introductory statements in section 1.

One of the questions I had initially — for the officials, I am going to be repeating a lot of what I have already been told. I actually know the answer to a lot of these things, but I think it's important that, on the broader context, when we talk about this out in public, we understand.

I have always viewed the age of majority as 19 and above in the Yukon and the age of minority as below that.

In Section 1(b), it talks about protecting young persons. Could the minister explain how the language "young persons" was chosen?

Hon. Ms. McPhee: The terminology chosen for that section, throughout the directory part and then throughout the bill, is consistent with the federal language or the language from the federal bills and that is why we chose to use that. My recollection is that it is also defined in the definitions section.

Ms. White: I appreciate the clarity — then that would be between the Yukon legislation and the federal legislation.

Also in that section, it talks about "discouraging access" and the consumption of cannabis, which, to me, speaks to social responsibility. What I want to know is how the three departments — so between Justice, the soon-to-be cannabis corporation and the Health department — plan on activating or embracing the role of social responsibility and what that looks like toward the community.

Hon. Mr. Streicker: This is a broad topic and so I will give some general responses and then I am happy to deal with more specific parts of it afterward.

Broadly, from the perspective of Health and Social Services, we want to make sure that they are taking the lead on education around youth, around health and around wellness. That would be the main place where their public education takes place; the main place where Justice's takes place will be around things like the *Criminal Code* and enforcement and RCMP and that sort of area, what is sort of typical for them.

The area where we — the Yukon Liquor Corporation — would be doing public education and outreach around social responsibility will be the notion of consumption and awareness around the use of intoxicants to make sure that the public is aware about signs and symptoms. For example, we will have training for staff that will be in the private sector and within our own staff that will be similar to the Be a Responsible Server type of training. There will definitely be overlap of those pieces and what we are trying to do is have a discussion to make sure that we are all aware of the type of social responsibility education that we will be doing and that the messages that come out from the various departments will be mutually reinforcing.

If there are more details that are needed, I am happy to get down into it further with the member opposite.

Ms. White: I would actually really appreciate the details. Social responsibility around the Yukon Liquor Corporation has been a concern of the Yukon NDP since I became involved in the Legislative Assembly in 2011. At times at the Yukon Liquor Corporation, it was on the corner of someone's desk, and at times, it has played a larger role, but our concern has always been the social responsibility aspect. If the minister could elaborate and go into more detail about how departments are going to do this, that would be fantastic.

Hon. Mr. Streicker: For example, under retail training, we will be — as I mentioned — developing a server training course and we will be looking at things like potency, forms of use, the effects of use, health risks, differentiating between medical and non-medical cannabis to ensure that retail staff are not providing medical advice or information, recognition of intoxication and awareness of the national lower risk cannabis use guidelines.

We will work with the chief medical officer of health and the Health and Social Services department to ensure that those pieces of our messaging which overlap with Health are consistent, as I have said.

There will be a whole campaign which is talking about being over 19 or under 19 and how to identify people who, if they are coming to purchase cannabis or will someday use cannabis — that whole age limit. There are other things that are age-specific because we recognize that consumption — we have information about how consumption exists and how much it is used — also the difference between Whitehorse in our capital and the smaller communities. There will be some age-specific education.

Consumption is another area where we will be having information — again, this might be in the stores, but it might also be through Health — which is around the methodologies of consumption, whether that is smoking or whether that is ingestion or, at some later date, topical. Some of the social responsibility information or the educational information will be around smoking, which has just got to do with the same types of campaigns that have to do with tobacco.

There will be some information put out, for example, through the residential tenancies office around residences and rental situations and how that will be dealt with.

Health and Social Services will deal with sort of a more front-line public education campaign. This will be alongside other health messages that they provide, so again, back to the types of consumption and the ways in which it works and how to inform the public about stronger strains of cannabis because, of course, it's not one-size-fits-all — with a particular focus on youth — and also information regarding fetal development during pregnancy.

There will be a full campaign by Health and Social Services which is focused on youth engagement. It will move out to our communities to just talk to them directly about cannabis. I noted, and the Minister of Health and Social Services also noted, that recently, there was the millennial town hall which was put on by youth, and cannabis was one of the topics that they approached us to have a discussion about.

I think that the youth side of this will generally have the lead from Health and Social Services, but, again, there will be crossover. For example, within the Liquor Corporation, we will have a social marketing strategy that encourages learning about cannabis, its effects, service training, consumption and the law and we will be working with partners out there, for example, in the private sector and others to try to reduce the illicit market and we'll be doing some direct messaging around that, which is because some of the social harm that we see is related to that illicit market. It has a sort of knock-on effect and so it is really a goal to get it out of there. We will do education around that.

Finally, Justice will also have a front-line public education campaign and that will be around the legalities of how they can possess and consume products in the new regime — for example, how to transport it in your vehicle, what is safe and how to not be intoxicated when you're driving or operating equipment. Those would be the types of things that Justice will work on.

Ms. White: I thank the minister because I got what I asked for, but maybe I didn't need it quite that deep.

One of the reasons — when I ask about social responsibility, particularly around youth — is that there are effective ways to give programming. One of the questions I have is whether or not there will be a specific person who will do that education. I know that when I was in the briefing and I asked, I was told that there was education through the mental wellness program and that there was already education on substances — that it already exists.

We all know that youth will receive the message differently depending on who is delivering it. Whether it's for

someone who is more viewed as a peer or someone who is more viewed as the authority, the message will be different to understand. One of the questions I have is that when we're talking about social responsibility and the education of youth within the school system, are we looking at someone with specific training, and are we looking more toward a peer-type education or are we looking more toward the teacher or authority figure?

Hon. Ms. McPhee: In answer to the question about speaking to youth — the place from which they will receive a message is absolutely critical. We have done some early conversations in the high schools here in the territory with — I think I mentioned the other day about having the chief medical officer attend schools to speak to students about the effects of cannabis on their mental health, on their health generally and on smoking generally. He has also done those sessions with students and also later with parents and students in the evenings — those kinds of things — but most recently with respect to — that's one angle. It's simply the beginning. It's not where we need to go.

We need to be training peer counsellors in schools; we need to make sure there are students and young people of a certain particular age who can speak to their peers and who, in particular with respect to this topic, have, of course, training — peer counsellors who deal with addictions, the use of alcohol and the abuse of alcohol and drugs. When cannabis is legal, it will be an interesting conversation and there will need to be some shifts.

Last Friday afternoon, I was with a group of grade 12 students at Vanier for over an hour, talking about justice issues in particular, and having a great conversation with them. We did not spend the entire time speaking about cannabis, but it was a question that they had and it was a great conversation that we had. Hearing it from me is one way in which they will have some questions answered, and hearing it from their peers and hearing it from teachers who should be properly trained to deal with this and counsellors in the school is a different situation.

In addition to that, I know that BYTE has recently been engaged by the Department of Health and Social Services because they have such a terrific public education element to their work now for young people. They will continue to be engaged in helping us to answer that question: How do we reach young people? How do we reach young people who we know already — a percentage of them — are very high users of cannabis here in the territory? The kids at Vanier and the young adults at Vanier on Friday were very concerned to hear some of the stats that we have about the use of cannabis by young people here in the territory — our information is that one in three students in grade 9 had admitted on a survey to having tried cannabis — not being regular users but having at least tried it. That was a stat that was very concerning to them as grade 12 students but maybe wasn't quite as concerning to them as when they were in grade 9. They all remembered having done that survey and were pleased to have been asked a couple of times over a period of years to do that.

The Yukon government is engaged with BYTE through workshops as well as recently at the millennial town hall, which is really just one avenue but, like all complex problems, we need a lot of roads to get there to address the issue. Those are the elements of what we have been doing so far to reach young people. I know that the federal government is working on their education as well, and I have even seen some commercials on television — maybe others here have as well — and they are aimed at young people and they certainly have engaged youth in determining how to best get that message across.

Ms. White: It is not that I don't agree that ministers can be hip — as can be the chief medical officer of health — but if we are talking about making an impact, I would suggest that we look toward the peers. BYTE specializes in youth education and youth involvement so I think that is fantastic, but looking along those lines — only because, as a teenager, I would have a lot harder time hearing it from my parents than I would from someone who was a couple years older than me or who, in my estimation, had actually lived a bit of a life, as opposed to my parents, who I'm quite sure were very straight edge.

When mentioning the federal government and the development of the education, I do think that, for me, one of the most memorable alcohol campaigns is still the one that says, "Under 25, check ID", and it is with the three senior citizens with their identification. I think it came out of Nova Scotia. I don't think that we have to reinvent the wheel, but I do also think that if, at Vanier, there was shock about those stats of grade 9s, I would suggest that other schools would be less surprised. We have different demographics in different schools and different life experiences.

I think that — although we will be able to access a lot of educational materials from other jurisdictions — having been a teenager in the Yukon and having grown up in the Yukon, those numbers don't surprise me at all.

Just to be clear, sometimes we have got to play it a little more straight and a little bit more honest. Maybe if we were in a bigger place where you had full-size movie theatres and malls where you could hang out — because that is not the Yukon reality — I would suggest that young people are trying things at a far higher level than adults would like to think that they are. I'll just put that out there.

One of the concerns that I also have around social responsibility is the idea of siting and density. I have raised my concerns before. When I was a teenager, Mr. Chair, I think at one point in time I was able to count, downtown, between off-sales and liquor establishments — I think there were in the 30s. It has come down, because I was going through it the other day and we don't have the Pioneer Hotel anymore, with Joe's Free Pour and the TNT and the Blue Moon Saloon. So although we don't have as many establishments as we did a couple of decades ago, we still have an awful lot of liquor outlets, retail stores and establishments where you can buy liquor.

One of my concerns about cannabis is that we talk about the siting. For example, I would think that we wouldn't want

to have a cannabis retailer across the street from a school or an emergency shelter, for example. Maybe we wouldn't want to have it next to another cannabis retailer, or kitty-corner. Siting is a big issue for me, so if one of the ministers would like to tackle that issue, that would be fantastic.

Hon. Mr. Streicker: I thank the Member for Takhini-Kopper King for her question.

The act allows for siting and density regulations. I have often referred to the siting as "proximity", so it is how close it is to other things. That is one of the places where we can control it. We could also control it through policy; that is possible as well. Finally, I think it's important to note that this is a shared responsibility with our municipalities. They have the ability to put in place zoning regulations or to ban certain things if they don't wish to have them within the municipalities. Of course, we have seen recently the City of Whitehorse choosing to say that cannabis can be allowed in Marwell but not in other jurisdictions, so we will respect our municipal orders of government — that this is their question.

I think that we have started to consider these same questions when it comes to alcohol. I hope everyone in the Legislature is aware that we have been out there talking to the public about the *Liquor Act* and we have been discussing these various issues. Although I do think there is a real question to be answered, I will also note that there is a range of opinions and a range of potential realities around it.

I will just pass across one anecdotal situation that I have. For example, when I was working as an engineer, I was doing some work in Amsterdam. When you talk about proximity, there was a daycare, then there was a red-light building, then there was a cannabis shop, then there was a church and then there was a bar. It was amazing to me — the types of proximity that existed there. I'm not in any way advocating for these things. I'm just trying to say that one of the challenges that we have is around a balance between trying to provide access to this — in this case, what will be a new illicit substance, a newly legalized substance — and protecting health, and also trying to displace the illicit side of it.

Also in the act before us is that the cannabis board will also have a role under the definitions of relevant considerations. We're going to be able to tackle this in a range of ways, and I think we will get at it in a range of ways. The first place where I will look is in regulations, and I have also been in contact with municipalities to let them know that it is fully within their jurisdiction to choose to amend their zoning bylaws to change how these things are located and dealt with over time.

Ms. White: I appreciate that we just talked about siting and density regulations within regulations and policy, but what I want to know is if government is considering that. You used Amsterdam as an example, but Amsterdam is looking at banning tourists from the cannabis culture. They're looking at just having it for citizens because it has become such a problem. That is something that they are grappling with right now. I appreciate the example, but I would say that it hasn't all been like sugar and roses over there. It has been trying.

Is the government considering making some decisions about siting and density within either regulations or policy?

Hon. Mr. Streicker: What I can say is that we put it in there for a reason, because we are considering it. The regulations are in development and I don't think we're ready yet to talk about them, but what we can say is that, from listening to our partners — meaning the communities and municipal governments — density is a question that we need to try to address and it might be different in different locations. For example, density in Whitehorse might be different from density in a small community. In some very small communities, one is going to be plenty.

Definitely we are considering it and haven't landed yet. There are conversations that are underway, and I do anticipate that we will try to have a measured approach to what's happening.

I think I heard the Minister of Justice mention this the other day — this is new territory that we're moving into. As we move into it, we're trying to be thoughtful and to move with diligence. That doesn't mean that we're going to be afraid to move, and it doesn't mean that we won't make decisions. It just means that, as we move ahead, we need to be watching how this happens and to be ready to adjust to make sure that — in this case, let's say that density and siting are done in a way that is going to work over time. We want to see it develop and evolve.

Ms. White: I appreciate the answer. It's not that I'm against the economic development of private retailers or what the future could look like.

My concern comes back to social responsibility. For example, when we talk about density and we talk about population, one of my questions is: Would we look at population bases? I say this in terms of — do we require, in the Town of Carmacks, multiple retailers? That would be an example. Or Dawson City, where we have the numbers — obviously, it doubles or even triples in the summertime with the summer population. In the summertime, quite easily, we would be able to support, let's say, two or three retail locations, but in the wintertime, would that be the same — would that make sense?

I know that when we are talking about the licensing, we're talking about “up to three years,” but I guess in terms of summer populations and things, has there been concern about shorter term licences granted, for example, in communities that see high growth in seasons?

Hon. Mr. Streicker: To answer the last question first, I don't know that we had considered shorter licences yet, but I mean neither — the language says “up to three years,” so if a proponent were to propose something, of course we would consider it. But, what I will say is that under the definitions section within the act, the one that I mentioned just a moment ago, is “relevant considerations”.

I want to talk about the licences. When there is a licence that is being proposed somewhere and where it would be situated, then the population of the area is a consideration. This provides the board with the ability to consider population dynamics, including seasonal variations to those populations,

whether there is a summer influx of tourists, et cetera and distance to other communities. It is trying to manage the geography of it. Do I think that density will be considered? Yes, I do. Do we have any place that we have landed? Not yet, because that is coming in the regulations, but I can say this, because I think we have been discussing this very issue in policy through the Liquor Corporation, and now, as we bring forward this act and develop regulations, I know that those conversations are happening.

There is always the process, of course, within the licensing procedure where local folks have every opportunity — Yukoners have every opportunity to raise a concern. Some of the concerns that we can hear about is proximity and density. If the public comes forward and states, for example, that they feel there is already enough being served with the current licences, then that can be a consideration and, at that point, what will happen is that if anyone wishes to hold a hearing as a licence comes forward for consideration, then we will have a hearing. Regardless of what does or does not get set out by regulation, there is still always the opportunity for the public to voice their opinion. That is not in any way to suggest that we are stepping away from this area of consideration. Neither are we considering Amsterdam's model — let me just make that very clear too. That was just meant to say that there are a number of factors that come to bear here and they are not always apparent to us as we start to move forward.

We will consider density in regulation and we will provide opportunities for the cannabis board and the public to consider those situations as well.

Ms. White: I warned that if there was going to be any laughter, it was going to come out in this horrible sound from me. I'm just going to try to keep my humour under control because it's painful over here.

I do appreciate the minister's stance on that. Making decisions, especially decisions that might not be popular, is going to be hard, but I really do believe that social responsibility aspect has fallen on the shoulders of government. I do appreciate that, when someone is applying for a licence, there is a three-week opportunity — it says not less than three weeks. I have talked about this during the briefing. I appreciate that it says not less than three weeks, but I also had concern that it should have a top of the scale on that, but that's miles away in the books, so I will wait until we get there. I do appreciate that residents will have an opportunity. It's just that sometimes I'm concerned that things happen.

There was a café, for example, that was on Sixth Avenue. It was a coffee shop and had the ability to serve alcohol later in the day. The business sold. The business entirely changed and then it ended up being run almost as a night club and that was substantially different from what the residents had signed on for initially. That's just why I'm airing my caution. Sometimes it's going to be government making hard decisions and I think that's kind of part of that responsibility.

Another thing that was highlighted during the briefing was the importance of co-location or not having co-location.

That would be having a cannabis retailer in a liquor outlet. I had questions around things like, for example, what that would look like. Could we have a cannabis retailer in the same space in a strip mall that had, for example, a liquor outlet? I had questions as to whether or not one business could run both sides and have a door that connected the two, either for customers or staff, because that's a concern for me. If we talk about vulnerable populations — so we talk about young people or we talk about people with addictions — co-location could be quite problematic. I just wanted to know what government was thinking and how they were going to address the issue of co-location.

Hon. Mr. Streicker: In particular, under section 36 of the act, the sale of the cannabis business will not lead to a licensed transfer so — and, of course, it was just an example that the Member for Takhini-Kopper King was raising, but under this act, that wouldn't result in the business transferring across. I was on city council when that issue was arising with the business on Sixth Avenue and it was as much about compliance as it was about licensing, but the point is well-made: How do we ensure that over time things remain the same?

Of course, the public can change as well in what their interests are. I think that's why we issue these licenses for a period of time and then we review them. Also, we know that the issue of cannabis is dynamic in that the types of methods of consumption are changing. Right now, it doesn't lead to the equivalent of a bar or a place where you go because, currently, the method of consumption is generally smoking or vaping, which is not allowed — but at some point, maybe those things will start to change and then the question of density may be different. There might be a question of density around sales and there might be a question of density which is different around consumption or a place where you would consume cannabis. There might be differences based on one community and the next.

On to the question of co-location with liquor — and maybe this echoes the member's comments regarding the challenges of making decisions. Of course, decisions are hard when we have opposing views or a range of views — not even necessarily opposing, but tangentially different views on a topic. Yes, I agree it is challenging and I think it is our job as a Legislature — not just as a government — to try to put forward the path that we are going to go on and how to adjust over time.

One of the things that I can talk about is that with cannabis — slightly different from alcohol, especially as it moves from being an illicit market to now being legalized and having an element of a legal market, but also the black market still being there — we are very sure that we are going to have this control from seed to sale. That means that we will have to have security and that means that there are differences around how alcohol is in our neighbourhoods and how cannabis is sold. We have had a lot of discussions about health and health promotion and how, if you put the two things together — co-locate them — then you are really conflating substance use and it is very challenging. That is against a dynamic where —

in our smallest communities, there may be only one retail area, so how will we create those separations?

Whenever we try to tackle these questions we always go back to our original principles. Number one is how do we reduce the illicit market, and number two is how do we protect youth and public health? What we are trying to do at all times is balance the legal access to a safe supply and make sure that it is done in a way that considers proximity, considers co-location and considers density. The other thing we are trying to do is alleviate the fears of Yukoners, because there is a range of views out there that Yukoners have. We want them to see cannabis as a safe substance through the legal market, so we are also trying not to be so restrictive about it that we hide it off in the corner. That is not what we are interested in doing. It comes back to a balance at all times.

It is about legalizing and providing access, but not promotion. If we legalize without access, we just won't displace the illicit market. That is the tension — how to balance that — providing access while not providing so much density that it becomes overdone and while making sure that we are addressing the issue of co-location.

Ms. White: I don't think at any point I was suggesting that it be put off in the corner — especially a dark corner — because that doesn't seem safe to me.

The question about co-location really was about co-location with alcohol. I just want to know — and I appreciate that in some communities, there may be only one small mall feature, for example, but the question still remains: What is government's expectation around the proximity to liquor?

Hon. Mr. Streicker: What we have done so far and what the act has in front of us is the ability to move in one direction or the other and it hasn't yet said. Again, I want to be careful — I know we have had lots of good conversations. As Ms. Rendell and others have gone around to all the communities, there has been a lot of conversation on this topic. We have had conversations at our tables about it, but it is in the regulations, so that is where the decision is going to come, and we will do our best to keep everyone informed in the Legislature and the public as well because we want everyone to know.

We're not there yet, but we made sure that we could put into — I will just give you a little bit of the story about the synthesis of how this came about. We made sure that we could put into the regulations the ability to say no to co-location. Then we started to notice from conversations with our smallest communities that we might need a little bit of a safety valve there, so we said okay to the ability to say no to co-location, with the ability to also adjust it slightly for our smallest communities. That was how this came about.

We saw the concern from a health perspective and are just trying to not conflate cannabis use and alcohol use, so we said, okay, the evidence showed us that when you put those two substances together, that can be a problem, so we said, let's make sure that we have the ability for the development of regulations that would prohibit the co-location of products and substances, including alcohol, but also that specific cases can be dealt with by a licensed condition on an individual licence.

Ms. White: Just to mine down into that answer a little bit — when you talk about having the ability within regulations to address the issue of co-location, does that mean that at this point in time, unless it's a specific jurisdiction or a specific location with specific issues, that there will not be co-location between cannabis and alcohol?

Hon. Mr. Streicker: No — that doesn't mean it yet. What I'm trying to say is that we've identified an issue. We provided the opportunity to address it. We're drafting those regulations as we speak. We will get back to you shortly with them.

The challenge will be that, even though I have a sense where some of the regulations are going, you have to think of it as a package as well. There is still a conversation that is happening. We're not yet at the stage to discuss the regulations — it's just a little premature for us — but I want to acknowledge the concerns that the member opposite is raising. They have been concerns that we have heard and we will seek to consider them as we develop the regulations.

Ms. White: I know that the regulations aren't complete because then we would be talking about private retail space as soon as it became legal. I wasn't going down that path. What I want is the assurance from government that they recognize the problematic issues of co-location — that being with alcohol and cannabis. If we are talking about co-location of cannabis in a snack shop — absolutely, I 100 percent support it. I don't support alcohol and cannabis. I appreciate that in certain jurisdictions, there will have to be exceptions; I understand that.

I want to know if government, when working toward those regulations, is looking at making sure there is a restriction between the co-location of liquor and cannabis.

Hon. Mr. Streicker: Originally, we even considered putting this directly in the act, and then we hesitated because of the need to provide some flexibility. Are we looking at it? Absolutely. Have we asked for information and evidence on it? Absolutely — and we have received that. In fact, we have heard from our chief medical officer that, when you combine the use of cannabis and alcohol together, it isn't just the sum of those issues; it actually can exacerbate the situation, so it is not good to — effectively, by co-locating them — promote.

This is an issue; we are seeking to address it. I wish I could give the member opposite a definitive answer, but I want to assure her that it is an important issue and we have been considering it all along.

Ms. White: I thank the minister for that clarity.

I just want to put another pitch in about co-location. For me, it is a concern of an application for a licence for a retail location. It is not that someone can't own multiple businesses; it is just the concern that there could be a cannabis retail location next to an alcohol outlet with a shared wall — a shared wall, a shared passageway, whether it be for staff or customers. I am just highlighting that it is of concern for me, so I will give the minister a chance to address that.

Hon. Mr. Streicker: One of the things that is slightly different with this new act and this — it is not a new substance in any way. We all know that cannabis has existed

in our communities for our lives and beyond, but, as it becomes legalized — and, as the member opposite has noted, that is a sea change. One of the things that is different — and I am saying this for all Yukoners to hear — is that the security around the substance will be very different from how it is for alcohol. It is not that alcohol is so slack or lax, but it is just that, with the rules that are being led by the federal government and that will be upheld by us here, it will be controlled seed to sale.

What that means is that the walls between a building that contains cannabis and whatever is outside of those walls — whether it is the outdoors or another shop, or who cares — all access in and out of that place needs to be controlled. That is the rule that we are seeking to address.

It is hard to get down into — there are so many variables and so many situations that might arise. What we are talking about is that whatever that store is — wherever it is — and is there to be sold, we have to be sure that the substance that is being sold there has come through a controlled side, that it is very accounted for, and that there are both processes and materials in place to prevent the cannabis from moving through those barriers in an uncontrolled way. It is really about making sure that we control it from seed to sale. That is how we will try to deal with it, whether it is a wall between one business and another or not.

Ms. White: When I was doing my second reading statement, one of the concerns I had is a federal government issue — but I believe that the territories and the provinces both have a responsibility to lobby for that — and that is for the testing of chemicals. The example is that there are a couple of large producers, and they actually self-regulate. They are doing their own testing. In some cases, in the medicinal lines, they found that they are using very harmful herbicides and chemicals in the growing process. So I am just going to flag that, if we are talking about the responsibility of seed to sale, we are making sure that what is being sold in the Yukon is the best product with the least introduced harmful chemicals, because that will be an issue if we are talking about long-term use.

During the briefing, I was concerned about paraphernalia. If we are talking about protecting young people or vulnerable populations from exposure, even of cannabis, then I would suggest that gift stores, gas stations or book stores shouldn't have smoking paraphernalia on display. In section 80 in the regulations, I believe it is — section 80(m) talks about it. It talks about respecting sales of cannabis accessories within the meaning of the cannabis act. I had a question as to whether or not government was looking at restricting the sale of paraphernalia to licensed cannabis retailers.

Hon. Mr. Streicker: I'm going to try to give a little bit of a description about how we will do this tracking from seed to sale and how our role as a territory will dovetail with the federal role. I want to say that I don't know any system that is perfect because all systems use people at some point, and we're all lovely and imperfect, so of course there is some risk. I will say that, when it comes to how much control I see being put in place to try to ensure that the product is safe for citizens

— for example, I see less control around alcohol, I see less control around tobacco, and I see less control around food. All of those things somehow get ingested or consumed. I agree that it's important to do this but I just want to say that, relatively speaking, I see lots of productive work happening here.

The Yukon will contract with a test site for enforcement purposes so we will have a contract. Producers under licence must meet testing standards. I'm afraid I don't know off the top of my head how often that testing has to happen or what sample size is required, but I think that they're doing it to make it statistically relevant. The corporation can only purchase from legitimate licensed producers, so there are all these steps to try to make sure. I keep using this phrase "from seed to sale", and when I meet with the private sector and talk to them about this — they're on top of it as well. You are going to need a barcode and you need to track this stuff, and when you scan it, it's supposed to tell us all the history of that product — where it has gone, where it has been held, how it got parceled up — so that we can see it at all times.

With respect to accessories, there is this question about paraphernalia. There are differences out there between paraphernalia, which deals with the consumption of cannabis where it involves smoking or vaping, and the other forms of ingesting or consuming cannabis. Paraphernalia is different, and one of the challenges of cannabis is that it's both an intoxicant and something that acts like tobacco and smoke. You're trying to watch both those issues at the same time. The legislation does enable the regulation of cannabis accessories and it's also possible that the federal government can regulate through its own regulations as well. We'll watch what's happening with the federal government as we develop ours, but I also want to say that the private sector has made several comments on this issue and they make different arguments.

For example, they will say that what they might want to be able to educate the public on is how to use cannabis in a responsible fashion, and so their perspective might be that it is an important piece to this — whereas, alcohol and cannabis co-location is a more straightforward piece of evidence for us; the question about paraphernalia is a more nuanced question for us.

I am just sharing with the member opposite. Again, this is a regulation that is coming. We have not developed it or finalized it in any way, but it is different from the rest of it.

One last thing that I can say that has just been shared with me is that the federal rules around packaging of cannabis are going to be that it is sealed with an excise stamp on it in a childproof container. Once it is produced — and hopefully all the right testing has happened and we're sure what that product is, or sure to the best of our ability — then it is going to be sealed up in a container the same way that other medicinal drugs are in sealed containers so you know if it has been tampered with — you will know if it has been broken into. We won't be able to sell it if that container is broken in any way or if the seal on the package is broken. The only person who is able to break that seal is the purchaser.

We will not be handling or repackaging — I know at the very beginning when we went out to the rest of the country to look at how cannabis was dealt with, we saw some situations that we were not very comfortable with, such as where you have a big, giant amount of cannabis and someone is scooping it out into baggies or something. No, that is not what is going to happen. It will all be sealed at the producer's side and then it will be received and transported either to us as a retailer or the private sector as a retailer and that is how the public will receive it.

Ms. White: Just in reference to what I was saying, there is a *Globe and Mail* article from May 3, 2017, that says: "Banned pesticide found at medical marijuana company." It's just mostly that the Yukon has a responsibility for the Yukoners who will be consuming cannabis to be actively engaged in those conversations on a federal level. This pesticide, for example, is a known carcinogen strictly prohibited for use on plants that are smoked, and it was on cannabis, which can be smoked. That is what I was highlighting about making sure that it is safe. It wasn't about the packaging or about the repackaging or about the tampering with packaging; it was solely at the grower level.

When I'm talking about limiting the exposure of paraphernalia, I'm not — and I think the minister might be quite fascinated to know that, to the best of my knowledge, there aren't vaping regulations in the territory. It depends on the location of where you're at — people can vape and we can have a different conversation about that.

I'm not talking about things like that. I'm talking about glass pipes. I have never seen anyone smoke tobacco in a glass pipe. I'm trying to think of the terminology that is not very "street", but I'm thinking about all those products and I'm thinking about the products that I have seen in gas stations and in gift stores and how, to me, that is not going to be used for anything except for cannabis. In my mind, it doesn't talk to you about smoking. It's not pipe tobacco that it is being encouraged — it's for cannabis. When I talk about limiting the exposure — we're talking about youth and we're talking about youth at risk and as they age and all the rest of it — it would seem to me that there is the ability within the regulations to actually say, "Okay, from this point forward, specific cannabis paraphernalia will only be sold in licensed retailers."

So that is my pitch. I'm going to put it out there. I would like to not have the conversation with my 10-year-old nephew at the gas station about what that is, right? I don't want to say that it's a planter. Yes, it's an opportunity for education, but at 10, I feel like I don't have to have that conversation, so my pitch is that in the regulations, section 80(m), as was highlighted by me — and now there is a star and it is highlighted — that there is the ability to limit where paraphernalia is sold. I am going to put that on the table, and I will move on.

We have a lot about siting and co-locations. This is another one for me. The conversation has changed a bit publicly, and that is totally okay. There is no criticism on my side. I think that if we are talking about once regulations are in

place and then government is only looking at e-commerce and being the distributor of cannabis — that is fantastic. I have no qualms about that. The question that I am concerned about is that I want to ensure that government itself is not contracted out — that it is always government that is responsible for distribution. That is, the importation of cannabis into the territory and the redistribution of that to licensed retailers. I just want to know where government stands on being the distributor.

Hon. Mr. Streicker: I will go back to add a couple more pieces of information. Regarding pesticides, let's say that they do get missed in the testing process and they do somehow make it into a product that makes it into a store, one way or the other. The supply agreements that we have with the licensed producers will have recall provisions. If any pesticide which was — can I just say that some pesticides will be used I'm sure in some of the production? I don't expect all cannabis to be grown organically, but if it is a banned pesticide — something that is found — then it will be recalled.

I just want to say that it is correct that some pesticides are carcinogens. I think to myself that just to try to alleviate the fear that might be out there, it's also correct right now that if cannabis is grown illegally, there can be banned pesticides — carcinogens — used on those products and we have no way of knowing — zero. If it is found, how are you going to trace back to find where that cannabis came from? If we had that, then we wouldn't have illegal cannabis, which we clearly do.

I think that what we need to talk about are the relative levels of risk that we are trying to deal with here. We have systems in place with which we will do our best to identify it through regular testing. If it is found, we will deal with it. But that doesn't mean that it will always be perfect. I wish that were the case. I just want to say that, relatively, I believe it will be much better and that people will have a lot of assurances.

Let me move on now to the next point in question. I thank the member opposite for putting forward her suggestions and her positions, and also the members of the Official Opposition. It is great to hear those points. We have written the legislation in such a way as to allow for government always having a role as the body that is controlling the substance because it is an intoxicant. It must be government that purchases the product and has it brought into the territory for retail sale, but we may, for example, contract out a company to deliver it to us.

It is also possible under this legislation that we could subcontract or contract out the role of warehousing, for example. That is possible. However, when that gets considered, when you consider those choices — the choice of the warehouse being controlled by us or not — we will always have to have the responsibility to ensure that the product is safe and controlled.

Supposing we were to contract it out and we asked, as the legislation was being developed, to provide flexibility for opportunities in the future. However at this stage, our point of view is that we want to ensure again — I'm just going to

come back to our two primary goals: (1) we reduce the illicit trade; (2) we protect the public's health and safety, with a focus on youth. For us to control or to have staff deal with the warehouse side of this, we believe will allow us to: (1) ensure greater public health and safety; and (2) result in less opportunity for illicit trade because one of the ways in which illicit trade might come into the system is if someone starts selling product or distributing product that hasn't come through the controlled system. That's one of the risks that sit out there and we need to watch for that and be careful about it.

I'm trying to be up front with the member opposite to explain that the act provides those possibilities, but that is not our intention.

Ms. White: I'm just going to need a bit of clarity with that last statement. The minister said that he believed that the safety of warehousing was stronger under government, but then I'm trying to figure out if he just said that he was looking to a future of contracting out that warehousing — although he did just say that warehousing was viewed as stronger and safer under government.

Hon. Mr. Streicker: Thanks for your indulgence. Our intention is to be the distributor and that we will bring the cannabis into the territory. We will ensure that it gets out to the retail.

At first, as has been noted here again today, the retail will be a government-run store for the interim, but it is our intention to phase that out as we phase in the private sector.

The act allows for the government to be the controller of that. It is possible for the government to contract out those pieces — for example, warehousing — but that is not our intention. Our intention is to be the group that does the work of warehousing.

Ms. White: I thank the minister for that clarity. I'm just going to put it on the record again that I don't disagree with the way liquor is brought into the territory by the Yukon Liquor Corporation — the way it's warehoused, stored and distributed out. I hope it will be the same for cannabis in that it is never contracted out for warehousing. I understand the companies bringing it in — and I don't mean that a government employee needs to drive to British Columbia and go to a warehouse to bring back the cannabis. I mean that once it's within the territorial borders and once it has been delivered, I want government to be in charge of that distribution aspect.

So I appreciate that we have just talked about how warehousing could happen. It could be contracted out in the future. I'm just going to put my concerns on record that I don't believe in the privatization of alcohol any more than I believe in the privatization of cannabis. I believe that there is a role and a responsibility for government. So my concern is that if different aspects of that get contracted out, the roles and responsibilities of government can soften. I think that we have a role and we do have a responsibility.

I will move on from there.

The minister talked about recall provisions, which I appreciated. I found it fascinating during the briefing where it was explained to me what could happen to that cannabis when

it was recalled. I'm just totally drawing a blank on my vocabulary, Mr. Speaker — it's not the "destruction"; there is a fancier word than that — but if cannabis meets its use-by date and it hasn't been sold or if it's illegal and it's being recalled or if there's a problem with it and it's being recalled, what will the corporation do with recalled cannabis?

Hon. Mr. Streicker: I'm not sure if I know the appropriate word here, but I will just refer to it as being safely disposed of.

First, let me back up for a second. Again, I appreciate the points of view of all Members of the Legislative Assembly in sharing their differences. I acknowledge that we may have differing points of view.

On the point raised — for example, I appreciate the intent of what is being passed across from the member opposite about wanting to ensure that government retains the control. However, in practise, the world changes quite a bit. I have seen pieces of legislation since I've landed here that are decades old. In decades, many things change.

For example, e-commerce may overtake, in which case, we may not need a warehouse at all. If it got to the point where it was an on-demand type of system and someone says, "I would like to receive this product", and they were able to have it delivered in such a way — I don't know. I am not trying to be a fortune teller. I am saying that, when we developed the legislation, it was with the notion of being flexible to allow us to deal with future developments that may happen in time. I just give that as an example; it is not that we have an agenda around this topic. It was to prepare ourselves for possibilities.

When it comes to disposing of cannabis for whatever reason — a seal broken or something has been recalled — we are in talks with other jurisdictions to discuss best practices. We know that one of the methodologies will be that it is returned to the place of production, especially if there is some problem with that cannabis in particular. There are some jurisdictions that are contracting out destruction or the disposal to a third party. I have heard of methodologies of composting, but it has to be very controlled because you can't just leave the stuff lying around. We don't have a procedure in place as of yet. It is one of the things that we will be developing, and we will also ensure that, however the product is disposed of, there will be procedures and documentation to show how it was disposed of, because, again, it has to be part of that overall seed-to-sale system. There needs to be the ability to show anyone — including the regulators — that this is what happened with that product. It will be carefully controlled.

Ms. White: In a quick look across jurisdictions, the only jurisdiction in Canada that I can find that has privatized the sale of liquor is Alberta, and it talks about how there are over 400 businesses that bring it in and distribute it out to 2,000 organizations. That is a cautionary tale to me, having been to Alberta, including ridiculous things like Joe's Discount Liquor Mart. I believe that there is a social responsibility aspect, so I will just leave it there — distribution, government responsibility.

One of the things that we have talked about a bit is the responsibility for private retailers. I have some questions about what that is going to look like. I did the Serving It Right certification in British Columbia to be a bartender, and it put the fear in me, Mr. Chair, of what could happen as soon as someone left the bar and before they got home to bed — that you would be left liable and responsible. I think it is really important. We have talked about how the Yukon-run retailer will have that training, but what I want to know is what — I don't need to know what program, because at this point in time, it probably hasn't been decided — kind of training are we expecting for people who will be doing the sales of cannabis.

Hon. Mr. Streicker: Again, just in response to this notion, I want to say that regardless of what the model is — private or public — I agree with the member opposite that social responsibility will always be an obligation that we have. The Alberta model — I don't want to comment on it too much because I'm not sure that we're shooting for one or the other.

Let's say that we are able to bring in a private retail here in short order as we get regulations in place, and that we phase out government-run private retail. We must ensure that we maintain social responsibility and that those licensed retail locations are abiding by all the rules that we have brought in place around cannabis — or alcohol, for that matter.

On to the question about what type of server training there will be or what type of retail training there will be — I did sort of list it off a little bit earlier. I'll give it again here. It's going to have information regarding potency and intoxication, forms of use, effective use, health risks, differentiation between medical and non-medical cannabis to ensure that retail staff are not providing medical advice or information, recognition of intoxication and awareness of the national low or lower risk cannabis use guidelines. We will work closely with the chief medical officer and the Department of Health and Social Services. We will also have training about methodologies to ensure that cannabis is sold to individuals 19 years of age and older — so how we check for ID and how individuals ordering cannabis online for delivery or pickup or purchasing at retail stores are ensured to be 19 years or older.

Ms. White: Just to make this easier for the ministers, I'm looking in section 3, which is "Dwelling-house". So subsection 3(3) — "The following structures and parts of structures are not dwelling-houses..." — but then in (d), it says: "a rental unit, within the meaning of the *Residential Landlord and Tenant Act*, or a room described in paragraph (1)(b), to the extent that a legally-enforceable prohibition or restriction, in writing, on the consumption, cultivation, propagation or harvesting of cannabis is in effect in relation to the unit". That is just (d). I'm going to start with that one.

So mobile homes — mobile homes are viewed under the *Residential Landlord and Tenant Act* as rental units. You are a renter when you own a mobile home unit because you rent the pad of land from a landlord. So I wanted to know how subsection 3(d) would affect a mobile-homeowner.

Hon. Ms. McPhee: I think the best way to answer it is this way: for the purposes of the *Residential Landlord and Tenant Act*, there is nothing in that piece of legislation that indicates that there are specific limits on the right of the landlord of a rented pad or the site to prohibit activities by an owner-occupied premises — if I explained it properly. For the purposes of that piece of legislation — the *Residential Landlord and Tenant Act* — an individual may be considered a tenant because of the pad-rental relationship with respect to the owner of the pad, et cetera, but there is nothing in that piece of legislation that prohibits owner-occupied activities within the home that is owned by an individual.

Ms. White: I thank the minister for that. Just to follow up on that, does that mean that there could not be a clause within a rental agreement that says the consumption of cannabis can't happen on the property?

Hon. Ms. McPhee: I am certainly going to make my best attempt to answer this without giving legal advice here on the floor of the Legislative Assembly. I am not able to do that. The intention is that an owner of a pad may be able to say, for instance, that, with respect to the surroundings of the mobile home, they could restrict activities, whether it is plants in the yard or activities like smoking in the yard. But, in fact, the homeowner owns the mobile home, and activities that take place within that home could not be restricted by the landlord of the pad.

Ms. White: I thank the minister for that answer. I am going to keep that one in my back pocket because I know that, at some point, someone is going to contact me about this issue. I do appreciate the answer and that clarity.

In subsection 3(3)(e), it says: "... a part of condominium property, to the extent that a bylaw applying to the condominium prohibits or restricts the consumption, cultivation, propagation or harvesting of cannabis". If we lived in an apartment building that was a condominium and we shared a hallway and door access to that, I would absolutely understand that there would be a restriction of, for example, smoking tobacco, and therefore the smoking of cannabis, because we share air. Air circulates from one unit through the hallway and gets recirculated in the building. Being the MLA for Takhini-Kopper King, I have a condominium owned by individuals who share no common walls. They do not share common air, and there are individual properties on a piece of land. That would be Condominium Corporation No. 69, which is all trailers. We could look toward Falcon Ridge where there are individual houses on pieces of property, although they are condominiums — they pay a condo fee and have a condo board. I want to know what restrictions could be placed on the owners of condominiums in those situations.

Hon. Ms. McPhee: We certainly appreciate that this is a question of interest with respect to the new legislation and the bill that is before this house. The *Cannabis Control and Regulation Act* provides that existing legal prohibitions against smoking and tobacco will also apply to smoking or vaping cannabis in both rental properties and condominiums. That makes sense. The *Condominium Act, 2015*, which

provides a regulatory framework for the use and management of condominiums and their common areas — so condominium corporations need to comply with that as well. The *Residential Landlord and Tenant Act*, as I mentioned a moment ago, provides for the rights and obligations of landlords and tenants with respect to use and management of a residential rental property, so there can be restrictions there.

With specific reference to condominium corporations — and I appreciate that there is a difference between apartment style — I will call them — and townhouse style — if I can make that reference. The authority of the condominium corporation or a landlord, in the case of a rental, to apply prohibitions related to the consumption or cultivation of cannabis depends largely on the facts of each case, including the type of property — so, townhouse versus apartment style.

A condominium corporation of a condominium consisting of multi-unit buildings may prohibit consumption in individual units, as I think the member opposite has said, or understands. That would be the case for smoking and vaping as well as cultivation because of property use and the shared air systems. This prohibition could occur if the purpose of the prohibition is to prevent damage to property, as I have noted, or unreasonable interference with the use and enjoyment of other tenants. It is not expected that a condominium corporation could prohibit consumption through ingestion. This makes common sense, as it is unlikely to damage property or have any effect interfering with the use and enjoyment of other individuals in their property or in their condo units.

Generally, a landlord may prohibit consumption through smoking and vaping as well as cultivation. That might be a landlord in a rental property, or it could be a condominium situation. If they were entering into a new tenancy agreement — some of this will be based on existing renters and what their prohibitions are, if there are any, in their property and what an owner of a rental property might want to enter into with a new tenancy agreement, or with the consent of the tenant. If I currently live in an apartment building and this becomes legal and my landlord wants to prohibit the use in an apartment, they might come to the individual tenants and ask them to consent to that. It is not expected — and this is an important piece — that a landlord could effectively prohibit consumption through ingestion in any way. It is simply not practically possible. Such a prohibition with respect to ingestion would be, of course, very difficult to enforce.

I think the short answer is that if you are not interfering with the enjoyment and use of a property — interfering with anybody else's common enjoyment and use of that property — and your condominium corporation, which has authority to make rules for use in your property does so effectively, or does so with the consent and common will — if I could say that — of the owners, then they will be able to prohibit, depending on the property use.

Could a condominium corporation — I think this is where we are going with your answer — put in rules that indicate that in a townhouse style you're prohibited from doing certain things? I think they can do that because of the structure of the

joint ownership of the condominium corporation, but enforcing that is maybe another question depending on whether it's smoking in your yard, because lots of those townhouse-type situations have small yards so it might be that a condominium corporation goes down that road, but they do have the authority under the *Condominium Act, 2015* to restrict certain behaviours or certain activities in the condominium corporation properties.

Chair: Would members like to take a brief recess?

All Hon. Members: Agreed.

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

Recess

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

Ms. White: I think, with the last reading, we were able to see the Minister of Justice's former career, which is as a lawyer because, although I didn't have the document in front of me and I like to consider myself a fairly proficient listener, I was wondering if she could give me back the answer with less legalese, so that, as I'm listening, I can pick up on what we were talking about.

The question I asked before was about rules in condominium corporations and, specifically, I was talking about ones that did not share air or walls — so individually standing on lots. She had a document, which sounds really great, but I don't have the document, so I was wondering if she could give me a second go with less legal language.

Hon. Ms. McPhee: I pride myself on not using too much legal language so I clearly failed at that today.

The short answer is that condominium corporations have the authority to make rules about what happens in their condominiums, whether they be a condominium situation like an apartment building where there are shared hallways and lobbies or whether they be condominium situations that are townhouse style. I suppose the one I'm thinking of at the top of Copper Ridge is actually stand-alone homes.

Despite the form of those units, condominium corporations have the authority under the *Condominium Act* to make rules, bylaws and/or declarations or other things to affect the owners' use of those units. They will have the authority — let me just say, there's nothing in this piece of legislation, the bill that we're talking about, that will affect that. Their authority exists under the *Condominium Act* here in the Yukon Territory and that, at least at this point, will be in force and effect and they will be able to do that.

I may have confused things by talking about landlords and tenants — I didn't mean to — but clearly landlords also have the authority to restrict the types of activities in a unit they might be renting to someone, whether it be a house with a yard, whether it be an apartment, whether it be a mobile home or something like that. Individuals will need to speak to their landlords and make sure that they fully understand what

is permitted and what is prohibited, should they be a renter of property.

Ms. White: Just before I go on to renters, I'm just going to go back to condominiums. During the briefing, there was, in the plethora of people, there was also another representative from the Department of Justice. I loop back to this issue quite a lot as your officials can tell you because I was trying to work my way through how this could happen — and I don't know the language because it was a legal term and I didn't write it down, but essentially I'm just looking for a correction — because what I was told is that, if it was a rule that hinged on someone's freedom or ability to use that space — if it was challenged, it wouldn't stand up. I'm not talking about the condominiums that share space or that share that air space, but I'm talking about those individual buildings and then the consumption of cannabis through smoking or whatever choice someone has in those units. There was very specific language — I totally have lost it — but I am just looking for that clarification.

Hon. Ms. McPhee: I am going to talk about condominiums first because there is a slightly different situation if we are dealing with rental properties.

With respect to the *Condominium Act, 2015* — as I have noted the current *Condominium Act, 2015* contains provisions that prohibit any activities in any unit that are likely to damage the property. That might be how a condo corporation might try to prohibit the use of cannabis or the growing of plants. If the by-products of smoking or vaping cannabis — the member opposite has mentioned odour or dispersing smoke or potentially dispersing THC from one unit to another or into common elements — it is our opinion that an outcome could be that this would reasonably interfere with somebody else's use or enjoyment of the property and that activity could be prohibited either by a condo corporation setting up rules or by a declaration. When individuals purchase condominiums, they sign a declaration.

It is a fundamental document with respect to what is permitted use in the property, but law has evolved such that there has been challenges to some declarations because of — for example, we might have sort of a morals clause where a condo corporation is trying to unreasonably prohibit activities that might happen in a condominium and those have been challenged in law.

I have been talking about bylaws because generally that is the way the condo corporations regulate behaviour of their owners. Bylaws in this situation would be easier to change than a declaration. If a condo corporation or owner decided to put in a declaration with respect to use of cannabis, that would be very difficult to challenge. It would be easier to challenge the implications of bylaws — or easier to change, if I could say it that way, so individuals might decide to get themselves on the condo corporation board and have a change of plan. Examples that have been put into declarations in the past that have been challenged are, for example, no divorced people — those sorts of questions of morality, which are I hope long gone, but certainly have been a challenge in the past. Or

maybe they would say something like “no single people” or something to that effect.

Perhaps I should emphasize that a declaration is perhaps one option for a condo corporation to put that information in. Certainly there is sort of a common-sense, reasonableness approach to this. If I am a condo owner, and my condo is stand-alone on its own cement pad or on a basement — a small home of some kind that doesn’t have shared walls, shared airspace or shared anything — I think it’s going to be far more difficult, in a reasonable way, for a condo corporation to restrict any activity there.

The yard perhaps is a different situation in a condo situation because the “dwelling-house” in this piece of legislation is defined to include the area surrounding that “dwelling-house”. In that same example, if we are thinking about the condominiums up in Copper Ridge that are small, little houses with little yards attached to each other’s small, little house and little yard, it may be that the condo corporation can and probably reasonably will restrict the use of cannabis in those outdoor spaces because it’s all about interfering with the reasonable enjoyment of the other property owners. That is kind of the measuring stick. That is what the *Condominium Act, 2015* says is the measuring stick and that is what condominium owners and condominium boards of directors and community groups are going to have to wrestle with.

Ms. White: I apologize to the minister because, first, I told her I didn’t want the legalese and then I was, like, but there’s legalese and I don’t know what it is. I appreciate the “unreasonably prohibited use” and that conversation around that because that makes sense to me.

When we were getting the briefing, I underlined multiple times the founding declaration, so I could understand — for example, in Takhini-Kopper King, there are two condo corporations that are for people aged 55 and older. They’re condos for older people. They are not that old — to everyone in the room — they are just older than me.

I have had friends who rented a unit and they inquired and they said they could rent the unit, but if they decided to have children they would have to move because they wanted it to be an adults-only space, which I understand, but they knew what they were getting into when they got there. They decided to have children and they moved.

If it’s in a founding declaration — for example, it’s a community based around a substance-free area, then you know what lifestyle you’re building into. Some of the concerns when I raised this initially were if you’ve been in the condo for five years and these have been the rules and then to have them changed. I just thank the minister for the clarity and for that.

From my perspective around renting, I believe that a landlord is able to restrict. I don’t think that you should be allowed to smoke tobacco in a place if you get told not to smoke tobacco because of what it does to paint and walls and conditions and I believe the same would go for cannabis. If the landlord said they didn’t want you to grow your maximum of four plants in your closet, then that would be something

that you would have to respect as well. If the minister wants to elaborate on the renting — but I believe that we’re on the same page for renting, which is that the landlord has the ability to restrict that. I just really wanted to clarify mobile homes and condominiums.

Hon. Ms. McPhee: At the risk of causing any of us in here today to laugh — we’re not allowed to laugh because it starts coughing — the question has been brought to me: What about if you’re over 55 and decide to have children? Who knows?

With respect to the mobile homes — I’m not sure if I should clarify this again, but I’m happy to do so. Clearly this is going to be a challenge as the member opposite has said. When it comes forward, someone will ask this question and there will be an opportunity for us to deal with it as departments or as this piece of legislation comes and grows and we make determinations about how it’s being interpreted. However, depending on the wording of a prohibition of a tenancy agreement, clearly mobile-homeowners who are renters can be restricted in the same way that the member opposite has noted where a landlord can restrict other types of rental units. But I want to clarify that it’s likely that a landlord of a mobile home site can — it’s possible that they can prohibit smoking and vaping and cultivation or even cooking in an owner-occupied mobile home on a site at the beginning of a tenancy if they choose to do so, or during a tenancy, as I have said, with the consent of the tenant.

I think that outdoor spaces are probably up for interpretation. Quite likely, as the pad owner, they might be able to restrict activities outside that home, but the owner of the mobile home would in fact be permitted to do things that do not interfere with the quiet use and enjoyment of other people’s property nearby. If it were the case that the pad owner tried to restrict activities of an owner-occupied home, it is certainly questionable whether the landlord of the pad rental could meaningfully enforce such a prohibition. It would be fact-specific, as clearly all of these cases as they come forward will be. We’re trying our very best with a common-sense approach and, of course, we are regulated and required to comply with the *Residential Landlord and Tenant Act* and the *Condominium Act, 2015* — they’re already regulating these activities.

Just to be clear to those listening — and we certainly have gone back and forth on different parts of this bill and this piece of legislation — there is nothing in this piece of legislation that deals with these specific issues, which is what I was trying to say earlier, which is that there are other pieces of legislation that regulate these behaviours on behalf of owners of property and renters of property.

Ms. White: I thought I was there and then I have gone off the garden path again.

I am not talking about someone who is renting a mobile home owned by someone else, because that is a rental unit. If I own the mobile home on a piece of property that I rent from another person — my lease is signed, because I just had to sign on a new lease and it doesn’t have a restriction of the consumption of cannabis within my home — if that mobile

park owner brought forward a new lease the next calendar year and added a clause that said “no consumption of cannabis on-site”, what would my rights as a mobile-homeowner be?

Hon. Ms. McPhee: I didn’t mean to muddy the waters. The *Residential Landlord and Tenant Act* regulates the relationship between renters and landlords. In some instances, the landlords of a rental pad have certain rights and responsibilities to owners of a mobile home, but there is nothing in the *Residential Landlord and Tenant Act* that specifically limits the right of the landlord of a rented pad or the site — let me just say the landlord of the site — to prohibit activities in an owner-occupied mobile home on that site.

I am going to stop there.

Ms. White: Eureka, Mr. Chair. There we go. I understand now and I appreciate that.

At this point, that is it for the questions I have in general. I have a lot of questions as we go through; I will be repeating some of it, but I think it is important that we have that conversation as we go through the line-by-line debate as to why the language is chosen or what this part means.

I thank the ministers for their engagement today and, of course, I thank the staff who are here both in the Assembly and in the Chamber watching. Thank you for the time and the answers.

Mr. Cathers: I would like to begin my questions here this afternoon. I would like to thank all the officials who have been involved in preparing this legislation and briefing us as well as preparing the government’s response to the legalization of cannabis.

In beginning my remarks this afternoon, I want to note for the record and for any Yukoners who are just tuning into the debate today, that, again, the position that we have taken as the Official Opposition regarding legalization is that we recognize that this is a topic on which there are strong views, and that there are Yukoners who are strongly in favour and Yukoners who are strongly against it. We respect the views of all Yukoners who support it as well as those who do not. We have taken — and will continue to take — the position that since the federal government is proceeding, it is the job of the Yukon government to prepare to responsibly regulate it once it is legalized and to handle it in as responsible a manner as possible.

We are going to continue to ask questions in the vein where we believe that the government’s current plans to grow government and to expand into the areas of retail and distribution is, in our view, an unnecessary expenditure of taxpayers’ funds and, specifically, in the \$3-million line item that is included in this year’s budget. The \$2.7 million of that which is allocated for cannabis inventory for the first four months of operation is, in our view, a completely unnecessary expenditure of taxpayers’ funds and is placing those funds at unnecessary risk by getting into this inventory, especially since there are Yukon companies right now who would quite happily, if given the opportunity to become legally licensed, would themselves take on that responsibility for the costs.

In beginning my questions this afternoon, I just want to again set the context and note that we believe that the

appropriate model would be for government to allow for the licensing of small businesses in compliance with the act and regulations, and that rather than entering retail, government should instead begin with a model that allows licences to be issued and places some onus on the applicant to demonstrate that they can operate safely. To that end, I would note that an example of where not only is this type of approach used in other areas of the Yukon government — as I mentioned during debate on April 5 — I would point as well further to the east, to the Province of Saskatchewan. Saskatchewan is allowing for the wholesaling and retailing of cannabis that will be regulated by their Liquor and Gaming Authority, and it allows for the private sector wholesale and retail of cannabis. It also includes a process, according to the documents that the Saskatchewan government has included on its website, that part of the application process for a retailer includes screening for a demonstrable financial capacity and the ability to track and report inventory movement through the supply chain. That, for the reference of Hansard and others, is according to the backgrounder set out with the press release issued by the Saskatchewan government earlier this year — I believe it was January 8, 2018.

Considering that, as we have debated the issue of whether government needs to get into the business of the retail of cannabis and wholesaling, I would appreciate an explanation of the government on this. Considering we have heard from the Minister responsible for Yukon Liquor Corporation a number of times the indication that he believes government has to be responsible for wholesaling because of cannabis being a controlled and an intoxicating substance — it says very clearly on the Saskatchewan government’s webpage and the press release issued by the government under, I believe, the Minister responsible for the Saskatchewan Liquor and Gaming Authority — the Hon. Gene Makowsky — that the Saskatchewan government specifically notes that cannabis wholesale and retailing will be conducted by the private sector and regulated by the Saskatchewan Liquor and Gaming Authority.

The question for whichever minister wishes to answer it is: Why is this possible in Saskatchewan, but allegedly not possible here in the Yukon?

Hon. Mr. Streicker: I thank the member opposite. Like him, I agree that there is a diversity of views on cannabis across the territory, and we have heard from a lot of Yukoners. It’s terrific to get to hear so many perspectives. I think, like him, we also are seeking to respect the views of all. Of course, that doesn’t mean that all views will be able to be upheld with the decisions, but we do respect that there has been such a great range of views.

INTRODUCTION OF VISITORS

Hon. Mr. Streicker: Mr. Chair, before I go further, I should just acknowledge that we have a visitor in the gallery. It is Mr. Jordan Corbeil, who is someone interested in the production of cannabis here in the territory, with Pine Heart Farms.

Applause

Hon. Mr. Streicker: I agree also with the member opposite that it is our job to prepare, through legislation and regulations, how to handle this in a responsible fashion. I will continue to disagree with him on a couple of points. The first one is around whether we are going to have inventory here.

I'm abiding by the *Yukon Act*. That is where this is laid out — that intoxicants will be controlled substances. That is where we start. I appreciate that other provinces may choose to privatize the warehousing side of it, et cetera.

I haven't looked into their authority and how that sits, and I also don't know their progress in development. Ours here, as we have said, is that the team — several of whom are here today — has been working extremely diligently on the progress of this. It is a new act, a significant act, and I know that they have begun work now on regulations and we will work as swiftly as possible to bring those forward in a timely fashion. However, I don't anticipate having those regulations in place by the time the federal legislation is enacted, which means that we have to take a choice about whether to wait and leave the marketplace vacant for a bricks-and-mortar store, or to step in and develop that bricks-and-mortar store. I appreciate that the member opposite believes that we should not develop a bricks-and-mortar store and that we should just leave that vacant for the time being, but that's not our opinion and so we have a difference of opinion. That's all.

I have said and will say again in this Legislature that, regardless of whether we could have those regulations in place from day one and could have the private sector up and running by day one of the federal enactment of this legislation — that would be terrific, but whether or not it is a private retail or a government retail, we will need to purchase inventory of cannabis, so we need to buy some cannabis to sell to the citizens of the territory.

The only reason that we are buying a short-term oversupply is because we recognize that, in terms of supply right now, the only cannabis that is available on the marketplace will be cannabis that comes from licensed producers now who are supplying the medical market. Once cannabis is legalized across the country, there will be a significant demand on product at that point, so the supply chain is under pressure. As a result, we have given some direction to the Yukon Liquor Corporation to secure supply that will deal with that shortage. This is just a short-term and interim move. There is no risk to taxpayers' dollars because that cannabis will be sold at some point. Once the supply is more available in the marketplace, we will drop the overall supply amount down and we will save that money back.

I don't believe in any way that we are risking taxpayers' money. I think this is simply ensuring that there is inventory once cannabis is legalized to supply the marketplace, which in this case is Yukoners.

This goes directly to our two goals: to ensure that we reduce the illicit trade — in fact, our goal is to eliminate it — and that we promote health and safety with a focus on youth. In particular, the supply is really about trying to displace the illicit trade. We will ensure that we have a mix of products

available for Yukoners. We will ensure that our prices are competitive with the black market, and we remain committed to support the development of local industry, both in terms of production and in terms of private retail, to ensure that Yukoners have access to a range of legal product.

As the Premier has said, we are looking to get out of the business of doing business, and I am happy to help us get there as quickly as possible.

Mr. Cathers: I appreciate the minister's answers but I do have to take issue with the fact that the government is claiming, as one of their new talking points, that they want to get out of the business of doing business. If you are actually serious about that commitment — if it is not just a platitude — a good step for getting out of the business of doing business is to not enter further into the business world by expanding into the retail of cannabis or other areas. I appreciate that we seem to be hearing now from the government — and I would appreciate it if the minister could confirm this — that they intend their entry into the retail market to be temporary and ultimately that government plans to step out of the retail market and allow the private sector to do this — if the minister could please confirm that point.

A question that I asked the other day that I didn't receive an answer to from his colleague — I would I hope I could get an answer about today — is: If government is committed to only temporarily being in the retail business and is committed to exiting that market, what is the timeline for when government expects to have shut down the government retail here in the territory?

I heard from the Minister of Justice on April 5 that government was not expecting to be in a position that it would allow private retail until a year, or maybe a year and a bit, from now. What I didn't get in terms of an answer is: If it's going to be a year or so until the private sector is allowed to enter the retail market and government is only going to temporarily — we hear — be in the retail market, what is the timeline for getting government out of the business of cannabis retail?

Hon. Mr. Streicker: I will attempt to describe the steps that we have taken in order to try to ensure that this is an interim measure. I will do my best to help the member opposite and Yukoners understand that this is a commitment that we are making. This is serious. The adjectives that are being used from across the way are not how I would characterize it, so I will just stick to the point that we are serious about this.

Just last week, the Premier, the Minister of Economic Development, the Minister of Justice and I met with a potential private sector retailer. That is a meeting with over half of Cabinet. We spent more than an hour — and we started it off with the Minister of Economic Development making a commitment to work with the private sector to support them in developing this industry, this avenue — not with this one retailer in particular, but in general. We talked about the timeline. We had a discussion with them. I'm not going to be able to stand up today and say that it's going to be Tuesday or Wednesday or give an exact date. What I will do is describe

the steps that we are taking in order to ensure that we can move this forward as quickly as possible.

The issue around that is — we need two things. We need the regulations and we need the licensing procedures. Once those two things are in place, then we can start to move with the private sector.

When are we going to get the regulations done? Well, I can't give you a date, but what I can say is that we have already begun work on developing those regulations. We have had great conversation with Yukoners. We have had great conversation with the private sector. We have tried to have a very open-door policy with them and keep them informed about what is going on. We have had a lot of feedback on regulations and so we are in the development phase now.

Concurrently, we will be developing licensing procedures, although we will need a little bit of time, once the regulations are finalized, to then finalize the licensing procedures. After that, there is a period of time in which we will open up to the private sector to apply for licences and have an intake for them to go through the licensing process, which is defined by the act itself, so we can see that timeline.

Let me just finish off by talking about what the steps are that we are taking in order to ensure that this is an interim measure on our part.

Number one, we are looking for short-term options around the retail space that we are seeking to provide. We are looking for it in staffing. We are using interim staffing measures so that we're not establishing staff with the expectation that they will continue on indefinitely. As we design the space and work with the private sector to help us design the space, we are looking at more mobile units so that at some point, once we get out of the business of doing business, then we can just possibly put those materials up for sale for a business that might wish to take it over. There are all sorts of ways in which we have been discussing how we can ensure that this is an interim measure.

I know that the member opposite is suggesting that we should not enter into that role at all and I appreciate that is his perspective. However, our perspective is that we want to provide access to Yukoners so that they can purchase cannabis. We have done some investigation to look at the difference between e-commerce and brick-and-mortar commerce. Bricks and mortar are still the dominant delivery method for sales across the country. We don't expect it to be any different here and so, as a result, it's our belief that if we do not open a store, what we will do is leave the illicit market in place, thriving. We don't like that. We don't like the black market. Our goal is going to be to replace the illicit trade as much as possible. I have listed off our two priorities; it's one of two. So clearly, our belief is that we want to begin to do that work.

I have also said here in this Legislature that part of that is to help Yukoners to understand what it is that we are discussing, that there are a lot of unknowns out there. Many of the strong views that the member opposite was discussing are coming with concerns from Yukoners and they want to see this managed in a very responsible fashion and they want to

understand how it's going to work within our society, and I think that is one of our jobs as well.

I again appreciate that the members opposite — or at least the Member for Lake Laberge — believe that we should not have a government store once cannabis is legalized; however, it will not be possible to have the private sector in place at that time, so the choice is either we open a government store or we let the black market continue. We choose to open a government store for the interim.

Mr. Cathers: Again, there is another option. This government is simply choosing not to take it. It's the view of the Official Opposition that the free market beats the black market, including when it comes to the area of cannabis retail.

I do again just have to point out to the minister — I know that I'm probably not going to change his mind or that of his colleagues — that the simple fact is that every time ministers stand up and say that it's not possible to move forward with private sector retail now, the reality is that in the Province of Saskatchewan they are doing exactly that. Saskatchewan, just like the Yukon, also has challenges in terms of implementation, but in Saskatchewan — and again, I will quote their press release on January 8, 2018: "Both wholesaling and retailing of cannabis will be conducted by the private sector and regulated by SLGA." SLGA is an acronym for Saskatchewan Liquor and Gaming Authority.

While the minister is talking about the challenges of dealing with this, I have to point out that, according to the Government of Saskatchewan — on their website — they are expecting to issue approximately 60 cannabis retail permits in up to 40 eligible municipalities at the outset of legalization. The Yukon, of course, doesn't even have 40 communities.

What we are seeing here is the minister standing repeatedly and telling us that, "Well, we just can't proceed down this road. You are just asking for more than is possible here." The reality again is, in pointing to the fact of exactly what the Province of Saskatchewan is doing and what they are proceeding with, we have given a few examples of how we could do it within the Yukon structure. The government could, I am sure, receive information and advice from the Province of Saskatchewan.

Ultimately, a big part of our reason as the Official Opposition for arguing in favour of private retail and distribution is to save cost to taxpayers — allow the private sector to take on the risk and the opportunity and have government do just what government is doing in Saskatchewan, which is taking on the role and responsibility of regulating the licensing and sale of cannabis — both in the wholesale and retail areas.

We have heard government talking about wanting to ensure access in all communities, except they aren't actually allowing it in communities. In our view, the government's plan is actually insulating the black market in rural Yukon communities during the year and a bit before private sector retail is allowed. They are mandating through legislation that in rural Yukon the black market will effectively be protected from competition with the free market. It is important to note that point — that as long as government does not allow a

bricks-and-mortar retail option in Yukon communities, which we believe they can do simply by allowing companies to be licensed in a manner similar to how licences are issued for the sale of liquor — by government choosing not to go down that road for a year and a bit, the ministers would have us believe that they are taking a precautionary approach. In fact, what they are doing is unintentionally protecting the black market in rural Yukon during that year where it becomes more difficult to enforce the prohibitions against consumption of marijuana and more difficult to determine where someone got their cannabis from, because during that time period, there is no on-the-ground retail option being made available because government has chosen to keep the door shut to private sector retail.

As I mentioned the other day — I am not going to repeat it at length, but I do have to briefly mention, just in case the Minister responsible for the Yukon Liquor Corporation has not had a chance to read all of the Blues from the other day — I do have to point out that there are other examples within Yukon's regulatory structure that allow for the potential to put the onus on an applicant to demonstrate they can do something safely. Those include that when somebody applies for agricultural land, they have to demonstrate during their application through YESAB what their farm development plan will be, which has to include dealing with questions around environmental safety. There is also the ability, when licensing a mine, to place conditions on their licence that begin with putting the onus on the company to demonstrate how they plan to do this safely.

It is important to connect the dots back to Saskatchewan. It should be noted that Saskatchewan, in terms of licensing their private sector retailers, is screening for financial capacity and the ability to track and report inventory movement through the supply chain, and that applies to both wholesale and retail. Again, there are examples that I gave of how it could be dealt with through the Yukon's regulatory structure and Saskatchewan is doing almost exactly what we are arguing for, which is putting the onus on the companies who are applying to get into retail business to demonstrate that they can safely manage the supply and the inventory. If they do so successfully, the Province of Saskatchewan has created the ability to issue that private sector retailer a licence.

I am just going to move on to another couple of specific related issues. I appreciate the Minister responsible for the Yukon Liquor Corporation talking about the consultation that makes reference to comments that were supportive of a hybrid model, but a very important piece of information that government didn't include in the consultation was the rather high estimated cost of government getting into the retail and distribution of cannabis. The answer the average citizen would give to the question of: "Do you think that just government should sell it, or just the private sector, or maybe a combination of both?" is going to change for a lot of people if they are told, "By the way, here is the estimated cost in the amount of taxpayers' money — millions of dollars of taxpayers' money — that will be spent on inventory. We haven't fully costed for the costs of purchasing or leasing

retail space and we are going to grow government by adding a bunch of employees." The answer that someone would give once that information is disclosed is very likely to be influenced by that cost to the public purse.

I am going to ask the minister — again, what we have heard is the minister making it clear that government plans to exit the retail market once they get into the business of doing business in this area, contrary to their talking points. What we have also heard from the minister is that government doesn't actually have a plan on how to do it and when to do it. It is our concern that government temporarily getting into the retail of cannabis is very likely to turn into something well beyond temporary. Once government gets in, it is hard to get out.

I am going to leave that point there and again point out to the minister — I am sure he is not going to give me a timeline here this afternoon while we're in debate without a chance to talk it over with his colleagues, but I would again say to the Minister responsible for the Yukon Liquor Corporation and to all of his Cabinet and to the caucus colleagues: If government is serious about only temporarily getting into the business of retail, then set a timeline for exiting the retail market with realistic steps to pulling government out completely.

Again, we think entering into retail is completely unnecessary, as has been demonstrated in Saskatchewan, but if government is hell-bent on temporarily entering the retail market — if you're serious about entering it and you're serious about exiting it — then set a timeline for exiting the retail market.

Mr. Chair, just looking for the next part in my notes — to that end, I'm going to ask the minister a few specific questions about the Liquor Corporation and getting into cannabis distribution. Can the minister clarify what the total number of new employees will be to get into the retail and distribution of cannabis, including temporary employees and, if those employees are being hired on a temporary basis, does that mean that they will not be fully eligible for benefits? Secondly, will positions associated with this be located in other government departments than the Liquor Corporation and the ones we have heard in Health and Justice?

What is the total estimated cost of the resources being directed from the Liquor Corporation to this? We have heard that the \$3-million line item in the budget won't include the cost of staffing. We don't have a total number on the cost of staffing from the government yet and we still don't have a number from government on how much it is planning to spend on getting into retail because we know that the government issued a tender seeking space for the retail store and cancelled that. The other day — April 5 — when I asked the Minister of Justice for clarification about that, I didn't receive any real content in terms of estimated costs of acquiring retail space, where that retail space might be at this point in time and whether it would be a purchase or a lease and how much that cost is expected to be since their plan A in this area was a bit of a washout and didn't succeed.

Hon. Mr. Streicker: As always, I will do my best to answer all the points in the questions, but if I miss anything I am happy to get back up.

Where to start? First of all, I would like to talk about our communities and whether they will have access — yes they will. They will have e-commerce, for example. There are many items where Yukoners have access to those items in Whitehorse, but do not have access to them in their communities. Of course, the opportunity is for someone to set up retail for those items, but it doesn't always happen — for example, vehicles, snowmobiles, appliances, furniture. Generally speaking, Yukoners come to Whitehorse for those items and so that is a question of the economies of scale, not a question of whether it is permitted or not permitted.

Yukoners will have access to a bricks-and-mortar store. The challenge and the difference between Saskatchewan and us — by the way, it's great that the members opposite are considering Saskatchewan.

That's terrific. That's one province. There are nine others. They prefer that model — terrific. That's great. Interestingly, we have stated that we're heading toward that model as well. That's great — at least on the retail side.

I have just been informed that one of the things that the RFP in Saskatchewan states is that it's subject to the Saskatchewan bills becoming law and subject to them having regulations in place. Well, the member opposite said that we don't have a plan for how to get out of selling cannabis — I think we do. I just described it to the members here. Maybe they don't believe that it is a robust enough plan, but I can go over it again.

As to when — well, I haven't given a date. That is fair. The member opposite is correct. What I have said is — I have described the criteria required to enable us to see that transition happen, and I have talked about the effort we are putting toward those criteria. Very specifically, it's getting the regulations and the licensing procedures in place. Do we think that will happen by August or September — by the time the federal law comes into force? No, I don't think it will be by then. Do I think it will be much longer after that? No, I don't think it will be much longer after that. The member is using dates in his words. They're not mine. They're not ours as a government. I have not stood up and said that it will be on this date or another. What I have said is that we are working hard to get those regulations in place. Let me say again that I thank the staff who are working very hard on those regulations. It's a lot of work and I think they're doing a great job. If I could clap, I would.

If the member opposite wants, I can go over those steps on how we are working with staff.

One of the things that the member talked about was what it's costing Yukoners. I'm going to get to that question in a second but let me first of all just talk about the staffing. I have stood up in this Legislature and I have said that the number of new, full-time, permanent staff would be less than you can count on one hand. I'm sticking with that. That is in our models of what we're looking at around for enforcement, regulation and any additional burden to warehousing — because we're using an existing warehouse and so there is not much additional staff through that — but when it comes to how we will staff any interim retail store, then we will look

first at whether there are any existing employees who want to come across for an interim and take on a temporary assignment. In terms of benefits, they would have benefits then, knowing that those are temporary assignments and that they will be phased out. If we do have to hire people, then I guess they would be casual contracts. I'm sure this is all pretty typical and normal by all of the HR policies, and we could always get the Minister responsible for the Public Service Commission to try to give a deeper answer on that.

With respect to that, the member opposite is talking about what this is going to cost Yukoners for us to be involved in the interim. Our estimate right now is that, overall, the costs will be balanced out with the revenues. While we don't anticipate the Yukon cannabis corporation, or the government store to generate revenue, we don't anticipate it costing Yukoners either.

There are so many uncertainties with our modelling around this — for example, how far we penetrate into the illicit market, et cetera — but what we are planning to do is to price cannabis to be competitive with the black market. We will have a range of products and the start-up costs that are there will be offset by the sales themselves. More or less, we see this in the initial year as not costing money. As soon as the private sector is up and running, we will phase out the government retail — happily. I don't think that this going to cost Yukoners anything.

The place where I think it would cost Yukoners something is if we didn't get rid of the black market. The reason I stand up and say this — and we will continue to go back and forth, I suppose — is that, as soon as regulations are in place here in the Yukon, we will begin to move to get the private sector in place.

Let me also note that this is also true for Saskatchewan. As soon as their regulations are in place and as soon as these laws are passed, then they will be moving to the private sector. In that sense, we are on similar paths. I guess, unlike Saskatchewan, I am not able to stand up today and say the date when regulations will be in place. What I am standing up and saying is that I know we are working hard on that and we are in conversation with the private sector. We are looking forward to them coming into this marketplace. I think this is going to be good news. I know that there are folks out there who are interested in production. Of course, that is regulated federally, but what we look for is that products are produced and sold here in the Yukon by the private sector, and we are very happy to be encouraging that.

Mr. Cathers: Can the minister elaborate more on the staff numbers? We have heard some numbers from government that have varied. The minister just now indicated that it would a number less than you could count on one hand — I think those were his words — but we have heard in the past — with the talk of staff, plus inspectors and people involved in health promotion — the indication that it was more than that. If the minister could just list the expected positions that are going to be dealing with this and the number, that would be appreciated.

I am going to note that, when it comes to the plan for government exiting the business of doing business as it relates to cannabis, I would agree with the minister that he has accurately characterized my criticism, which is that I don't think the government's plan to exit the retail market is sufficiently detailed enough to be called a robust plan.

It is my concern that, in the absence of a more robust and a clear plan to actually exit the retail market, it is a lot easier for government to expand into a new area than it is for government to pull out of that area. As it relates to retail, the point I would make to the minister is that — as anyone who has spent much time in the retail sector already knows but government may not — anytime you are in the retail business, there is always some risk. Anytime you purchase inventory or product, there are always risks associated with it — it doesn't sell as fast as you anticipate, there's product damage, there are various issues. Certainly for government laying out an estimated \$2.7 million, there is a risk that it ends up being more than they anticipate and there is a risk that they may have some problems with recovering those costs.

Again, we will continue to argue that government should be taking an approach more similar to Saskatchewan and entering into private sector retail right away and allowing the private sector to apply at the outset, rather than leaving the vacuum that government is going to create in rural Yukon, where the black market will be allowed to continue to fester because, realistically, people are going to continue to access product from the black market rather than ordering something from Whitehorse and waiting for a week or two for their cannabis to arrive in the mail.

The minister made reference to the *Yukon Act* and suggested that was the reason that the Yukon government couldn't take the same approach as Saskatchewan and had to create a distributor corporation. In looking at the *Yukon Act* here — certainly from my read of the *Yukon Act* in section 18(3), that section in the *Yukon Act* appears to say the opposite of what the minister is indicating. I'll quote from that section of the *Yukon Act*: “The Legislature may make laws relating to the importation of intoxicants into Yukon from any other place in Canada or elsewhere and defining what constitutes an intoxicant for the purposes of those laws.” That section would appear to allow government the ability to go down the same path and use the same model that Saskatchewan is, and allow the private sector to be responsible for retail, rather than creating a distributor corporation.

I am going to move on to a few specific questions related to the potential ability for Yukon producers to grow cannabis and to sell it to government. Can the minister elaborate on what the government envisions that process looking like? I understand the factor that the licences for that will be issued by the federal government, but since government — at least at this point — is hell-bent on creating a distributor corporation that everyone has to buy through, that distributor corporation will have a large degree of control of what products they buy and whether they are sourced inside the Yukon, or externally.

Can the minister elaborate on what government foresees the process being for Yukon farmers, market gardeners or

other producers in this area to be able to sell cannabis legally to the Yukon government if they have been able to get a licence from the federal government? How does government foresee doing this?

Would it be through a tendering process, through a standing-offer-agreement type of model, or some other type of structure? Would it perhaps be direct contracts to interested Yukon producers? What type of model is the minister envisioning in that area? If they are entering into contracts with Yukon producers through a direct award, a tendering process or an SOA type of process, how long would those contracts be for? Does the minister envision that they would be based on purchasing a certain volume or that it would be somewhat demand-based throughout the year depending on the amount of product of that type that is sold?

Hon. Mr. Streicker: First of all, I just will say this. This is the second time that I have heard the words “hell-bent”. That's not how I'm characterizing us. I appreciate that the member opposite may believe that, but I don't find it to be a respectful way to describe — I'll just say that.

The number of staff that we envision — I'm trying to differentiate between staff who are permanent in nature and staff who may be temporary contracts. For example, I know that there is a position through Health and Social Services that is doing some of our public education. That, I think, is likely to be a contract and not a new, full-time employee over time. I'm not sure, with the member opposite's questions — maybe some of the confusion is coming around those differences. I have stated previously here in this Legislature that the number of enforcement folks would be less than what you can count on one hand. Of course, one of our challenges is that it will be more if we're able to achieve the penetration of the legal market and displace the illicit market, because the further that goes, then the more we will need around enforcement, et cetera.

So it's a number that may be slightly variable. That is one of the challenges of saying that it will be exactly this number. On the side of sales in a store — again, it's a small handful. It's again less than what I think you can count on one hand, but those will not be full-time permanent employees. They will be casual contracts.

I agree with the member opposite that there are always risks when it comes to all aspects of retail — whether that's the private sector or whether that's government — and I agree with him that there are risks in trying to decide what amount of inventory to purchase. Of course, we're basing it on the research that was done by Deloitte and the Parliamentary Budget Officer, and by statistics here that we know about use and conservative numbers around how much we will be able to displace the black market.

Of course, there is a risk to not purchasing enough. You have risks in either direction, Mr. Chair. I will agree with the member opposite. That is why we have taken the approach of trying to use the evidence and research to ensure that we are moving forward in a logical and careful fashion.

I thank the member opposite for looking up the *Yukon Act* and noting what is in there. All I am trying to say by this is

that our intention is to control this substance because it is an intoxicant. That can just as easily get to the Saskatchewan model as it can to any other provincial model. In our sense, what we are talking about is not privatizing the warehousing — fine. We have, though, allowed the legislation to be flexible enough to allow that in the future. I don't think we are talking about a lot of warehousing. I have seen the footprint of the space that we are discussing right now, and it is pretty modest, although things are changing, and so we are trying to allow for the fact that the marketplace may change. The consumption of cannabis may change. There are things out there where we want to allow for flexibility for this government and future governments. We are committed to make the government retail an interim measure and we are committed to promoting the private sector and supporting the private sector as it comes into place. We are happy to have them displace us.

I am sorry. I have missed the question on the producers. I will just wait for the member opposite to remind me when he gets up next.

I want to talk for a second about 30 grams. These are different intoxicants — cannabis and alcohol. Mr. Chair, you spoke about this very topic — about the differences between these two intoxicants and their relationship with us as public. When we say 30 grams, this is not what you need for a weekend — 30 grams. I don't know exactly how this relates, but 30 grams is not like a case of beer. It is more like a case of spirits. When we are talking about cannabis and 30 grams, it is not that I have to call up today to get some e-commerce on cannabis and then I have to call up tomorrow because I am out. These are significant quantities, and so I don't think that our communities outside of Whitehorse will be at risk from the black market. I am going to give a different perspective on that and I am going to actually work hard with the public to try to help inform them about the legalization of cannabis and try to displace the illicit market.

Rather than basing that on concerns and fears, I am going to try to base that on rational opportunities. I do not wish to promote cannabis, but on the other hand I will try my hardest — we as a government will try our hardest — to displace the illegal market.

The last thing that I wanted to try to say — and I apologize if I have missed any of the questions from the member opposite — is that the distributor corporation is a government corporation; therefore, under the *Corporate Governance Act*, the distributor corporation is going to be responsible to the Legislature through a minister. That in no way prevents at any point the choice of whether or not to allow for private retail, nor — as I have stated — for private warehousing. However, at this stage, what we are describing is that our intention is to have a government warehouse, which is a quarter of the size of this Legislature floor. It is a small space and it is not going to take a lot of staffing or a lot of administration. The purpose of that is to ensure that the distribution of cannabis is very carefully controlled so that we can ensure that the health and safety of Yukoners is

maintained throughout, but we have left it flexible as things may change in the future.

Mr. Cathers: I would like to start by noting to the minister that when I use the term “hell-bent” to describe the government's approach, I wasn't intending to be offensive or to be insulting to the minister, so I will apologize if he took it that way. I will re-characterize it as characterizing the government's approach as being unnecessarily committed to a path after we have pointed out in great detail why that path is poorly advised.

It is an area where we are probably not going to convince the government to change their minds and avoid entering the retail and distribution of cannabis, but what I have been attempting to do on behalf of our caucus is point to specific examples of how it is being done in other jurisdictions — notably in Saskatchewan — that we believe have landed on a better model than a couple of the specific policy choices made by this government, and also outline some examples of how the Yukon government in somewhat comparable areas of legislation has established the ability that they can put the onus on a licensee to demonstrate that they can do something safely and require them to follow their own plan in the terms of their licence.

I am sure we are not going to get to a point this afternoon where government is going to completely change their minds, but I just wanted to clarify that for the minister. It was not my intention to insult him or any of his colleagues or government in using the term “hell-bent”. It was just the term that sprang to mind. I will replace that by saying “unnecessarily focused” on a path after we have demonstrated and explained in detail why that is a little biased.

I am going to ask a couple of questions related to staff. We still haven't got a clear number on staff versus contracted staff and contracts.

If government is not being clear about what the details of the plan are, it is an area where people are now starting to become aware of the high cost of the government's approach to the regulation of cannabis. Yukoners are asking us what those costs will be and how many new staff are being added, as well as whether any are being seconded from other government departments to address the retail and distribution of cannabis. So if the minister could answer the question on the total number as well as whether any existing staff are being seconded, that would be appreciated.

I am going to return to the question that the minister had missed and just ask, as it pertains to potential Yukon producers, farmers and market gardeners who are interested in supplying and legally growing and selling cannabis to government — since government under the current model that they're proceeding with is planning on all the purchasing and all the wholesaling having to go through their distributor corporation, the intentions of government in terms of purchasing outside supply versus local supply and how much have a big impact on the potential ability for Yukon farmers and market gardeners to enter into this market. Also, it affects or is very likely to affect their decision to enter it at all if they're entering and not having a clear sense of how solid the

ground is. They are less likely to take the risks and make the investments than if government gives them a clear sense of what government is planning on doing — whether government is planning on purchasing cannabis locally, how much cannabis the government is prepared to source locally, whether they're looking at specific criteria around sourcing that cannabis, whether there are certain strains that they're prepared to buy locally and others that they are not, or whether they will leave some of them up to producers to decide that.

As well, in procuring that, how does government plan to purchase that product from Yukon farmers or market gardeners who are successful in becoming licensed by the federal government to grow and sell cannabis? That includes the question of whether government is looking at buying it on an as-needed approach. Are they looking at a tender for procuring product, a standing offer agreement or direct contracts with farmers or market gardeners? How does government plan to reach the point of where a potential Yukon producer would go from the point of being interested in entering this area, knowing what the rules are for applying to the federal government to become a producer, but left with the very important question of how government will purchase legally produced cannabis? Will it be a clear and solid agreement? If so, how do you get from the point of talking about it to having that contract in place?

Hon. Mr. Streicker: I thank the member opposite for reiterating that question. I apologize that I didn't get it last time.

Let me start with staff. I'm just going to sort of paint a picture and try to describe this.

For the retail store, there will be — these are all temporary, casual contracts. These are not FTEs, but we will need a manager. We will need several clerks, depending on the number of hours that we choose. It might be between two to four. Those are flexible numbers, but that is the retail side. Of course, the store manager will double up on the clerk side as needed, so it will be pretty flexible.

On the inspection side of things and the enforcement side of things, we will need those more as the private sector gets up and running, but we are looking at one or two to start with. Again, it depends on how many we have. What we can also do is work with our liquor inspectors and do some training there. We will use resources as we have them available to us. What I am trying to do is paint a picture without saying that it will be exactly this number.

Again, in terms of the education through Health and Social Services or, for that matter, the work that is done within Justice, which would like to try to get the regulations moving — there may be some temporary contracts there. Again, they are not necessarily new staff in any way, but there is money allocated.

Let's talk about supply. In some ways, it is similar to alcohol and in some ways, it is different. The main message that I want to get out there is that we are interested in supporting local supply, so we have been working with them, both from the perspective of economic development, from the

perspective of agriculture, from the perspective of this new marketplace and what they might be able to supply. Interestingly, when we have been talking with them, they have been coming forward with suggestions about ways in which they might engage in the marketplace as well. Of course, they have ideas — they are entrepreneurs.

Let me just also frame that, under the federal language, they would be considered microproducers, given the volume. Of course, they could become large producers, but the local producers to whom we have talked are most interested, first and foremost, in our local market. Then, maybe after that, they might see themselves as going out there and competing, but it is hard to compete when you are far away from your marketplace and when our growing season is very different from the growing seasons of southern BC, southern Alberta, southern Saskatchewan and Ontario, et cetera. We see a great opportunity here locally, much like we do with our local alcohol production. The challenge, though, is that one of the things that you need to know before we make agreements and work with them is what we are talking about. It is not like we are giving carte blanche and, here, we will buy whatever you have at whatever price — no. That is one of the challenges and that is why we stay engaged with them.

Let me talk about what we are doing right now and how we imagine the transition to include the local supply. Currently we are developing supply agreements, and we will be sharing publicly in the next week or so the details of those agreements.

We have been in conversation with folks in the private sector who are interested about what we are thinking of, and those agreements are supply agreements sort of on an annual basis, but they are going to be based, as well, on demand. Again, we hope the demand is high in the sense that we are trying to displace the illicit market. There is always going to be room for local producers; we are keen to have them. We will especially look for ways in which we can support it. The ways in which we might support will never be by referring to a producer as local or not, but they will be looked at as micro or not, which is the same way in which we work with our alcohol producers. It's the difference between small and large.

We will always respect trade rules and I think it's fair to say that a licensee — the private sector — as they come in here, will want a range of products, which includes local, but is not exclusively local. It might be possible, but I think in the same way that when we go to the liquor store or to a public establishment to purchase some alcohol — buy a drink, we definitely want to see the local product, but we don't expect that this is the only thing there.

I think that those agreements will be sort of standing offer agreements with local licensed producers and the quantity will depend on the demand for the product itself. It is our hope that local producers will get a great share of the marketplace, but it is ultimately going to be driven by the public and their demand.

I just want to emphasize that we are committed to local industry and being supportive of them in the same way that we are committed to local breweries and manufacturers or

distillers here, as an example. We have established that commitment and I think that we will continue when it comes to cannabis.

I think I got the questions this time, but again if I have missed any, please, by all means, let me know.

Mr. Cathers: I appreciate the answers from the minister on that and will look forward to seeing the content of these supply agreements that the minister mentioned making available — the draft agreements — very shortly. I will, of course look at it at the time and analyze it, but I do appreciate the information he provided in that area.

I just would ask a couple of other specific questions. Without disclosing names because, as the minister has probably noted in my own approach — rather than having Yukon small businesses or citizens who are interested in this area having their names bandied around too much in the public/political arena at this point in time before they have actually formally engaged in any application process for anything, I would just ask him for numbers — not names.

Can the minister indicate how many citizens or companies inside the territory government has heard from that expressed an interest in becoming private retailers? A similar question as it pertains to producers is: How many citizens or businesses have expressed an interest in getting into production to the best of the minister's knowledge? I understand that if someone walked into the Agriculture branch, for example, and had a conversation with an employee, that might not officially be a part of the government's numbers.

I am not trying to set this as a “gotcha” question for the minister. I am just asking a question of interest to me — and I think to Yukoners interested in this area — about roughly how many companies have expressed an interest in getting into retail and roughly how many have expressed interest in getting into production at this point in time.

As it pertains to retail, can the minister advise — since the government's first plan for a retail location — to use the Member for Klune's term — “went up in smoke”, if you'll excuse the expression, and since it didn't work out as planned, what is the government planning on doing at this point in time? Where are they looking for retail locations? Is it still confined just to the Marwell area? What process are they looking at for acquiring a retail location?

If I understand correctly, I believe the minister was indicating that wholesaling is going to be done on-site by the Liquor Corporation, but I think the minister was still indicating that there would be a separate location for retail.

Then, last but not least in that area, I would just ask the minister: What training does the government envision providing to staff engaged in retail and distribution, both on the safety of products and their responsibility for managing it? In a related but different field, what training are they being given to help to provide product information to customers who are coming into the retail store and want information about whatever strains of cannabis or cannabis products are available there?

I said that was the last question for this afternoon, but I am going to add one other question related to private retailers once that is allowed.

My understanding from what ministers have laid on the record to date is that, while the act provides for the ability to prevent private retailers from selling accessories — such as rolling papers, pipes, et cetera — it seemed that the government was indicating they weren't necessarily going to prohibit all of those sales. The question that I would ask — and I know it is a concern for some of the Yukoners who are interested in getting into private sector retail — is: What problem is government trying to solve with this potential prohibition? Specifically, if you're talking about accessories like rolling papers or pipes, what is the perceived problem with allowing a licensed private retailer from selling those accessories on-site along with cannabis products? Quite frankly, I don't understand the logic behind saying that someone may have to go to a different store to buy papers for the cannabis that they have purchased.

What is the perceived risk that government is trying to solve with this clause? Is the government planning on using this section of the act to prevent private retailers from selling accessories like rolling papers, pipes, et cetera, once they have opened up the ability for companies to become privately licensed?

Hon. Mr. Streicker: I will try to give some of the answers as quickly as I can. I'm just looking at the time.

First of all, the number of folks who we have talked about production: there are a couple who are seriously working on it and a couple of others who are just in conversation. I will apologize if I have overstepped in speaking earlier in this Legislature about that, but I did note that the folks who I introduced here early have a website up, and so there is public information. I thought they would see it as positive if I acknowledged this. I respect that the member opposite does not want to name names.

With respect to retail, a handful — and again, it gets a little challenging because some of them are really focused and very clear, but some of them are around the fringes and the edges of this retail market because there are different ways you can get engaged. The member opposite talked about paraphernalia, for example. I'm sure I won't get the time to deal with all of his questions, but I will, at some later date when we get back here, try to answer them all or provide them in a return.

With respect to the types of training, I gave a very specific answer earlier to the Member for Takhini-Kopper King, and I will just reference back to the Blues. It is there where I discussed the levels of training that we are looking for with respect to retail sales.

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

Chair: It has been moved by Mr. Streicker that the Chair report progress.

Motion agreed to

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

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

Motion agreed to

Speaker resumes the Chair

Speaker: I will now call the House to order.

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

Chair's report

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

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

Are you agreed?

Some Hon. Members: Agreed.

Speaker: I declare the report carried.

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 paper was tabled April 9, 2018:

34-2-51

Standing Committee on Appointments to Major Government Boards and Committees Seventh Report (April 5, 2018) (Adel)

The following legislative return was tabled April 9, 2018:

34-2-120

Response to matter outstanding from discussion with Ms. White related to general debate on Vote 51, Department of Community Services, in Bill No. 206, *First Appropriation Act 2018-19* (Streicker)