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**18<sup>th</sup> Assembly**

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**The Honourable Jackson Lafferty, Speaker**

# Legislative Assembly of the Northwest Territories

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(Monfwi)

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*Minister Responsible for Persons with Disabilities*  
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(Kam Lake)

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**YELLOWKNIFE, NORTHWEST TERRITORIES****Thursday, May 31, 2018****Members Present**

Hon. Glen Abernethy, Mr. Beaulieu, Mr. Blake, Hon. Caroline Cochrane, Ms. Green, Hon. Jackson Lafferty, Hon. Robert McLeod, Mr. McNeely, Hon. Alfred Moses, Mr. Nadli, Mr. Nakimayak, Mr. O'Reilly, Hon. Wally Schumann, Hon. Louis Sebert, Mr. Simpson, Mr. Testart, Mr. Thompson, Mr. Vanthuyne

The House met at 1:30 p.m.

**Prayer**

---Prayer

**SPEAKER (Hon. Jackson Lafferty):** Good afternoon, Members. Item 2, Ministers' statements. Minister responsible for the Northwest Territories Housing Corporation.

**Ministers' Statements****MINISTER'S STATEMENT 83-18(3):  
NATIONAL HOUSING STRATEGY**

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. Mr. Speaker, I would like to report on the progress being made on the National Housing Strategy.

On April 9, 2018, I, along with my provincial, territorial, and federal counterparts, met in Toronto to endorse a multilateral Housing Partnership Framework. The partnership framework further advances the National Housing Strategy and sets the foundation for federal, provincial, and territorial governments to work together toward achieving a long-term, shared vision for housing.

This endorsement means that we are now moving toward accessing funds beyond the Northern Housing funding previously announced. One such fund is the Canada Housing Benefit. To address the affordability of market rents, the Canada Housing Benefit will launch in 2020 and provide affordability support directly to families and individuals in housing need.

Another area of funding under the strategy is the National Housing Co-Investment Fund. This fund is application- and partnership-based, and will support the construction of new affordable housing and the repair and renewal of existing community and affordable housing. A major component of the strategy is the support under the Canada Community Housing Initiative. To support this Legislative Assembly's priority of addressing the cost of living, we committed to increasing lobbying of the federal government to halt the continued reduction in Canada Mortgage and Housing Corporation operation and maintenance funding for

public housing units. This was a key aspect of our negotiation with the federal government. As a result, while our previous agreement with Canada is still in effect, the federal government has agreed to provide under the Canada Community Housing Initiative funds equal to the cumulative decline of public housing operations and maintenance funding for the life of the National Housing Strategy.

Mr. Speaker, it was a long and hard fight to get the recognition that existing public housing needs long-term support, especially in the North, where public housing forms such a large part of the total housing stock. I am proud to say that we have made significant progress. While this victory is good news, we must continue to advocate on the importance of public housing to ensure that any future agreements and strategies beyond this National Housing Strategy see such housing supported long into the future.

Further work is under way to address the disproportionate allocation of funds under the Northern Housing Fund. I met with federal Minister Jean-Yves Duclos to raise the issue and to find opportunities to address this funding gap. During this meeting, I had the opportunity to discuss our concerns about the lack of information being shared on the Indigenous Housing Strategy. It is critical that all Indigenous peoples in the Northwest Territories are able to access these funds, and I will continue to place pressure on the federal government on this issue.

Mr. Speaker, the Government of the Northwest Territories is working through its ongoing engagement with the Government of Canada to access funding for the Northwest Territories that will directly benefit residents. The Housing Corporation is now negotiating our bilateral agreement with Canada, which I anticipate may be concluded prior to our next sitting. Once completed, I will share the full details with this House, including funding amounts.

The road ahead involves tough, critical work to ensure that our final funding agreement with Canada truly works for the benefit of our residents. I know that the Northwest Territories Housing Corporation will work tirelessly to ensure a result that will have a meaningful impact on housing in the Northwest Territories. Mahsi cho, Mr. Speaker

**MR. SPEAKER:** Masi. Ministers' statements. Minister of Infrastructure.

MINISTER'S STATEMENT 84-18(3):  
NWT AIRPORT IMPROVEMENTS

**HON. WALLY SCHUMANN:** Mr. Speaker, for many communities across the North, air travel is an essential service. The Government of the Northwest Territories is committed to improving airport infrastructure and operations by working and strengthening connections with public and private sector partners in transportation infrastructure.

The Northwest Territories' 27 community airports are critical to the economic and social well-being of our residents. They provide essential services, including community resupply, air ambulance, search and rescue, forest fire response, and much more. Ongoing improvements to our airports allow for safe and efficient movement of these and other essential goods. They also help our residents, relatives, and friends looking to stay connected do so in a more safe and effective way.

Mr. Speaker, I am pleased to provide an update on key airport improvement projects under way across the NWT. It was announced earlier this year that the federal government will be investing over \$2 million toward new airfield lighting in Fort Smith airport. This work is now under way and not only will the new lights be more effective for aircraft pilots and airport maintainers, they are also energy efficient LED lighting, which will help our government meet territorial and national commitments to lower energy consumption. Similar lighting replacement projects were completed last fall at the Tuktoyaktuk and Norman Wells airports.

The Government of the Northwest Territories has also received \$300,000 for the new airfield sweeper for the Norman Wells airport. This improvement will help keep snow, ice, and debris off runways and taxiways, which is an important aspect of maintaining our airports. The new sweeper will also allow for more reliable and effective airport operations.

Mr. Speaker, both of these projects are funded under the Airport Capital Assistance Program, also known as ACAP. ACAP is administered by Transport Canada and provides financial support to eligible airports for the replacement of key infrastructure and assets related to safety. The program has made a significant impact on the NWT airports system, with over \$27 million in improvements over the last 20 years. With this fiscal support, the Government of Canada is helping to enhance not only safety and efficiency, but also the economic potential of transportation infrastructure in the Northwest Territories.

The GNWT is currently awaiting approval for funding from ACAP on a number of airport improvement projects. These include funding for a snow blower for Fort Smith, new airfield lighting for Fort Simpson, an overlay of the Hay River runway, and reconstruction of taxiway C in Inuvik.

Mr. Speaker, perhaps the biggest airport project currently under way is the replacement of the air terminal building in Inuvik. The current terminal was built in 1958 and is in need of replacement. The GNWT has budgeted \$30 million for this important infrastructure project that will serve residents and visitors travelling to Inuvik and beyond.

Detailed design and site preparation is expected to happen by this fall. Construction is anticipated to begin in 2019, followed by the demolition of the existing air terminal building in 2021. Once the new build has reached substantial completion and is commissioned, design of the building will focus on public space, baggage systems, concessions, airport operation and administration, improved accessibility, a tower height that meets required specifications, and overall, travelers will notice an improved passenger experience and an airport that better fits the needs of various users.

Mr. Speaker, as the largest and busiest aviation gateway to the North, the Yellowknife airport continues to focus on improvements that contribute to economic growth and better passenger experience. In July of 2017, Yellowknife airport began operating as a self-sustaining business model and, since that time, it has collected \$10.5 million in revenues.

Recent enhancements at the Yellowknife airport include the launch of the Cabin gift shop, which has already received positive feedback from local, national, and international visitors wishing to take home souvenirs of their uniquely northern stay. Merchandise is sourced from northern suppliers, providing additional income to some of the many small businesses operating across our territory.

Yellowknife airport is also working with the Canadian Air Transport Security Authority, known as CATSA, on major upgrades to the pre-board screening area and departures lounge. These improvements will allow CATSA to have a more efficient security screening process. We anticipate upgrades to the pre-board screening area will be completed by the end of June, just in time for the peak summer travel season.

Improvements to the departure lounge are also continuing in order to offer passengers a greater assortment of food and beverages to enjoy before flights. The next phase, phase three of this project, will also include improvements to aesthetics of the

departure lounge, with new paint, new carpeting, and an overall fresh look.

Mr. Speaker, another major initiative at the Yellowknife airport that I would like to share with you is the development of a 20-year master plan. The plan will consider growth and improvement options for the airport and serve as a guide to future development initiatives. We are exploring a number of options to further contribute to the airport's sustainable business model, increased employment, and economic growth and development. A few of the considerations include commercial development, new partnership opportunities, and improved service delivery to our existing stakeholders.

The Department of Infrastructure aims to maintain a safe and secure multi-modal transportation system. We will continue to work with our federal partners, air carriers, and other stakeholders to make improvements to our air transportation system while investigating new ways to make strategic investments in our infrastructure. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Ministers' statements. Minister of Education, Culture and Employment.

MINISTER'S STATEMENT 85-18(3):  
2018 EDUCATION HALL OF FAME

**HON. CAROLINE COCHRANE:** Mr. Speaker, today in the Great Hall of the Legislative Assembly we celebrated seven individuals who have made tremendous contributions to education in the Northwest Territories.

The Department of Education, Culture and Employment launched the Education Hall of Fame in 2010 to recognize outstanding educators, volunteers, board members, administrators, and community members involved in education across the territory.

Mr. Speaker, for this year's celebration, nominations came from every region. From the Beaufort Delta region, Bella Kay is a life-long learner who began her career in 1968 as a teacher's aide in Fort McPherson. In 1976, she enrolled in the Teacher Education Program through Aurora College and the University of Saskatchewan and entered the world of teaching. That wasn't the end of her learning. Ms. Kay once again returned to Aurora College for the Aboriginal Language Instructor program, from which she graduated in 2007. Bella Kay has dedicated more than 30 years to educating the children of the Beaufort Delta. She has shown an outstanding commitment to both teaching and life-long learning.

From the Deh Cho region, Brian Jaffray is a Teacher Consultant with the Dehcho Divisional Education Council. Mr. Jaffray has a long and varied career in northern education, spanning more than 36 years. He has been a leader in the procurement and use of education technology, ensuring small schools have the resources they need to succeed. He has worked on special school projects requiring technology and media support, and he served both as a regional coordinator of Heritage Fairs and the president of the NWT Heritage Fairs Society. Mr. Jaffray is a true leader who has always been motivated by a deep and abiding desire to do what is best for students.

From the South Slave region, Lois Firth Lafferty is a retired teacher from Fort Smith who is Metis of Gwich'in and Scottish heritage. She is committed to excellence and willing to give her time, knowledge, energy, and passion to make sure students achieve excellence in all that they do. Lois is described as an unselfish, compassionate educator who has touched the lives of many, young and old, through her contagious, positive attitude and instinctive ability to light up any classroom since 1979.

From the Tlicho region, Rosa Mantla is the language and culture coordinator in Behchoko. Ms. Mantla is fluent in the Tlicho language and she is deeply committed to the revitalization of the Tlicho language and culture in the region. She has worked in many capacities in the education system, including teacher, immersion teacher, and principal. A recent graduate of the University of Victoria with a Master's degree, she is a strong advocate for education and a resource for others working to obtain degrees in many different fields.

In the North Slave region, Jean Marie Mariez is the supervisor of French Studies at the Yellowknife Education District No. 1. He has been instrumental in promoting second-language education for children in Yellowknife for more than 15 years. Through his tireless efforts, thousands of children have obtained second-language proficiency in French. At YK1 schools, he initiated an early immersion program and an Intensive French and post-intensive French program. These programs have allowed students to graduate with proficiency in English and French. Each year, there is an increase in the number of students who enter either the French immersion or intensive French program. The linguistic approach in intensive French and the overall success of the program has led to the advancement of the Indigenous language program.

Also from the North Slave region, Gerard Landry is a teacher at St. Patrick's High School, where his dedication to fair play in sports and in the classroom has been experienced by students for decades. Mr. Landry will create numerous teams to make sure every student who tries out has a spot,

and he works to give all of them the opportunity to play and experience teamwork and dedication to a goal. In the classroom, whether a student is initially engaged or not, he encourages and supports them to reach their potential. One of his former students said, "Because of his humility and calm demeanor, his efforts and the impact of his actions are often overlooked...he has had a profound but quiet impact on the lives of northern students. It's hard to describe the impact an educator has on a student's life. It's not the big events that make a difference, it's the small and constant ones that add up to change a student's life."

Mr. Speaker, I had the difficult task of choosing the Minister's Choice Award. Chris Gilmour, superintendent of the Beaufort Delta Education Council, stood out this year amongst the many great choices. After assuming responsibility for educational technology in Inuvik's schools, he recognized that students in small community schools needed better and more consistent access to academic courses. With his strength in instructional technology, he was pivotal to developing the northern distance learning program, which provides academic high school courses in small communities.

This is an exciting program which continues to expand to more communities and that will serve the territory for years to come. Next month, thanks to the program Mr. Gilmour started, three students from Ulukhaktok will be graduating from high school and entering a university of their choice, **without having to complete any upgrading**. From his beginnings as an elementary school teacher to his current role as the superintendent, Chris Gilmour has made equity in education his priority.

Mr. Speaker, this is the ninth group of inductees into the Education Hall of Fame. The 2018 inductees inspire us with their dedication, caring, creativity, and passion. All of these distinguished people are with us in the gallery today.

Mr. Speaker, I ask Members to join me in honouring the 2018 Education Hall of Fame inductees for their commitment to the students, families, and communities of the Northwest Territories. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Congratulations once again to the 2018 Education Hall of Fame recipients. Masi for being here with us. Masi for making a big difference in the Northwest Territories. Ministers' statements. The Deputy Premier.

MINISTER'S STATEMENT 86-18(3):  
PREMIER ABSENT FROM THE HOUSE

**HON. ROBERT MCLEOD:** Mr. Speaker, I wish to advise Members that the Premier will be absent

from the House for the remainder of this sitting to receive the Diamonds Do Good Responsible Government Award on behalf of the Government of the Northwest Territories. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Ministers' statements. Item 3, Members' statements. Member for Yellowknife North.

**MR. VANTHUYNE:** Thank you. Mr. Speaker, if I may with your indulgence, I would like to request a change in the order of the day to move item 5 to item, well, now, which would be item 3. I seek unanimous consent. Thank you, Mr. Speaker.

---Unanimous consent granted

**MR. SPEAKER:** Right now, he says. Item 5, recognition of visitors in the gallery. Member for Yellowknife North.

#### Recognition of Visitors in the Gallery

**MR. VANTHUYNE:** Thank you, Mr. Speaker, and thank you, colleagues. Mr. Speaker, I would like to recognize and welcome to the House today Jean Marie Mariez, who, as we heard earlier today, is one of the inductees into the Education Hall of Fame, long-time supervisor with YK1, and strong promoter, of course, of Francophone programs in the education system. So I want to congratulate him once again. He is a resident of Yellowknife North. I would be remiss if I did not take this opportunity to also congratulate Mr. Landry, who was a teacher of mine from grades 2 to 6 in Saint Patrick's. I talked to him today. He has no intention of retiring. So congratulations to them both. Thank you for being here, and congratulations. Thanks.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Nahendeh.

**MR. THOMPSON:** Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize Brian and Terry Jaffray. Brian received introduction into the Hall of Fame this year. As well, last year, Terry Jaffray was recognized. Both, I would consider friends and good supporters, so I thank them very much for being recognized, and good job. He is also part of the fire department and very active in the curling club, so thank you very much, Brian. As well, I would like to recognize again my CA, Debra Richards. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Tu Nedhe-Wiilideh.

**MR. BEAULIEU:** Marsi cho Mr. Speaker. Mr. Speaker, I would like to again recognize the two Pages from my riding who are here working for us today. They are Alexa Mandeville-Pasowisty and



Santina Vanloon. I would also like to recognize their chaperone, Meghan Adams. Thank you.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Frame Lake.

**MR. O'REILLY:** Merci, Monsieur le President. I, too, would like to recognize Gerard Landry. I have the pleasure of playing hockey with him. I am not sure I would describe him as having a calm demeanour on the ice, but he is a great teacher, so I want to congratulate him for that. I would also like to recognize Michael Le, who is a Page here in the Chamber with us this week and thank him for his service to us all. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Kam Lake.

**MR. TESTART:** Merci, Monsieur le President. [English translation not provided.] Merci.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Range Lake.

**HON. CAROLINE COCHRANE:** Thank you, Mr. Speaker. I would again like to recognize an illustrious group of educators in the gallery today, the 2018 inductees into the Education Hall of Fame, celebrated earlier today in the Great Hall: Mr. Chris Gilmour from Inuvik; Bella Kay from Inuvik; Brian Jaffray from Fort Simpson; Lois Lafferty from Fort Smith; Jean Marie Mariez from Yellowknife; Gerard Landry from Yellowknife; and Rosa Mantla from Behchoko, an incredible group of teachers, educators.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. If we missed anyone in the gallery, thanks for being here with us. It is always nice to have an audience as part of our proceedings. Masi. Item 3, Members' statements. Member for Kam Lake.

### Members' Statements

#### MEMBER'S STATEMENT ON RENTAL OFFICE STAFFING AND BACKLOG

**MR. TESTART:** Merci, Monsieur le President. I rise today to speak to a matter that is very familiar to the floor of this House. That is the backlog of cases that exist with the rental officer of the Northwest Territories. The honourable Members for Hay River North and Yellowknife Centre have risen to attempt to get some sort of resolution to this matter. I commend their work on this important issue.

The rental officer exists as the final arbiter between the various tenants, both public and private, in our Territory, resolving matters pertaining to rent arrears but also property damages, disturbances, and the obligations of the parties to their lease

agreements. The rental office does great and necessary work for the people of the Northwest Territories, and they should be commended for their dedication and professionalism in the face of two of the most personal matters in the lives of citizens: money and shelter.

However, Mr. Speaker, the continued short-staffing of the office has caused delays, pushing the majority of cases from being seen within 60 days to over 90 days. When the cases involve the owing of rent arrears, this causes the amount owing to often compound, snowballing further into an amount that is even more difficult to recoup while still sacrificing the income-generating potential of the unit.

To give an example, Mr. Speaker, one of my constituents just recently went through the proper process of trying to evict a tenant who was months in arrears and filed the notice to terminate the lease with the rental officer. At the time, he was informed by the rental officer that it will be three months before he could get a hearing. Three months after that, he was informed the hearing would be pushed back another two months, costing him thousands of dollars more in unpaid rent. Northerners shouldn't have to go broke because of the under-resourcing of an already overworked office. Any delay in seeing the rental officer to resolve these matters can have a huge negative impact on the livelihood of a landlord, in addition to causing an undue amount of stress and anxiety on all parties involved.

Mr. Speaker, this is a matter of interest to all citizens of the Northwest Territories because, in the end, someone will have to pay. In the case of small-scale landlords, they often have to eat the loss while waiting for an eviction to be processed. In the case of larger landlords, that loss has to be made up somewhere else, which will result in higher rents for other tenants. All in all, delays of the rental office affect us all. I will have questions for the Minister of Justice regarding what is being done to alleviate the pressure felt by the staff of the rental office. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Tu Nedhe-Wiilideh.

#### MEMBER'S STATEMENT ON EDUCATING HEALTHCARE PROFESSIONALS IN THE NWT

**MR. BEAULIEU:** Marsi cho, Mr. Speaker. Mr. Speaker, during our last sitting, on February 7, 2018, I made a Member's statement on the benefits of turning the existing Stanton Hospital into a school for nurses and other workers in the field of homecare. Such an initiative, among other things, will extend the time in which seniors can remain in their homes and their communities. Investing in

ideas like this is something I have long advocated for, and it seemed to have fallen on deaf ears.

Today, the Minister of Health announced the use of the existing Stanton Hospital. However, Mr. Speaker, yesterday the Minister of ECE tabled a report, Aurora College Foundational Review, with some findings that I very much agree with regarding higher education in NWT. The review states that now is an opportune time for the GNWT to step back and reconsider the vision of post-secondary education.

Mr. Speaker, I share with you my vision of what some high education in NWT should look like in the future. Mr. Speaker, I have spoken many times in the House the need for the NWT Housing Corporation to invest in retrofitting seniors' homes to remove physical barriers so that seniors can remain in their home as long as possible. I have also spoken many times in the House about the government's need to spend money strategically. Well, Mr. Speaker, I am convinced that investing in a nursing school or homecare training centre, our Territory will see considerable long-term returns.

Mr. Speaker, imagine what benefits a training centre like this could have in the NWT. Not only would our seniors benefit from the pool of northern workers, but also the long-term care facilities and a homecare program in all 33 communities. We would have the NWT residents gaining both education and employment in a field of high demand in our territory. It has potential to eliminate many of our social ills, as I have talked about many times in this House.

Mr. Speaker, in 10 years that I have been an MLA, I have asked the government to spend more strategically, but the government chooses to do the same thing over and over, which is spend money on certain items that have minimum positive impact on the NWT and its residents and slide further and further into debt. Mr. Speaker, I seek unanimous consent to conclude my statement.

---Unanimous consent granted

**MR. BEAULIEU:** Thank you, Mr. Speaker. Mr. Speaker, I want Cabinet to pull out all stops so that we can start seeing our most respected citizens, our elders, remain in their homes, in their communities, whether it be Fort Smith, Colville Lake, Yellowknife, Lutselk'e, Fort Resolution, or Detah. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Nahendeh.

MEMBER'S STATEMENT ON  
NAHENDEH GRADUATES

**MR. THOMPSON:** Thank you, Mr. Speaker. It is fitting I am doing this Member's statement today. Graduation ceremonies are a life event. They are one of those rare and special times when we take a pause and recognize that an achievement has been made, an accomplishment has been recognized, and determination has been rewarded.

We do it with our peers, both with those who have shared in their experience and reached this milestone with us and those who have watched, supported, and encouraged us in pursuing our goals. Like marriage, or even birth, it represents the end of one chapter in our lives and commencing on another. As spectators in the story of our lives, let us all pause and offer congratulations on a job well done.

Mr. Speaker, on April 28<sup>th</sup>, I had the opportunity to be part of the Aurora College graduation ceremony, where five constituents from Nahendeh achieved this goal. In the upcoming weeks, the communities are going to see a number of celebrations I would like to share with you here today.

On June 14<sup>th</sup>, Samba K'e will be having a celebration for their grade 9 students because, next year, they will be going off to Fort Simpson to complete their high school.

Fort Liard will see two graduation ceremonies. The first one being June 14<sup>th</sup>, where we will see the largest grad class for the school. We will see nine students graduating, with at least six students heading off to the Grande Prairie Regional College thanks to the Distance Learning Program. On June 19<sup>th</sup>, the junior kindergarten class will be graduating.

Fort Simpson will see the grade 6 and kindergarten class graduate on June 15<sup>th</sup>. On June 16<sup>th</sup>, we will see students from TSS graduate. This will be the last time people will be graduating from TSS. This class will include students from Wrigley and Fort Simpson. You ask why they are only graduating from Fort Simpson? They are changing the school's name, Mr. Speaker.

Mr. Speaker, I am happy to say that these graduation ceremonies are happy moments for the students, parents, and staff. I would like us to congratulate them all. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Nunakput.

MEMBER'S STATEMENT ON  
ARCTIC MARITIME SHIPPING

**MR. NAKIMAYAK:** Thank you, Mr. Speaker. Mr. Speaker, last week I spoke about the widespread use of heavy fuel oil in vessels transiting the Arctic

and the severe dangers that it poses in comparison to other types of fuel. I also highlighted the fact that, unlike Antarctica, the use of heavy fuel oil is not regulated in its northern counterpart.

Mr. Speaker, in February the International Maritime Organization approved a new two-way route in the Arctic Ocean through the Bering Strait, after accepting proposals by the United States and Russia. These routes take effect on December 1<sup>st</sup>. The approval of these routes will likely contribute to a further increase of vessel traffic in the Arctic Ocean. While increased traffic in and of itself is not a bad thing, the NWT is not ready for it, Mr. Speaker.

Mr. Speaker, our fragile environment is in danger in the case of accidents and spills. Search and rescue is far away, and clean-ups would take too long to prevent the apparent damage. Our communities have decaying docks that can barely support local use, let alone be of any use to larger shipping and cruise boats. We do not have the infrastructure to support increased maritime traffic and respond to emergencies, and yet, we are the ones who will suffer the negative impacts the most.

Mr. Speaker, with the new highway to Tuktoyaktuk, the community is in an ideal position to host a deep-sea port. As traffic in the Northern Sea Route and Northwest Passage grows, governments will have to invest in our lagging infrastructure, and the Government of the Northwest Territories has a key role to play in working together with federal and Indigenous governments.

Later, I will have questions for the Minister of Infrastructure. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Yellowknife North.

#### MEMBER'S STATEMENT ON CLEAN ENERGY AND NET METERING

**MR. VANTHUYNE:** Thank you, Mr. Speaker. Mr. Speaker, by now, we all accept the importance of developing clean, renewable, carbon-neutral energy sources. I am very pleased that we are moving ahead, with assistance from our federal partners, in developing a business plan for the Taltson River hydro system. That's a game changer, Mr. Speaker; clean, renewable power that will significantly reduce our reliance on diesel. There is even talk in GNWT hallways about investigating molten salt reactors. This technology has future potential to provide answers to all of our energy needs, from isolated communities to new mines, another game changer if it comes to fruition, Mr. Speaker.

While we wait for these future initiatives, other alternative energies need our support. Right now, consumers in our territory want to invest in solar and wind. Right now, there are innovating businesses wanting to provide it. It should be the government's role to support that, not restrict it, but, Mr. Speaker, through the net metering, this government regulates the scale of alternative energy projects.

Currently, we limit alternative energy installations to 15 kilowatt hours. That means that they can set up on residences, but they can't get a foothold in commercial operations. That 15-kilowatt hour cap prevents that scale of installation. When medium-to-large businesses do the math on cost versus benefit at this rate, there is no incentive to make the switch.

Mr. Speaker, the Yukon permits projects up to 50 kilowatt hours. Case studies show that that allows businesses to offset 35 to 40 per cent of their energy needs with alternatives. At 15 kilowatt hours, they can only generate 8 to 10 per cent, not enough to make it worth the investment. Mr. Speaker, no one wants to pay more for power, but we have to ask: is our commitment to alternative energy real? If this government's power strategy doesn't promote alternatives at a scale that makes it viable for our small businesses and industries, is it the right strategy?

The demand is there for affordable, renewable, clean energy. Innovative technologies are here now and growing by the day. Our Energy Strategy Climate Change Framework calls for reducing diesel in favour of clean power, but our regulations create a significant obstacle, allowing carbon emissions to continue.

Surely, Mr. Speaker, it is time that this net metering policy be changed to match the needs and demands of the Northwest Territories. Mr. Speaker, at the appropriate time, I will have questions for the Minister responsible for the Public Utilities Board. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Deh Cho.

#### MEMBER'S STATEMENT ON UPGRADE TO KAKISA DOCK

**MR. NADLI:** Mahsi, Mr. Speaker. Mr. Speaker, the community of Kakisa is perhaps most well-known due to its proximity to Lady Evelyn Falls. The adjacent territorial park provides amenities that make the falls a comfortable experience. The community is small, but with beautiful log houses, it provides a welcoming atmosphere to visitors.

One of the facilities available in the community is a dock on Kakisa Lake. The dock is popular among the locals for recreation purposes and is heavily used for fishing and tourism. Because of the multitude of uses and its popularity, residents are interested in upgrading the dock so that it can accommodate floatplanes as well.

Mr. Speaker, as tourism in the NWT continues to grow, it is important for our communities outside regional centres to also take advantages of this growth. With investments already in place around Kakisa in the form of Lady Evelyn Territorial Park, roads, and others, the natural progression is to upgrade facilities that are both heavily used by locals, but that would also offer enhanced experiences to tourists and allow for floatplanes to be safely used in and around the community.

Mr. Speaker, investments in local community infrastructure improve the quality of life for our residents. This is especially true when considering upgrading heavily used facilities. Upgrading the dock in Kakisa would offer residents a better experience, provide opportunities for tourism growth, and allow for the safe operation of floatplanes into and out of the community. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Yellowknife Centre.

#### MEMBER'S STATEMENT ON HOUSING POLICIES FOR FAMILIES

**MS. GREEN:** Thank you, Mr. Speaker. Mr. Speaker, last week, I provided my mandate letter to the Minister now responsible for the Housing Corporation and Homelessness. One of my priorities is to help get families experiencing homelessness into housing. I mentioned constituents of mine, a working family of six, who have been living in a bachelor apartment for the last three years and who have not been able to obtain housing from the Yellowknife Housing Authority.

I was puzzled by the Minister's reply to me about this situation. He said, and I quote, "In some of our small communities where we don't even have housing, those numbers go up, and that's where we need to work on addressing needs right across the Northwest Territories." I interpreted his answer to mean they aren't homeless, because at least they have a home.

Mr. Speaker, this family doesn't really have a home. There are six of them in a place that is intended for one person. They have a mini-bar and a hot plate. This accommodation does not meet their needs, but because they aren't living in a tent, they are not absolutely homeless. As a result, they have not risen to the top of the Housing Authority waiting list.

In fact, it would increase their chances of getting into housing if they did live in a tent.

Mr. Speaker, this situation is familiar from my YWCA days. The staff at YWCA Transitional Housing Program helped families stabilize themselves by providing various kinds of support. When the family is ready to move out of Rock Hill, they usually have to move back into homelessness in order to gain enough points to get into public housing. All that good work that is done to help the family goes out the window, and the family has to go back to square one, at least temporarily.

Mr. Speaker, when I considered the family of six and the YWCA, my conclusion is that the Housing Authority is looking for an excuse not to house people. Their approach tells me that, no matter how unsuitable the housing, it is, at least, a house. This is clearly wrong-headed. Families should not have to live in a tent or on a couch to rise to the top of the public housing waiting list. I encourage the Minister to take a closer look at families whose accommodation is marginal and figure out how to make their lives better without first making them worse. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Sahtu.

#### MEMBER'S STATEMENT ON SAHTU REGIONAL HOUSING CONFERENCE

**MR. MCNEELY:** Thank you, Mr. Speaker. Mr. Speaker, in preparation for the summer months, for discussions to the Sahtu housing needs and assessment with proper strategy planning, which is fundamental to family home security in this steadily growing demand environment.

Mr. Speaker, all regions, including our capital, are experiencing shortages and overcrowded homes. Mr. Speaker, as we already know, our territory faces many challenges, such as seasonal community access, high operating and building costs, and limited resources. However, the NWT Housing Corporation continues to balance their efforts with additional focuses on accessing federal resources.

Mr. Speaker, last June, this government tabled as a starting point a community-by-community core needs assessment on the concept of prudent management, allowing our communities to analyze their housing goals and aspirations by reviewing this assessment material. Mr. Speaker, on the issue of advancing forward, developing a sound model, and giving thought to what we have done, where we were, where we are, and more importantly, where we want to go, this theme can be the Sahtu Regional Housing Conference Summer 2018.

Mr. Speaker, it is incumbent upon us to utilize information both nationally and territorially to not only advocate, but ensure our residents are accessing all necessary available programs and services. Later, Mr. Speaker, I will have questions for the Minister of Housing on this theme. Mahsi.

**MR. SPEAKER:** Masi. Members' statements. Member for Frame Lake.

#### MEMBER'S STATEMENT ON GIANT MINE REMEDIATION SOCIO-ECONOMIC BENEFITS

**MR. O'REILLY:** Merci, Monsieur le President. Giant Mine Oversight Board is responsible for independent oversight of the mine remediation project. That board recently held its second annual public information meeting in Yellowknife, attended by about a hundred people, including me. The meeting follows on the release of the board's second annual report. Earlier in this sitting I tabled a recent board letter to the Prime Minister of Canada on the need for an apology and compensation for the damage done by the Giant Mine. The board has also written an urgent letter to the federal Indigenous and Northern Affairs Minister and to our ITI Minister, calling for action to capture more of the massive potential benefits of the billion-dollar-plus project.

The board letter to the Ministers points out there is "no public comprehensive socio-economic strategy developed for the remediation project." Of the more than \$350 million in project work spent so far and the more than \$1 billion spending in the coming 10 years, there is little prospect of local people getting jobs, contracts, or training. In its 2017 annual report, the Giant Mine Oversight Board pointed out that the federal government spent \$40.3 million on work at Giant in 2016-2017, but only 23 per cent of the workers were from the Northwest Territories and only 4 per cent were Indigenous. The future does not look much better. Parsons Inc., a US-based multinational, was awarded a \$32 million contract to be construction manager for the work at Giant for the next two years, and will likely go on to be the project manager following the proponent's completion of water licensing.

Urgent action is needed now, Mr. Speaker. The board points out that, with only two years before remediation work begins, "the timeframe for developing the socio-economic strategy is now." The letter calls for vision and leadership from the most senior levels of both governments.

The board has called this government to action. Our government needs to step up the pressure on the federal government to make sure the people who suffer Giant's legacy at least get some benefits from the planned remediation. I will have questions

later today for the Minister of Environment and Natural Resources as the lead on Giant Mine for the GNWT. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Mackenzie Delta.

#### MEMBER'S STATEMENT ON MACKENZIE DELTA GRADUATES

**MR. BLAKE:** Thank you, Mr. Speaker. Mr. Speaker, graduation is without a doubt a huge accomplishment to many students this time of year. Throughout every school, there is excitement in the halls, decorations going up, the students are excited, parents are proud, teachers are happy.

We have kinder grads, grade 6 grads, grade 9 rites of passage, high school graduation, not to mention college and university grads. We celebrate with our families and other families in our communities. Graduation is a special occasion, and we take every aim to congratulate our students any way we can.

Mr. Speaker, it takes teamwork to survive anywhere in life. Our students' teams consist of parents, teachers, friends, siblings, mentors. The list goes on, Mr. Speaker, but that does not mean teachings are done. Our students have a long way to go in life. Achieving this goal is a milestone to many, one that will stay with them forever.

Mr. Speaker, at this I would like to mention grade 12 graduates from the Mackenzie Delta riding; Amanda Andre-Niditchie, Darius Andre, Cassandra Paul, Dakota Whitbread, Raquel Blake, Keenan Francis, Judah Hanthorn, Janessa Blake, Richard Stewart, Brandon Firth, Tony Alexie, Dre Neyando, and Calvin Macdonald. Congratulations to each of you. We are all very proud of your accomplishments and wish you all the success in your future endeavours. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Item 4, returns to oral questions. Item 6, acknowledgements. Member for Nahendeh.

#### Acknowledgements

ACKNOWLEDGEMENT 10-18(3):  
BRIAN JAFFRAY - EDUCATION HALL OF FAME  
INDUCTEE AND RETIREMENT

**MR. THOMPSON:** Thank you, Mr. Speaker. Mr. Speaker, for 31 years, Brian Jaffray has been teaching and working with the students of the Nahendeh/Dehcho region. It is with sadness and joy that I announce Brian's retirement after this school year. Brian has worked at the Echo-Dene School and the Dehcho Divisional Education Council office. He was awarded the Governor

General's Medal for Teaching Excellence in History, and today he was inducted into the Education Hall of Fame. Brian, I would like to thank you for the positive impact you have had over the years, and I wish you the best in your retirement. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Acknowledgements. Item 7, oral questions. Member for Nunakput.

### Oral Questions

#### QUESTION 334-18(3): ARCTIC MARINE SHIPPING

**MR. NAKIMAYAK:** Quyanainni, Mr. Speaker. Earlier I spoke about increased maritime traffic and the impacts of northern communities. My questions are for the Minister of Infrastructure. Mr. Speaker, my first question is: how is the Department of Infrastructure ensuring that our northern communities have proper marine infrastructure to cope with the increased marine traffic? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Infrastructure.

**HON. WALLY SCHUMANN:** Thank you, Mr. Speaker. Currently there is significant opportunity to secure funding for marine infrastructure in the Northwest Territories under the Oceans Protection Plan, which I have mentioned in the House here lately. Under this program, the federal government is investing roughly \$94.3 million over five years under the Safety Equipment and Basic Marine Infrastructure in Northern Communities Initiative, which is the intent to make investments in on-the-ground safety equipment and basic marine infrastructure to support safer communities, resupply operations, in training for the use of maintenance equipment, and for infrastructure. Transport Canada has begun recently accepting proposals under this program, and the department has been working diligently with them, and we will be submitting our application here shortly.

**MR. NAKIMAYAK:** It's good to see that the Minister is looking into opportunities for Nunakput and the Northwest Territories. Mr. Speaker, Tuktoyaktuk now has a highway, and, to me, it's an obvious candidate for a deep-sea port in the Arctic. Mr. Speaker, I am wondering: has the Minister of Infrastructure considered the construction of a deep-sea port in the western Arctic Ocean?

**HON. WALLY SCHUMANN:** One of the things that we are considering submitting under this Oceans Protection Plan when the call comes out is actually for a planning study of marine services in the centre in Tuktoyaktuk. That would be a shipping marine operations for the Arctic Ocean. I know the department has been in discussions with the

mayor, and I believe we actually have a letter of support fully supporting our proposed planning study application with the Oceans Protection Plan when we do submit it.

**MR. NAKIMAYAK:** It's good to see that the department is working not just within the federal government, but as well with Indigenous governments in the Northwest Territories. Mr. Speaker, can the Minister provide a timeline for improving the precarious docks in our northern communities?

**HON. WALLY SCHUMANN:** The Oceans Protection Plan is going to provide a great opportunity for us to secure funding to improve marine infrastructure across the Northwest Territories, in all communities. In the case of Tuktoyaktuk, once funding is approved for the planning study, which we hope it will be, and with the ongoing discussions that we are doing it sounds very favourable, we will be able to get a better picture of what the marine infrastructure needs will be in the community. Once that planning study is done, it will be able to give us further submissions. As I have said, this is a five-year process of rolling out this \$94.3 million.

**MR. SPEAKER:** Masi. Oral questions. Member for Frame Lake.

#### QUESTION 335-18(3): GIANT MINE REMEDIATION PROJECT SOCIO-ECONOMIC BENEFITS

**MR. O'REILLY:** Merci, Monsieur le President. My questions are for the Minister of Environment and Natural Resources as the lead on Giant Mine. The Minister must have received the May 24<sup>th</sup> letter from the Giant Mine Oversight Board that asks that he "direct senior levels of management to expeditiously initiate a concerted and coordinated effort to develop and implement the Giant Mine remediation project socio-economic strategy." What is the Minister's response to that request? Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Environment and Natural Resources.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, as co-proponent of the Giant Mine project, the GNWT will be working with the Department of Crown-Indigenous Relations and Northern Affairs in responding to the recent correspondence from the Giant Mine Oversight Body. Thank you, Mr. Speaker.

**MR. O'REILLY:** I would like to thank the Minister for that. Not just work with CIRNA on getting a letter together, but actually take some action as well, and that is the subject of my next question: what action

has the ENR Minister taken to raise these northern benefits concerns with the federal Minister, who has received the same letter, and is he prepared to lead the urgent work of developing a socioeconomic strategy for Giant Mine remediation in partnership with his federal counterpart?

**HON. ROBERT MCLEOD:** ENR is the lead department for the Giant Mine project. However, we do work closely with other departments, such as ITI, through the Interdepartmental Working Group. This is a federal-funded project, and federal procurement and contracting rules are being followed. We continue to work with the federal government on bringing our concern forward. I believe our Minister of ITI, in his conversations with his counterpart, has raised it. I believe our Premier has also raised it in his discussions on there, as I have as well.

This work is expected to be completed by the summer of 2018. We will outline considerations to ensure Indigenous businesses and Northerners benefit from the remediation project.

**MR. O'REILLY:** I want to thank the Minister for that. It sounds like more than one Minister is raising this matter in Ottawa, and that is a good thing. There doesn't seem to be very good tracking and reporting of northern benefits from this project. I would like to know: how does the Minister plan to begin tracking northern benefits from the Giant Mine remediation in accounting for the future economic impacts of this project? I understand it is being led by the federal government, but what is he going to do to help make sure that better tracking of benefits takes place?

**HON. ROBERT MCLEOD:** The main construction manager's contract requires them to track northern and Indigenous benefits. The Giant Mine Remediation Project team will be reporting on the socioeconomic benefits associated with the project on an annual basis.

**MR. SPEAKER:** Masi. Oral questions. Member for Frame Lake.

**MR. O'REILLY:** Merci, Monsieur le President. Thanks to the Minister for that. On an annual basis, maybe we can get something quarterly or something, but I am sure he is going to take that up.

Our government gets millions of dollars in federal funding for infrastructure projects each year that we administer to maximize Northwest Territories benefits. I don't understand why we can't manage the remediation of the Giant Mine, with appropriate federal oversight, and use our better-equipped toolbox and experience some benefit retention. Have the Minister and his officials considered

whether we could take this approach and work with the federal government on Giant Mine remediation and use the full suite of our tools, things like negotiated contracts, the Business Incentive Policy, and so on, to make sure that the benefits from the remediation stay here in the Northwest Territories? Mahsi, Mr. Speaker.

**HON. ROBERT MCLEOD:** The federal government has contracting authority on this project, and they have awarded the contract to Parsons Canada. The benefit of having a main construction manager is that the delivery of the project is broken down into smaller work packages, which maximizes local opportunities for Indigenous and northern business. Using this approach, there are a number of contracts related to the project presently out for award. Once these contracts are awarded, we should have an indication on how the socioeconomic benefits are rolling out for Northerners. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Nahendeh.

QUESTION 336-18(3):  
INDIGENOUS GOVERNMENT CONSULTATIONS  
ON LAND LEASES

**MR. THOMPSON:** Thank you, Mr. Speaker. Mr. Speaker, earlier in this week I was asking questions to the Minister of Lands about leases. As I said, when I looked into this further, I noticed a large number of residents who live in designated authorities were hit big time with increases due to their leases, whether it's their homes or their traditional cabins. In speaking with the residents, they came up with a question: how is this government working with First Nation peoples if we continue to do this? Can the Minister please explain how his department is working with the First Nations community? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Lands.

**HON. LOUIS SEBERT:** Thank you, Mr. Speaker. In November of 2016, the department engaged committee with our intent and duty, in fact, to consult Indigenous governments with respect to proposed fee changes. The consultation included changes to fees for lease rent minimums, among others.

In November, following up on that commitment, consultation letters were sent out to IGOs. Now, I have the letter in front of me, which I would be very happy to share with the Member opposite, and can see that it dealt with a large number of fee changes, including the lease fees. This letter went out to a large number of Aboriginal organizations, dozens of them, both within the Northwest Territories and outside the Northwest Territories. As I mentioned

the other day, there was a consultation period, and committee was informed when that consultation period was over. That consultation, as I say, included a great number of Aboriginal groups, so we felt that we fully fulfilled our obligation to consult. That really is the consultation period that I referred to in some earlier questions, the consultation with Aboriginal groups. That took place, and as a result, after the consultation period was over, we moved ahead with this.

Of course, quite apart from the letters that did go out, there was considerable discussion in this House and in the press about the proposed changes. Thank you, Mr. Speaker.

**MR. THOMPSON:** I thank the Minister for his answer. I guess consultation is different in my books. I think we should be engaging. We should actually be going to the communities and talking to them, and not just downloading a whole bunch of letters to them and expecting them to understand what we are talking about, but I will take the Minister up on it and get to see the letter, and we will go from there.

When the government was looking at this increase, I was wondering why they didn't have an implementation over a period of time on that instead of just the one-time shot. Can the Minister explain why this idea was not looked at and implemented?

**HON. LOUIS SEBERT:** There is no phase-in for individual lessees because the approach taken is to have the changes take effect during rent review or lease renewal processes. Because the changes to lease fees do not take effect until an individual lease is renewed or at the next rent review date, as stipulated, some leaseholders may not see changes for their lease fees for up to five years. This means that some leaseholders will have received, in essence, a five-year advance notification of the fee change.

As I mentioned yesterday, although it seems, when I was looking at Hansard, I may have used the wrong dates, if a lease was renewed last year for a period of five years at the old rate, if I can put it that way, then that rate would still be in effect for the term of the lease.

**MR. THOMPSON:** I thank the Minister for that answer. I guess I am still struggling with why we didn't do a phase-in over a period. Leases change, and that, but they could have done that. I think the government could have been working with the residents instead of seeing a 336 per cent to up to a 560 per cent increase in their fees. That concerns me.

With the Government of the NWT reducing Commissioner's lands to 5 per cent, I have to give credit to the government. That was a positive step. I would have loved to see 3 per cent, but 5 per cent, as the Minister says, is better than the 10 per cent. I will have to give them credit for that.

However, was this part of the strategy to make up the shortfall for the revenue that the GNWT was losing when the Commissioner's lands leases were reduced, by increasing these fees?

**HON. LOUIS SEBERT:** No, the matters are really unrelated. I think for some time we had thought that the lease fees were too low, and of course when discussing the 10 per cent amount, which we have now reduced to 5 per cent, we heard from the Members opposite this was of great concern, and in response to those concerns, we lowered the rate.

**MR. SPEAKER:** Masi. Oral questions. Member for Nahendeh.

**MR. THOMPSON:** Thank you, but unfortunately, I didn't get an answer. I heard a reduction of 5 per cent, you know, but it didn't say if that was in there, this reduction. I guess, the Minister of Finance, maybe I should be asking him the questions on that, but I'll worry about that later on. So my last question: with the huge increases to NWT lease fees, can the Minister please advise the House what the residents will see when it comes to the service being offered by the GNWT? Are they enhancing the services? Are they doing anything, including for these people out there who have cabins out in the bush? Thank you, Mr. Speaker.

**HON. LOUIS SEBERT:** We had thought for some time that in no way did the lease fees cover the types of costs of administering such a huge area. So we thought there had to be an increase in any case, but apart from that, of course, there are certain things that lessees receive. One of those things is exclusive right to use the land with legal certainty. So we feel that that alone is worth quite a bit, and of course there are issues that Lands is going to be having to deal with in the future, such as unauthorized occupancy. So yes, there were increases, and we feel they were justified. Thank you.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife Centre.

QUESTION 337-18(3):  
HOUSING POLICY FOR FAMILIES

**MS. GREEN:** Mahsi, Mr. Speaker. Mr. Speaker, my questions are for the Minister responsible for the NWT Housing Corporation and responsible for Homelessness. Is the Minister satisfied that having six people in a bachelor apartment with a hot plate



and a bar fridge is appropriate housing for them, and not a priority case for the Housing Authority? Thank you.

**MR. SPEAKER:** Masi. Minister responsible for the NWT Housing Corporation.

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. Of course, I'm not. I don't think anybody in this House would feel that way, or even agree to that. I think that, as a government, we try our best to house individuals in the situations that were mentioned. We have a homelessness working group that we're working with to address these issues.

In terms of anybody who is in a situation, as the Member had mentioned in her statement, the NWT Housing Corporation has formed a new partnership, called the NGO Rental Partnership Program, also referred to as rapid re-housing, to support the YWCA, the Yellowknife Women's Society, with housing stability for residents who they serve. This support is very flexible and can be used for such things as damage deposits, rent supplements, or rapid re-housing. This partnership is designed to support households, like I said, throughout the NWT, as we had mentioned.

Now, Mr. Speaker, there is a reality. There is a reality that we do have long waiting lists on housing throughout the Northwest Territories, specifically in our regional centres, and here in Yellowknife is our biggest. We try our best, we try to address it, and I do want to affirm that staff at the NWT Housing Corporation works diligently, they work hard, they try their best to house any individual in any circumstances, as well as our staff at the local housing organizations, as well as our regional offices. We've developed partnerships with NGOs, we've worked with community governments, Indigenous governments, to address homelessness and housing issues.

Mr. Speaker, there are realities out there, and I just want to let the Member know that my staff are working very hard to try to address these issues. Thank you, Mr. Speaker.

**MS. GREEN:** What I take from that answer is there's no shortage of programs, but somehow there's a disconnect where this family, who is living in inadequate circumstances, is not being hooked up with a variety of programs that they may be eligible for as a low-income family. It's important to note, Mr. Speaker, they're a working family. They are not on income assistance. So they are trying to make it on their own initiative, and somehow there is this gap between what they need and what is on offer. How can the Minister bridge that gap?

**HON. ALFRED MOSES:** First of all, we have done of few things. We have done a Housing Engagement Survey in 2017, and we're going to do another one in January of 2019. With that, we're developing these community housing plans for all 33 communities in the Northwest Territories, and through that survey, what we've developed is we're doing a strategic renewal within the NWT Housing Corporation. We're going to be reviewing all of our NWT Housing Corporation programs, and we're going to be reviewing them for potential improvements, as well as looking at improvements in our homelessness programs. We continue to do compassionate training for our staff at the LHO, so they know the clientele that they're working with, so that they can help them in the circumstances that they are in. Anybody in that situation, as long as they get on the waiting list for the NWT Housing Corporation, then they can apply for income assistance to help them with market rent.

Unfortunately, here in Yellowknife, another issue, too, is the market availability, as well as in some of our regional centres. So we're doing a strategic renewal, and hopefully that will address that. Income threshold is something that we might want to take a look at, as well, something that was done with income assistance.

**MS. GREEN:** I need the Minister to come down to the level of the client. A strategic renewal is not something this family is going to participate in, is going to directly benefit from. What they need is more appropriate housing. The Minister is telling me with endless lists that there is this, that, and the other program, and my question is: how are people on the waiting list made aware of these programs which may resolve their problems?

**HON. ALFRED MOSES:** I want to say, again, that the staff at the LHO offices, local housing organizations, the regional offices, are getting out into the communities. I've instructed them to go out into the communities, let them know what programs are available to them, and make sure that any clients who come in are aware of programs such as the Homelessness Assistance Fund, subsidized rent programs. We also have, as I mentioned, the NGO rental partnership program that will help individuals in such cases. It is on a case-by-case basis, however, and I encourage any families, anyone who is in a situation where they're looking for housing, to go and speak to their LHO officers to make sure that they're informed of all the programs, all the services, that they're entitled to.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife Centre.

**MS. GREEN:** Thank you, Mr. Speaker. Mr. Speaker, the Minister has suggested at one point that the family apply for income assistance, and

that's in spite of the fact that one parent is working full-time and making the effort to provide for his family. We keep saying in this House, "A good job is a social program." Is that really the best suggestion the Minister has, to facilitate more spending of government money rather than addressing the problem at hand? I still don't understand how this family is going to access suitable housing. Thank you.

**HON. ALFRED MOSES:** One thing that this government does is it does provide a lot of social supports to residents of the Northwest Territories. It was only an option. I didn't say to go and do it. It is an option for anybody who finds themselves in that situation or needs a little bit of extra help. We do have the Rent Supplement Program, as I mentioned, to help supplement the living costs that are associated with staying in your own unit, or a market unit, and that's something I would encourage.

We're here to help, as a government, whether it's through income assistance, through the programs we have at Housing, or any other programs that we have initiated or developed during the life of this government. We will continue to do that. It was an option, and I'm just throwing options out there in terms of anybody who is listening who might need a little bit of extra help, and that is what this government is here to do. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Tu Nedhe-Willideh.

QUESTION 338-18(3):  
EDUCATING HEALTHCARE PROFESSIONALS IN  
THE NWT

**MR. BEAULIEU:** Thank you, Mr. Speaker. Mr. Speaker, during my Member's statement I talked about my desire to see the old Stanton Hospital being used as a nursing school. I would like to ask the Minister of Education some questions on that.

Mr. Speaker, today the Minister of Health released a statement on the use of the existing Stanton Hospital as an extended care, long-term care, primary care, outpatient rehabilitation services facility. I would like to ask the Minister of Education if, in spite of that statement, the door would still be open for this government to use the old Stanton Hospital as a school. Thank you.

**MR. SPEAKER:** Masi. Minister of Education, Culture and Employment.

**HON. CAROLINE COCHRANE:** Thank you, Mr. Speaker. I would like to start by saying that, when I was out campaigning, I heard from the doors in my riding in Range Lake many, many ideas, great ideas for the use of the Stanton Hospital, but I do

have to kind of qualify and say that one of the mistakes that I have made since I have been here was that I ran for election too late. My honourable colleague here had already made a whole bunch of plans that he wanted to use for the old hospital before I could get my list in.

I would love to be able to use it for not only that, but a long list of great ideas to use that Stanton Hospital for, but my understanding at this point is that the old hospital is going to be totally used, and there is no more space. Thank you, Mr. Speaker.

**MR. BEAULIEU:** All of those uses fit perfectly with a school. Mr. Speaker, I am sure people have heard of university hospitals. They educate doctors, and doctors will actually work in the hospitals and become doctors, going to school at a university. I would like to ask the Minister if the Minister sees or agrees with me that the existing Stanton Hospital has potential to become a nursing school?

**HON. CAROLINE COCHRANE:** On a more serious note, in all honesty, it would be a great idea. There is more need than there actually are resources, but we do work closely with the Department of Health and Social Services. Our nursing program is one of the most successful programs that we have in Aurora College. That was shown in the foundational review, and we need to support that as best as possible.

It is important that our nursing students get access to clinical practicums, to provide appropriate services and to actually learn the hands-on skills. I can commit that we will continue to work closely with the Department of Health and Social Services to make sure that our nurses have the best access to providing patient care that we can.

**MR. BEAULIEU:** I spoke many times in this House about the great potential of keeping seniors in their homes and the great deferral of cost should we keep seniors in their homes. I am going to repeat it again: for every senior who we keep out of long-term care, we defer \$140,000 in today's money. With that, what I am asking the Minister to do is to work with the Cabinet colleagues, all Cabinet colleagues, including the Minister of Health, so that they could develop a school where the students are flowing through the Stanton Hospital and then ending up back in their communities to run homecare programs in their communities to keep the elders in their homes as long as possible.

My question for the Minister today is: will the Minister of Education work with all of the Cabinet Members so that they can look at this as a tremendous cost, a strategic spending item that will be a long-term investment and long-term return on the money that we are spending?

**HON. CAROLINE COCHRANE:** I will start by saying that, in my personal opinion, I think that all of Cabinet actually works very closely together, and we have very close relationships and are very respectful to each other and our needs. Within that, we do work closely with Health and Social Services to make sure that practicums are done within the old hospital and in the new hospital that will be coming. The Aurora foundational report does state that we need to look at our facilities. I will be talking to Cabinet about that, and to my colleagues, and working closely.

We all support each other, and it is important that we support each other. I know I am not supposed to speak for Cabinet, but I will at this point, saying that, in all honesty, we are all here because we care, and we recognize that. We try to do the best to support each other in our portfolios, and I will continue to do that.

**MR. SPEAKER:** Masi. Oral questions. Member for Tu Nedhe-Wiilideh.

**MR. BEAULIEU:** Thank you, Mr. Speaker. Mr. Speaker, I would like to ask the Minister, in addition to working closely with other Cabinet Members, if they would also look at the document that was produced through the Department of Health and Social Services that looked at long-term care needs in the Northwest Territories, and see how they could use the old hospital to make a change, or look at that those numbers and change those numbers so that what appears to be now something that is looming, as the seniors are going to need long-term care, that this facility could be used to change those numbers.

Even though I know the Minister of Health has factored that in, I think that the school was never factored in. I would like to know if the Minister could commit to giving the information on what would happen if that was to be turned into a nursing school. Thank you.

**HON. CAROLINE COCHRANE:** Again, we work closely within Cabinet. We have a social committee that we talk about, and often we talk about how our different portfolios affect each other. I will commit to bringing the issue to the social committee.

The other thing I should state is that, within the Aurora College Foundational Report, it did say that we are too scattered. Not in those words, but it said that what we don't do well is that we jump on every opportunity, so we need to be more strategic. I took heed of that. We need to be strategic in what we are doing. I don't want to make commitments and say that we are going to go off and do this, we are going to go off and do that, because that is actually going against what the review is saying. We need to step back and look at all of our programs and

make sure that they are providing quality programming. I do know that the nursing program is one of our best. We need to support that as much as possible, but we also need to be strategic and not reactive in how we provide our post-secondary education. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Kam Lake.

QUESTION 339-18(3):  
RENTAL OFFICE BACKLOG

**MR. TESTART:** Thank you, Mr. Speaker. In my Member's statement I talked about the backlog at the NWT Rental Office, and I am not the only one of my honourable friends who has brought this up. The Minister has had plenty of time to look at this problem and to find solutions. I would like to ask the Minister if he has taken responsibility for this backlog, and what solutions he has offered to fix this problem. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Justice.

**HON. LOUIS SEBERT:** Thank you, Mr. Speaker. I am aware of this issue. In fact, it has been raised in this House previously, and, in response to a question by the MLA from Yellowknife Centre, we sent some information out, and perhaps I could relay some of the information contained in the letter to the House.

Between April 1, 2017, and January 31, 2018, there were 353 applications filed with the rental office. As of February 21, 2018, 182 of those had been heard, and of those, 57 per cent were heard within three months of the application filing date, 30 per cent were heard within four months of the application filing date, and of the 12 per cent that were heard beyond the four months after the application filing date, some of those within the 30 per cent category represent files that were adjourned or postponed either because of service of document problems or one of the parties requested an adjournment.

We are well aware of the problem. Members will recall that there was an issue where there was a reduction of one rental officer, resulting from the retirement of a long-standing rental officer in 2016. There was some difficulty in replacing this person. In fact, what we did was we have entered into a contract to add a part-time rental officer to the office. We are hoping that wait times will be reduced. We will continue to monitor the situation.

**MR. TESTART:** The Minister knows as well as I do that it ought to be 60 days, period. The number of caseloads isn't going to be reduced in the foreseeable future. The backlog is only adding more. Clearly, this new position isn't enough. Can the Minister commit to increasing the employees to

the rental officer, or at least developing a proposal for the business plans to bring more resources into that office, more human resources into that office?

**HON. LOUIS SEBERT:** We will continue to monitor the backdate, the backlog in the rental office and, if necessary, will look at adding additional people. I think we want to look at how things go over the next few months. I will get an update of the figures that I have provided to the House. If there appears to be a worsening of the problem, obviously, we would have to look at other alternatives.

**MR. TESTART:** While the Minister continues to survey the results, my constituents are losing thousands of dollars by this backlog. If he is not willing to bring forward more resources, what other things can he do to reduce the waiting times at the rental office? What kind of policy or directives can he apply to make this problem resolve itself?

**HON. LOUIS SEBERT:** As mentioned earlier, we do recognize this as a problem. We have taken a number of steps, including increasing the number of hearings via three-way teleconference and scheduling face-to-face hearings outside Yellowknife more promptly. We are attempting to streamline the office and become more efficient and give people a shorter time in which their matters can be resolved. We do recognize this is an important issue.

**MR. SPEAKER:** Masi. Oral questions. Member for Kam Lake.

**MR. TESTART:** Thank you, Mr. Speaker. Mr. Speaker, when examining the cases that have gone in front of the rental officer, there are many that seem to be a result of the lack of willingness of the parties to work it out on their own and some misunderstanding of what the rental officer can do. I would suggest to the Minister, because I am not all about criticism and would like to give him some solutions today, that perhaps he commit some resources to educating potential landlords and tenants of their responsibilities and rights under the Residential Tenancies Act. Is he willing to put forward some education like that so we can get rid of frivolous cases that are jamming up the system? Thank you.

**HON. LOUIS SEBERT:** I doubt whether the parties involved in those cases regard them as frivolous, but the rental office does offer public education materials. When appropriate, landlords and tenants are encouraged to resolve matters outside the formal application process. However, it has to be said that not all individuals are prepared to be flexible. Many want their day in court. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Hay River North.

QUESTION 340-18(3):  
SOUTH MACKENZIE CORRECTIONAL CENTRE  
THERAPEUTIC MODEL

**MR. SIMPSON:** Thank you, Mr. Speaker. I have some questions for the Minister of Justice. During our last sitting, the Minister stated that the corrections service has established a committee to examine the feasibility of implementing a therapeutic community model to treat inmates at the South Mackenzie Correctional Centre.

The therapeutic community model considers substance abuse as a symptom of much broader problems in a residential setting and uses holistic treatment approaches that have an impact on every aspect of a resident's life. This represents a substantial shift in our approach to corrections. In fact, the Minister has stated that the department is currently in the final stages of curriculum development for the pre-treatment healing addictions program to be facilitated out of SMCC.

I would like to follow up with the Minister, because this is, like I said, a substantial shift and hasn't gotten much attention. Part of this therapeutic model relies heavily on case management. I would like to ask the Minister: since case management is essential to the success of this model, will new staff be hired to ensure appropriate case management? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Justice.

**HON. LOUIS SEBERT:** Thank you, Mr. Speaker. I think those of us who did have the opportunity to go to see the program as it was working in British Columbia were very impressed with the program. Clearly, should we go ahead with this; it would represent a significant change in the way in which we are doing business.

To fully incorporate such a therapeutic model at SMCC, a staffing base would be required to further support the offenders' recovery and growth. They currently have the staffing and resources required to support this model, that is very good news, including management as well as unit case management and program staff. Clearly, training in the philosophy and approach exemplified by Guthrie House would be required for a therapeutic community to be fully implemented in the Northwest Territories.

The news is encouraging. We were very impressed with the Guthrie House model and are thinking about having such a model at SMCC. Thank you.

**MR. SIMPSON:** I was more encouraged last time I asked the Minister about this, because it sounded like they were moving ahead with this. Now, I hear a lot of "maybe we will do this." I would like some clarification: are concrete steps being taken so that the department can move forward with this therapeutic model at SMCC?

**HON. LOUIS SEBERT:** We are currently looking at the possibility of transitioning the SMCC in Hay River to a therapeutic community model. We are spending time on this. Certainly, as I said before, we were all impressed when we went to Guthrie House. I think we should move ahead with our review to ascertain whether we can replicate that model in the Northwest Territories, because clearly, we have to start doing business in a different way.

**MR. SIMPSON:** Again, I heard "possibility" in there. I was under the impression, or maybe it was just hopeful thinking, wishful thinking, that the department was moving forward with this. The Minister mentioned a review. Can I have some sort of timeline of when this review will be complete and when he can give a definitive answer of whether or not this transition is going to take place?

**HON. LOUIS SEBERT:** I don't think I can provide a timeline and a definitive answer at this time, but we will check with the department and get back to the Member opposite.

**MR. SPEAKER:** Masi. Oral questions. Member for Hay River North.

**MR. SIMPSON:** Thank you, Mr. Speaker. The clock is ticking. We don't have that much time. They say, at the end of the Assembly, the departments are just waiting out the Ministers. I would like to see the Minister get moving on this. Will he commit to getting me a timeline and some information on the work that has been done so that I can ensure that is shared with committee? Then we can hopefully press to move this forward. Thank you, Mr. Speaker.

**HON. LOUIS SEBERT:** I certainly would be pleased to provide the Member opposite with an overview of the work we have done to this point. Hopefully, I can also provide some timelines. I think it is a very appropriate question. Thank you.

**MR. SPEAKER:** Masi. Oral questions. Member for Sahtu.

QUESTION 341-18(3):  
SAHTU REGIONAL HOUSING CONFERENCE

**MR. MCNEELY:** Thank you, Mr. Speaker. I am encouraged by the Minister responsible for the NWT Housing Corporation's statement earlier. Sharing information with planning of this type is

very essential. We all know the national strategy holds a variety of programs and resources. My question is: will the Minister responsible for the Housing Corporation provide dates available for an information sharing and development leadership meeting in one of the Sahtu's five communities? Thank you.

**MR. SPEAKER:** Masi. Minister responsible for the NWT Housing Corporation.

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. At the moment, I can't provide exact dates. Recently, I went on a tour through the Deh Cho and made sure that, after listening to the constituents and listening to community members, we contacted our regional office to make sure we had our program coordinators go into the community, update people on programs, do inspections that needed inspections done, and give that direction to the regional offices to make sure they can go into the communities and talk about program services that are available to the residents in terms of partnerships and looking at development.

As I mentioned earlier, we are going to be doing community housing plans, so every community in the NWT is going to have a community housing plan which, at the end, will help us when we do our capital planning strategy. However, I will be willing to sit down with the Member and talk about going into one or a couple of his communities to do something like this. I know, back in December, our staff did go into, I believe, Fort Good Hope or one of the communities and gave an information session as well as just listened to what the residents had to say, but I am willing to sit down with the Member to coordinate something like this.

**MR. MCNEELY:** Thanks to the Minister for the response. In consideration of the life of both governments, I am encouraging the Minister if his staff could accompany us and provide dates of options so the leadership can analyze the dates of option and information provided. Will the Minister provide dates open?

**HON. ALFRED MOSES:** Not here, on the floor of the House, I cannot provide dates. I will look at my schedule and look at the availability of my senior staff who will be able to come in and chat with leadership, not only leadership but also community organizations, any other non-government organizations, as well, that want to participate in creating options. I know that we had the Yellowknife Women's Centre attend a meeting in Behchoko today, actually, and talk about options for Housing First in Behchoko, and we can do something similar in the other smaller communities. Plus, the program that I mentioned, the Northern Pathways to Housing pilot, we are currently talking with the K'asho Got'ine Housing Society on seeing how we can

develop that, and we are just in the planning stages.

**MR. MCNEELY:** Thanks for the previous invitation. I will take the Minister up on the previous invitation to sit down and discuss available dates so that we can present that to the Sahtu leadership and strike when the iron is hot, here, on the available time to us for the National Housing Strategy and funding resources they provide.

**MR. SPEAKER:** Masi. I will take that as more of a comment to the Minister for consideration. Oral questions. Member for Mackenzie Delta.

QUESTION 342-18(3):  
AKLAVIK TRANSITIONAL HOUSING

**MR. BLAKE:** Thank you, Mr. Speaker. Mr. Speaker, I brought this issue up a few months back. This question is to the Minister responsible for the Northwest Territories Housing Corporation. Mr. Speaker, a few months back, in the winter session, I brought up the concerns from Aklavik that, you know, the transition house, if you will, the four-unit building that was supposed to be put up in the community, was after some more planning supposed to go to a four-bedroom unit, which I don't feel is adequate, so I would like to ask our new Minister here: what are the plans for the four-unit transition home for Aklavik? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister responsible for the Northwest Territories Housing Corporation.

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. Yesterday you heard me make a Minister's statement in the House about the Northern Pathways to Housing pilot program. I mentioned four communities, Fort Simpson, Behchoko, Aklavik, as well as, just recently, Fort Good Hope, working with the K'asho Got'ine Housing Society to develop these units. Now, recently, I know the Member mentioned that there was a unit that we were going to fix up to address the transition house, but the current update on that is we met with the Aklavik Indian Band, and I believe that we are going to get materials there this summer and build new construction for a new building in the community of Aklavik. It should be done, hopefully completed, by December of this year.

**MR. BLAKE:** That is great news. I know that community was disappointed when I made them aware that the building was going to be renovated, so that is great. Hopefully, we will have some work in the community. Will the Minister ensure that the contract is either negotiated -- I know the community does actually have a working group to try to get as much work in the community as possible.

**HON. ALFRED MOSES:** As the Member knows, the NWT Housing Corporation has been working with the Aklavik Indian Band for a couple of years now in terms of the planning, looking for a lot, looking for where we can put either a new construction or where we can upgrade a current housing unit. As I mentioned, it is a new construction. We will get the materials there this summer. The building, the northern housing unit, should be complete by December of 2018. We will update the Member on a regular basis. We will also make sure that the Aklavik Indian Band does know this. In terms of the contract, I do believe the contract is already awarded, so the work can get started as soon as the material gets over to Aklavik. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife North.

QUESTION 343-18(3):  
NET METERING

**MR. VANTHUYNE:** Thank you, Mr. Speaker. Mr. Speaker, my questions today are for the Minister responsible for the Public Utilities Board. Mr. Speaker, the Government of the Northwest Territories is doing some good work as it relates to our responsibility in lowering our emissions and working towards energy efficiency. I think Northerners are doing a good job at the same thing, finding ways in which to lower their energy costs, but businesses, commercial enterprises, they want the same opportunity, Mr. Speaker. They are some of our biggest emitters, after all, and so solar is an enticing opportunity for them, but, right now, when they crunch the numbers, it just does not seem to work out. I would just like to start by asking the Minister: can the Minister maybe explain the rationale for the policy that seems to be limiting alternative-energy projects to 15 kilowatt hours? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister responsible for the Public Utilities Board.

**HON. GLEN ABERNETHY:** Thank you, Mr. Speaker. Mr. Speaker, in the previous Assembly, the Minister responsible for the PUB and Cabinet of the day provided some direction to the PUB to develop some principles when assessing net metering here in the Northwest Territories. Part of that direction included a capacity of 15 kilowatts, as the Member has identified. Those instructions are available online at the PUB's website. In this Assembly, with respect to Mandate 1.4.6, this Assembly agreed that we will support net metering through clear policy direction to the PUB to provide clarity to allow customers to recover their investments in renewable energy.

Mr. Speaker, one of the reasons 15 kilowatts was identified is recognizing that savings realized by residents and business participating in net metering are eventually passed along to residents and businesses who do not have the financial wherewithal to actually invest in privately owned energy alternatives, so we needed to make sure that there was not too much cost going on all the residents who could not afford to necessarily move forward with green technology.

**MR. VANTHUYNE:** I appreciate where the Minister is coming from, but one of the things that has been identified recently is the Northwest Territories Chamber of Commerce has done some work as it relates to a significant recent reduction in small to medium business enterprises, and part of the reason, we have learned, as to why --

**MR. SPEAKER:** Member for Yellowknife North, we only have six more minutes and we have another Member, so, if you can, get to the question. Also, shorten the answers, as well. Masi.

**MR. VANTHUYNE:** Thank you, Mr. Speaker. I will do my best. So I guess we are seeing a downturn in small businesses, and one of the arguments is that it's due to energy costs, so it seems to me that changing a policy to allow businesses to become more efficient would be the right thing to do. Will the Minister maybe consider directing the board to increase the 15 kilowatt hour to 50 kilowatt hour to make it more economical for businesses to consider alternative energy?

**HON. GLEN ABERNETHY:** In response to the mandate, Cabinet committed to addressing that meeting through a public review of the GNWT's draft energy strategy, and to either amend or reconfirm the previous Cabinet's policy direction around that meeting as required. The public review on the energy strategy is now complete. It is my understanding that no issues were identified which required any revisions to our strategy. We're open to have additional discussion on this, but I will remind the Member that one of the main reasons we supported net metering is to help green, to provide more green energy and get off carbon. I am curious whether the Member is talking about providing net metering to businesses in hydro zones or thermal zones?

**MR. VANTHUYNE:** I appreciate the answer. I'm talking about thermal or hydro. I mean, arguably, Yellowknife is a mix of both. We have spent \$30 million in fuel subsidizing our hydro system in recent years. I asked this question during budget deliberations, and the answer that I got was that because we need to preserve NTPC's infrastructure costs. Somehow, we can't allow big generators of power to come online, or else that would interrupt how we operate as it relates to the power

corporation. Mr. Speaker, it would seem to me that we would be wanting ---

**MR. SPEAKER:** Member Yellowknife North, what's your question?

**MR. VANTHUYNE:** The question is: why would we invite other big providers of power to come online and help the Power Corporation to reduce its costs so that we can all get a little bit more affordable power?

**HON. GLEN ABERNETHY:** One of the reasons we do net metering, as I've indicated, is to support getting off carbon and utilizing green technologies. In a hydro zone, the cost of providing power is set based on the equipment and machinery we have in place. By bringing in more hydro or solar power, we are actually increasing the cost of those individuals who don't have the wherewithal, financial wherewithal, to actually invest.

If the Member is talking about thermal zones, I am totally open to having the discussion about providing greater kilowatt hour for businesses, but in a hydro zone, it is going to drive up the cost for the net users, which includes everybody who can't afford to put in hydro. For thermal zones, I am available for the conversation.

**MR. SPEAKER:** Oral questions. Member for Deh Cho.

QUESTION 344-18(3):  
UPGRADE TO KAKISA DOCK

**MR. NADLI:** Thank you, Mr. Speaker. Mr. Speaker, my questions are to the Minister of Infrastructure. I want to thank the Minister for attending a constituency tour on May 8<sup>th</sup>, when we met people in Kakisa, and then we raised the concerns about the dock in their community and its condition. I was very encouraged by the recent announcement by the Ministers of Transportation and Infrastructure in the NWT, particularly the air transportation. My question is to the Minister of Infrastructure: what kind of plan of action does he intend to undertake to follow up from the meeting of May 8<sup>th</sup> in terms of addressing the concerns of the people of Kakisa? Thank you.

**MR. SPEAKER:** Minister of Infrastructure.

**HON. WALLY SCHUMANN:** Thank you, Mr. Speaker. I am glad to inform the Member we have already directed our superintendent to reach out to the community, which they have. They are in discussions. We were going to provide assistance with the community on how to prepare their CAP proposal for this project through the Department of Infrastructure, and we will be working with them closely, and I will be following this project closely.

**MR. NADLI:** I wanted the initiative that's available to communities, the Community Access Program, which has a target of working with docks and wharfs in small communities, and it is application-based. Could the Minister detail out how his officials may work with the community at Kakisa?

**HON. WALLY SCHUMANN:** I guess I should clarify: the regional superintendent was the superintendent of Infrastructure, and we are going to be looking at using the Community Access Program for this project. We are going to work closely with them to help them prepare their proposal. Part of the criteria around the CAP program is we provide contributions to the communities, but when it goes through that process, there are requirements that we need to consider; the level of community involvement in the process, the benefit to the community, and the cost. That's what we will be working with them once we get the application filled out and have a look at it.

**MR. NADLI:** I just wanted to thank the Minister for his answers, and I don't have any further questions. Mahsi.

**MR. SPEAKER:** The time for oral questions has expired. Item 8, written questions. Item 9, returns to written questions. Item 10, replies to the Commissioner's opening address. Item 11, petitions. Item 12, reports of standing and special committees. Member for Kam Lake.

### Reports of Standing and Special Committees

#### COMMITTEE REPORT 8-18(3): REPORT ON THE REVIEW OF THE 2016-2017 PUBLIC ACCOUNTS OF THE GOVERNMENT OF THE NORTHWEST TERRITORIES

**MR. TESTART:** Thank you, Mr. Speaker.

#### Executive Summary

Mr. Speaker, the Standing Committee on Government Operations is pleased to present its Report on the Review of the 2016-2017 Public Accounts of the Government of the Northwest Territories. The review took place in Yellowknife, Northwest Territories, from April 18-19, 2018.

The committee notes that the Consolidated 2016-2017 Public Accounts of the Government of the Northwest Territories received a clean audit opinion from the Auditor General and commends the Government of the Northwest Territories for this achievement.

Members of the standing committee would also like to take the opportunity to thank Assistant Auditor General Mr. Terry DeJong, Mr. David Irving,

principal, and Ms. Michelle Smith, director, from the Office of the Auditor General (OAG), who traveled from Ottawa and Edmonton to assist the standing committee with its review.

The standing committee also wishes to thank Mr. Jamie Koe, Comptroller General, and officials from the Office of the Comptroller General in the GNWT's Department of Finance for their appearance before the committee.

#### 2016-2017 Recommendations

As a result of this year's review of the 2016-2017 public accounts, the Standing Committee on Government Operations made recommendations in the following subject areas:

##### 1. Timeliness of the Public Accounts

In 2016-2017, there were 22 entities consolidated in the public accounts. Seven entities failed to meet their original deadlines and failed to seek extensions as required by the Financial Administration Act, FAA. The committee discussed with the Comptroller General the possibility that smaller boards and agencies might benefit from a more formalized arrangement of support from the Office of the Comptroller General, such as a memorandum of understanding or service agreement. The Comptroller General expressed a willingness to consider this proposal if recommended to do so by the committee.

**Recommendation:** The Standing Committee on Government Operations recommends that the Office of the Comptroller General in the Department of Finance consider, and report back to the standing committee on, the utility of entering into service agreements or memoranda of understanding with GNWT boards, agencies, or other entities requiring support or assistance to complete their year-end financial reporting as required under the FAA.

##### 2. Accounting Treatment of Public Private Partnerships

The standing committee acknowledges the improvements the GNWT is making to the manner in which it reports on P3 projects in the public accounts, given that the Public Sector Accounting Board standards have yet to be finalized.

**Recommendation:** The Standing Committee on Government Operations recommends that the Government of the Northwest Territories consider bringing together all of its information about P3 projects under one note in the consolidated public accounts, until such time as the new Canadian Public Sector Accounting Board Standards on the accounting treatment of P3 projects are put in place.



3. Public Reporting on the GNWT's Inventory of Contaminated Sites

With respect to the GNWT's environmental liabilities, the standing committee believes that the GNWT should be doing more to report publicly on its contaminated site inventory.

Recommendation: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories make GNWT's inventory of contaminated sites available online, modeled upon, and with a level of disclosure comparable to, the Federal Contaminated Sites Inventory maintained by the Treasury Board of Canada Secretariat.

4. Compliance with the GNWT's Fiscal Responsibility Policy

The standing committee acknowledges the improvements that the GNWT has made to its reporting on the government's compliance with its Fiscal Responsibility Policy, but believes that there is room for improvement, to improve government accountability and transparency.

Recommendation: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories, giving consideration to the observations made in this committee report, strive to improve upon the information in the Financial Statement Discussion and Analysis section of the public accounts that indicates how the GNWT has met the Fiscal Responsibility Policy provisions related to debt servicing and infrastructure financing.

5. Balancing the Protection of Privacy and the Disclosure of Information

The standing committee continues to have concerns with the way that the GNWT reports student loan remissions in Schedule 9 of the non-consolidated financial statements. To address the optics of including student loan remissions, which is a positive indication of a northern resident student's completion of higher education, with bad debt write-offs and forgiveness, the standing committee makes the following recommendation.

Recommendation: The Standing Committee on Government Operations recommends that the Department of Finance give consideration to reporting student loan remissions in another schedule in the public accounts, separate from the schedule reporting bad debt write-offs and forgiveness.

Even with this change, the standing committee is still of the view that the degree of disclosure of information regarding student loan remission in the

public accounts constitutes a potential invasion of privacy. Therefore:

Recommendation: The Standing Committee on Government Operations recommends that the Department of Finance, upon completion of a privacy impact assessment in 2018-2019 by the Information and Privacy Commissioner and having considered the committee's suggestions contained in this report, reconsider amending the Non-consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions to better protect the privacy of individuals.

6. Improving Accountability and Transparency

The standing committee was advised by the Office of the Auditor General that the GNWT is in the process of ensuring that annual reports of the government's boards and Crown corporations be translated into French.

Recommendation: The Standing Committee on Government Operations recommends that the Department of Finance continue its efforts to ensure that all annual reports required under the GNWT's Planning and Accountability Framework be translated into French and made available to the public in a timely manner.

7. Conclusion

Recommendation: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories provide a response to this report within 120 days.

MOTION THAT COMMITTEE REPORT 8-18(3) BE DEEMED READ AND PRINTED IN HANSARD IN ITS ENTIRETY,  
CARRIED

**MR. SIMPSON:** Mr. Speaker, I now move, seconded by the honourable Member for Hay River North, that Committee Report 8-18(3) be deemed read and printed in Hansard in its entirety. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. All those in favour? All those opposed?

---Carried

REPORT ON THE REVIEW OF THE 2016-2017  
PUBLIC ACCOUNTS OF THE GOVERNMENT OF  
THE NORTHWEST TERRITORIES

## Introduction

The Legislative Assembly of the Northwest Territories' Standing Committee on Government Operations ("SCOGO" or "the committee") has a mandate to review and report on the Government of the Northwest Territories' public accounts. This review helps ensure that issues related to public spending and the GNWT's fiscal management practices are publicly examined and scrutinized to promote government accountability.

In the course of its review, the committee makes recommendations to the government to improve financial management reporting and practices. The Standing Committee on Government Operations is pleased to present this report on its review and looks forward to receiving the government's response.

## About the Public Accounts

The public accounts are the financial statements of the Government of the Northwest Territories (GNWT), which are prepared annually according to Canadian Public Sector Accounting standards (PSAS). They are also prepared in accordance with requirements contained in the federal Northwest Territories Act and the GNWT's Financial Administration Act (FAA).

The public accounts are produced in four sections:

Section I contains the consolidated financial statements, reporting the combined results of operations for all GNWT departments, revolving funds, public agencies, territorial corporations, and other related entities that are considered part of the government reporting entity. This information is audited by the Auditor General. Section I also contains an unaudited Financial Statement Discussion and Analysis, which provides a management analysis by the GNWT of information reported in the public accounts.

Section II presents the non-consolidated, unaudited financial statements for GNWT departments only, including the revolving funds and special purpose funds they administer. It also includes the financial statements for the Legislative Assembly and its statutory offices.

Sections III and IV contain the supplementary financial statements of boards and other entities.

## The Significance of a Clean Audit Opinion

In an unqualified or "clean" report, the auditor concludes that the government's financial statements present its financial affairs fairly, in all material respects. This indicates that the government observed compliance with Canadian Public Sector Accounting standards and statutory

requirements. It also demonstrates that any changes in accounting policies, and the impact of those changes, have been adequately determined and revealed.

A clean opinion does not necessarily tell the reader that the government is in good economic health. Its purpose is to provide assurance that the government's financial report is complete and transparent and has not misrepresented any important facts.

The committee notes that the consolidated 2016-2017 Public Accounts received a clean audit opinion from the Auditor General and commends the Government of the Northwest Territories for this achievement.

## Timeliness of the Public Accounts

Section 36 of the FAA requires that the interim public accounts be completed by September 30<sup>th</sup>, following the end of the fiscal year in question, and tabled at the earliest opportunity. The interim public accounts contain the financial information of GNWT departments that later form Section II of the public accounts.

Section 35 of the FAA requires that the consolidated public accounts be completed by December 31<sup>st</sup>, following the end of the fiscal year in question, and tabled no later than the fifth day of next sitting of the Legislative Assembly. This section of the act also permits the Minister of Finance to publicly release the public accounts before they are tabled.

## Deadlines for the 2016-2017 Public Accounts

The interim Public Accounts were provided to SCOGO by the Minister of Finance on September 14, 2017, and tabled on October 17, 2017 [TD 4-18(3)].

The consolidated Public Accounts were:

- signed off by the Minister of Finance on October 26, 2017;
- released to the public on November 8, 2017; and
- tabled on February 13, 2018 [TD 39-18(3)].

Both the interim and final 2016-2017 Public Accounts were completed to meet the applicable statutory deadlines. The committee acknowledges the GNWT's effort in meeting these legal requirements again this year.

Timeliness of the Financial Statements for Individual Entities Consolidated in the Public Accounts

Section 31 of the FAA requires that the public boards, agencies, and councils forming the government reporting entity (GRE) have their public accounts audited annually. The fiscal year end for these entities differs from the GNWT's and falls on either June 30<sup>th</sup> or September 30<sup>th</sup>, depending upon the legislation governing each entity. Section 32 of the FAA provides that the Minister of Finance may allow an extension to the deadline for completion of an entity's financial statements, not exceeding 60 days.

In previous years, the committee recommended that the GNWT include, in the Financial Statement Discussion and Analysis part of Section I of the public accounts, a list of the entities consolidated within the public accounts, along with the dates that they completed their financial statements. This list, titled "Completion of Entities Consolidated Within the 2016-2017 Public Accounts," identifies the fiscal year end for each entity, any revised due date resulting from the entity's request for an extension, and the actual completion date of the entity's financial statements for the year in question. In its response to last year's review, the GNWT committed to continue to include this list in the public accounts on an ongoing basis.

Again, this year, the committee reviewed the compliance of public agencies in the government reporting entity with their respective deadlines. During the public review, the committee was advised by the Comptroller General that the list included in the 2016-2017 Public Accounts was incorrect. The committee was provided with a revised list that is reproduced below (Figure 1) for the public record.

In 2016-2017, there were 22 entities consolidated in the public accounts. There were five fewer entities than in the previous year because of the amalgamation of six Health and Social Services Authorities into one NWT-wide authority. Of the 22 entities:

Five entities (Aurora College; the NWT Health and Social Services Authority; NT Hydro; the NWT Business Development and Investment Corporation; and the NWT Housing Corporation) requested 60-day extensions. Of these:

- three met their revised deadlines; and
- the remaining two entities (the NWT Health and Social Services Authority and the NWT Housing Corporation) missed their extended deadlines by six weeks;
- Seven entities failed to meet their original deadlines and failed to seek extensions. Of these:

- four entities (Beaufort Delta Divisional Education Council; Sahtu Divisional Education Council; the NWT Sport and Recreation Council; and the Status of Women Council of the NWT) were late by less than a week;
- one entity (the Detah District Education Authority) was late by less than two weeks; and
- two entities (the Arctic Energy Alliance and the NWT Human Rights Commission) were late by more than 60 days and less than 90 days.

As in past reviews, the committee recognizes that smaller government entities often face significant capacity issues that may impact on their ability to complete their financial statements in a timely manner. Nonetheless, there is little excuse for the failure of an entity to seek a 60-day deadline extension, as provided for in the FAA.

The committee again urges the Office of the Comptroller General to work with the GNWT's boards and agencies to ensure that they are working towards completing their financial statements in a timely manner and, where necessary, seeking the Minister's approval to extend the legal deadline.

The committee raised with the Comptroller General the question of whether smaller boards and agencies might benefit from a more formalized arrangement of support from the Office of the Comptroller General, such as a memorandum of understanding or service agreement. The Comptroller General expressed a willingness to consider this proposal if recommended to do so by the committee. Accordingly, the standing committee makes the following recommendation:

#### **Recommendation 1**

The Standing Committee on Government Operations recommends that the Office of the Comptroller General in the Department of Finance consider, and report back to the standing committee on, the utility of entering into service agreements or memoranda of understanding with GNWT boards, agencies, or other entities requiring support or assistance to complete their year-end financial reporting as required under the FAA.

#### **Notable Audit Subject Areas**

The following subjects have been identified as areas of particular interest to members of the standing committee, which also may be of interest to the public:

#### **Public-Private Partnerships**

Increasingly, governments across Canada are using various forms of public-private partnership (P3) arrangements for the provision of assets and delivery of services. In P3 arrangements, the private corporation finances the project. This enables governments to borrow less money up front to develop larger, higher-cost projects, as the full cost of the project is paid over the project's life. This, in turn, allows governments to undertake more projects in a given time frame and to obtain expertise from private corporations.

P3 projects are not without risk, however. P3 agreements require complex, expensive legal arrangements. There is a risk at the end of a project's life, typically 30 years, that the asset will be returned to government in an unfit state and that any compliance penalty provided for in the agreement will be insufficient to remediate the asset. Government may guarantee a higher rate of return to the private corporation compared with the cost of borrowing, meaning that over its life a P3 project may cost more than a project done through standard procurement practices. Significant issues arising during the construction phase may delay project completion and result in lawsuits and the application of penalties. Problems of this latter nature have impacted upon the GNWT's Mackenzie Valley Fibre Link Project.

There is a risk that the private partner may not have sufficient equity to pay penalties arising from such issues and may seek compensation from government for excess costs incurred. There is also a related risk that the private partner may experience insolvency or bankruptcy, potentially impacting upon its ability to see a project through to completion or requiring that a new partner step in to take over the original partner's responsibilities. Earlier this year, the collapse of UK-based Carillion, the parent company of Carillion Canada Inc., which holds a 50 per cent equity interest in Boreal Health Partnership, called into question the impact that this bankruptcy would have on the Stanton Renewal Project. In this instance, the P3 arrangement served to protect GNWT's interests by requiring the partner to resolve matters relating to the status of other consortium members. As a result, the assets and liabilities associated with the Stanton Renewal Project have been assumed by Fairfax Financial Holdings, and the project is continuing as planned. Nonetheless, both of the first two P3 projects undertaken by the GNWT have experienced some of the problems associated with this form of procurement. This amply demonstrates their more volatile nature.

At the end of 2015, the Canadian Public Sector Accounting Board (PSAB) approved a proposal to develop a public sector accounting standard specific to public-private partnerships. While this work is ongoing, the Office of the Auditor General

has been working with the GNWT's Department of Finance on the accounting treatment of P3s in the public accounts. As a result, the way that P3 projects are reflected in the public accounts is evolving from year to year.

#### **2015-2016 Public Accounts**

In the 2015-2016 Public Accounts, information on P3 projects was primarily located in two places in Section I of the public accounts: under the Note 2 summary of significant accounting policies and under Note 18, contractual obligations, which identified the GNWT's commitments related to P3 projects.

#### **2016-2017 Public Accounts**

Starting this year, the GNWT has included a section on P3s under the Financial Statement Discussion and Analysis part of Section I (page 35). Much of the information included here is similar to that previously found under Note 18, contractual obligations.

P3 projects are now being booked as assets owned by the GNWT and shown as work in progress on Schedule A, the Consolidated Schedule of Tangible Capital Assets (page 49). This schedule identifies P3 operational (service) commitments totalling \$284.7 million from March 31, 2017, until 2048; and commitments related to P3 tangible capital asset (building) projects in process at year end totalling \$72.3 million from March 31, 2017, until 2018.

In 2016-2017, the Section I, Note 2, Summary of Significant Accounting Policies (page 23), again contains an explanation of the treatment of P3 projects in the public accounts. Some of the highlights of this treatment include:

- P3 agreements may be used to procure services and public infrastructure when the total costs (capital, operating and service) over the life of the project exceed \$50 million;
- There is appropriate risk-sharing between the GNWT and the private partners;
- The agreement extends beyond the capital construction phase;
- There is a clear net benefit to the GNWT as compared with standard procurement processes;
- The operating and service costs identified in the agreement are expensed as they are incurred;
- For assets under construction, where the GNWT bears the risks and rewards, the capital asset (classified as a work in progress) and the

corresponding liability are recorded based on the actual costs incurred by the P3 partner. Where the GNWT does not bear the risks and rewards of the asset until substantial completion, the future associated agreement is disclosed; and

- Rules are also set out for how a capital asset is valued and how any revenues are reported.

Section I, Note 14, Long-Term Debt, also provides information on P3 projects. It identifies the \$51.2 million loan due to Boreal Health Partnership for the Stanton Renewal Project, repayable in monthly instalments of \$794,000, starting at the expected in-service date (November 2018) until November 2048; and the \$90.9 million loan due to Northern Lights General Partnership for the Mackenzie Valley Fibre Link, repayable in monthly instalments of \$620,000, starting at the expected in-service date (August 2017) until July 2037.

The committee understands that the manner in which the GNWT reports on P3 projects is driven by evolving PSAB standards. The committee is pleased to see that the GNWT has taken the initiative to report cohesively on these very important capital projects in the Financial Statement Discussion and Analysis part of Section I and encourages the GNWT to continue to do so.

In its discussion with officials from the OAG, the committee was advised that, in this interim period while the new PSAB standards are under development, the OAG had suggested that the GNWT bring together all of its information about P3 projects under one note in the consolidated public accounts. Accordingly, the committee makes the following recommendation:

#### **Recommendation 2**

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories consider bringing together all of its information about P3 projects under one note in the consolidated public accounts, until such time as the new Canadian Public Sector Accounting Board standards on the accounting treatment of P3 projects are put in place.

#### **Environmental Liabilities**

The accounting treatment of environmental liabilities by public sector bodies is set out in the Public Sector Accounting Board's standard PS 3260, Liability for Contaminated Sites. Under this standard, the GNWT is responsible for recording estimates in its financial statements for the further evaluation or remediation of all known contaminated sites for which it is legally responsible.

Environmental liabilities arise when contamination exceeds established environmental standards. Estimated remediation costs are recorded in the year in which they become known. Where no financial liability has been recognized, this is because the contamination is determined unlikely to affect public health or safety, cause damage, or impair the surrounding environment. These sites continue to be monitored as part of the GNWT's ongoing environmental protection program. Where new information becomes available indicating greater concerns, the remediation costs would be recorded at that time.

As reported under Section 1, environmental liabilities and asset retirement obligations for the government reporting entity totalled \$72.3 million [2016 – \$66.2 million] and included 279 identified sites [2016 – 223] as potentially requiring environmental remediation. Included in the 279 sites are 80 sites for which no financial liability has, as yet, been recognized.

For Section II (government departments only), environmental liabilities totalled \$53.7 million and include 245 sites [2016 – 191] potentially requiring environmental remediation. Included in the 245 sites are 79 sites [2016 – 74 sites] for which no financial liability has, as yet, been recognized.

There were six sites [2016 – two sites] closed during the fiscal year that were either remediated or no longer meet the criteria required to record a liability for contaminated sites, in accordance with Canadian Public Sector Accounting standards (PSAS). This is the same information as reported in Section 1, meaning all of the closed sites were under departmental administration or responsibility.

Giant Mine is included as one of the sites and has been formally designated as contaminated under the NWT Environmental Protection Act. In 2005, the GNWT recorded a liability for its share of the remediation, the remaining balance of which is \$2.7 million [2016 - \$2.9 million]. There are six other abandoned, non-operating mine sites that the GNWT and Canada will be jointly remediating on a cost-sharing allocation similar to that used for Giant Mine.

The committee understands that the information on environmental liabilities provided by the Department of Finance in the public accounts is driven by public sector accounting standards. Nonetheless, the information is of considerable public interest and the GNWT has a stated commitment to improving accountability and transparency. Given these considerations, and the fact that the GNWT's inventory of contaminated sites is managed by the Department of Finance, the committee makes the following recommendation:

### Recommendation 3

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories make GNWT's inventory of contaminated sites available online modeled upon, and with a level of disclosure comparable to, the Federal Contaminated Sites Inventory maintained by the Treasury Board of Canada Secretariat.

### Fiscal Responsibility Policy 15.03

The GNWT's Fiscal Responsibility Policy (FRP) was first established in 2005 as a policy of the Financial Management Board and later reissued as a Cabinet-approved policy. The purpose of the FRP is to ensure that the GNWT plans for and achieves sufficient operating surpluses to finance annual infrastructure investments and meets debt servicing payments on any amounts borrowed. This requires the government to adhere to the following parameters that are set out in the policy:

- Affordable debt (including debt associated with P3 projects): Non-consolidated debt servicing payments (defined as principal repayments together with debt interest, plus any incidental costs associated with administration of the debt) shall not exceed 5 per cent of total non-consolidated annual revenues; and
- Infrastructure financing (excluding P3 projects): Government will restrict infrastructure investments, as follows:
  - a) a minimum of 50 per cent from the operating surpluses generated within the non-consolidated (Section II) public accounts; and
  - b) a maximum of 50 per cent from government debt.

As a result of pressure by the standing committee, Finance now reports annually, in the Financial Statement and Analysis part of Section 1 of the public accounts (page 34), on how the GNWT has performed with respect to the numerical parameters set under the FRP.

The GNWT concludes that it has met the parameters of the FRP for the 2016-2017 fiscal year. With respect to affordable debt, Figure 2 reveals that debt servicing costs of \$11 million, as compared with non-consolidated revenues of \$1.857 billion, meant that the GNWT's debt servicing payments amounted to 0.59 per cent of total revenues, well below the 5 per cent threshold.

With respect to infrastructure financing, it is less easy to discern how the GNWT has met the requirements of the FRP. While the policy requires

that a minimum of 50 per cent of infrastructure investment be funded from non-consolidated operating surpluses and a maximum 50 per cent from government debt, the GNWT concludes that "[t]otal operating cash required of \$141 [million], compared to total operating cash available [of] \$244 million, resulted in an excess in cash generated of \$103 [million]."

The committee believes that the Minister of Finance would be the first to agree that the GNWT does not have excess cash at its disposal, which makes the conclusion reached in this section of the public accounts somewhat misleading. The FRP requires the government to generate an annual non-consolidated operating surplus to fund infrastructure development, but the amount of surplus in excess of the government's investment needs is of less importance to the committee, and hence to the public, than whether or not the surplus generated is sufficient to fund a minimum 50 per cent of investment costs.

With respect to reporting on the FRP, the committee is pleased to see that the chart presented in Figure 2 identifies where in the public accounts some of the key figures may be found that are used in determining the government's compliance with the policy. The committee would like to see the source identified for all of the figures noted in the chart, so that these calculations may be independently verified, an important aspect of public accountability.

The committee also notes that on page 30, in the Financial Statement Discussion and Analysis, Finance reports that the "government's debt servicing payments to total revenue has increased slightly from 1.48 per cent in 2015-2016 to 1.75 per cent in 2016-2017." The report notes that the government's Fiscal Responsibility Policy was met by having these debt servicing payments not exceed 5 per cent.

The committee found this narrative to be somewhat confusing, given that the 1.75 per cent figure differs from the 0.59 per cent figure noted in the chart on page 34, Section I. However, the section on page 30 also notes that the increases relate to the consolidation of the NWT Hydro Corporation in the public accounts. This suggests that the 1.75 per cent figure refers to the entire government reporting entity and therefore to the consolidated debt servicing payments, rather than the non-consolidated debt servicing payments referenced in the FRP.

The committee raised this with the Comptroller General, who agreed that if the committee is correct in this understanding, then the FRP does not apply to the consolidated debt servicing payments and

should not be referenced in this part of the narrative.

Overall, the committee is pleased with the progress made by Finance in its reporting on the Fiscal Responsibility Policy and challenges the department to strive to improve upon this reporting by considering the committee's observations. Accordingly, the committee makes the following recommendation:

#### **Recommendation 4**

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories, giving consideration to the observations made in this committee report, strive to improve upon the information in the Financial Statement Discussion and Analysis section of the public accounts that indicates how the GNWT has met the provisions of the Fiscal Responsibility Policy related to debt servicing and infrastructure financing.

#### **Borrowing**

When the GNWT does not have sufficient cash resources, it must rely on short-term borrowing to meet cash flow requirements, such as payroll. Short-term debt is defined as borrowing for a period of time that is 365 days or shorter. A limit on short-term borrowing used to be set in the Borrowing Authorization Act (BAA). Although Note 8 refers to the Borrowing Authorization Act, the new FAA, which came into force on April 1, 2016, eliminated the need for the BAA, which has since been repealed.

Starting with the 2016-2017 fiscal year, the short-term borrowing limit is now set in the Appropriation Act and referenced in the GNWT's annual borrowing plan. The borrowing plan can be found on page xv of the 2016-2017 Main Estimates. The Comptroller General confirmed for the committee that the reference to the BAA was outdated, and will be updated to reflect the current legislative framework in future years.

For the government reporting entity, both short- and long-term debt are reported under liabilities in the Consolidated Statement of Financial Position. For 2016-2017, long-term debt increased by \$110.6 million (24.5 per cent) to \$561.7 million. The GNWT attributes the increase in long-term debt to "work done to date on the Mackenzie Valley Fibre Link and Stanton Territorial Hospital Renewal projects." Short-term loans decreased by \$42.6 million (15.4 per cent) to \$234.8 million.

#### **Protection of Privacy and Disclosure of Information**

The Non-consolidated Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions (Schedule 9) contained in Section II of the public accounts continues to identify, by name, all individuals who have received a remission of their student loans and the amount of that remission. The committee has two concerns with respect to Schedule 9.

First, student loan remissions are a positive indication of a northern resident student's completion of higher education. By reporting these remissions in the same schedule as write-offs and forgiveness of bad debts, which have negative connotations, the GNWT creates a situation in which student loan remissions may be conflated with bad debts. A casual reader, who does not understand what a remission is, or how the process works, might interpret the amounts written beside a student's name as being indicative of a bad debt, given this wording appears on the page header in the schedule. Schedule 9 does include a description of the student loan remission process to guard against this, but it is still a risk.

This risk is exacerbated by the fact that the public accounts are text-searchable, meaning that any potential creditor who is searching financial information about a loan applicant would be able to find that applicant's name and the amount of their loan remitted by the GNWT. This is a data-matching practice outside of the GNWT's control, but inadvertently enabled by current technology and the GNWT's decision to post the information as it currently does.

In the past two reviews, the committee has made recommendations designed to compel the GNWT to reconsider its position on this matter, including a recommendation made in the last review that the department consult with the IPC and with the Department of Education, Culture and Employment to determine whether or not consent is obtained from student loan applicants for the disclosure of this personal information.

The standing committee recognizes that government must strike a balance between protecting the privacy of an individual's personal information and disclosing information that is in the public interest. However, the committee believes that the degree of disclosure related to this information is not required under section 65(1)(b) of the Financial Administration Act and may, in fact, constitute a breach of privacy of those individuals named in the schedule, which is the committee's second concern with Schedule 9. It should be noted that the committee's view is shared by the Information and Privacy Commissioner of the Northwest Territories (IPC) who has communicated her views to the Department of Finance.

The committee is pleased to hear that the Comptroller General expects to engage the IPC in a privacy impact assessment related to this issue in the 2018-2019 fiscal year, but is disappointed that this has not already been completed, given the committee's concerns. The committee was also interested to learn that ECE has since amended its student loan application to clearly identify that remissions will be disclosed in the public accounts. This suggests that the information was, before the amendment, being collected and disclosed in a manner inconsistent with the requirements of the Access to Information and Protection of Privacy Act.

To address the concern about the optics of reporting loan remissions and bad debt write-offs and forgiveness in the same schedule, the committee considers that a simple solution might be for the GNWT publish the forgiveness and write-off of bad debts in a separate schedule from student loan remissions. The committee discussed the viability of this option with the Office of the Auditor General, whose officials indicated that they did not see any impediment to this approach. Therefore, the committee makes the following recommendation:

#### **Recommendation 5**

The Standing Committee on Government Operations recommends that the Department of Finance give consideration to reporting student loan remissions in another schedule in the public accounts, separate from the schedule reporting bad debt write offs and forgiveness.

With respect to the protection of students' privacy, the committee believes that the practice of identifying students by their initials and surname only might further enhance privacy. As well, the committee notes that, in a number of previous years' public accounts, forgiveness and write-offs have been published as aggregate amounts, which would appear to be inconsistent with the government's insistence that loan remissions must be reported as individual amounts. If it is possible for the GNWT to publish these amounts as totals, then it should hold that the same should be possible with respect to the total amount of student loan remissions. This brings us to the committee's next recommendation:

#### **Recommendation 6**

The Standing Committee on Government Operations recommends that the Department of Finance, upon completion of a privacy impact assessment in 2018-2019 by the Information and Privacy Commissioner and having considered the committee's suggestions contained in this report, reconsider amending the Non-consolidated

Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions to better protect the privacy of individuals.

#### **Accountability and Transparency**

A commitment to improving accountability and transparency is one of the key priorities of the 18<sup>th</sup> Legislative Assembly and a fundamental component of the Government of the Northwest Territories' mandate. Public information must be clear, concise, and easily understood by the average reader.

The public accounts are the definitive source of information for the public on the GNWT's fiscal performance. However, they are prepared for a very specific purpose, according to federal and territorial legislation and following standards set by the Public Sector Accounting Board. As a result, these documents are not easily understood by non-expert readers.

In previous reviews, the standing committee has urged the Department of Finance to find ways to make the information contained in the public accounts as clear as possible for interested readers lacking expertise in finance or accounting. Finance has responded positively, first producing a document in 2015-2016, titled "The Public Accounts: An Overview," which provides non-expert readers with an introduction to the public accounts and the information contained within them. In 2016-2017, this was supplemented by a document titled "2016-2017 Financial Highlights of the Public Accounts," which the committee understands will be updated annually to coincide with the release of the public accounts.

Officials from the OAG advised the committee that the Department of Finance has been working to complete the translation of government annual reports into French and will be ensuring that those of the territorial corporations will be completed for 2016-2017 and annually moving forward. The committee supports this work and encourages the department to continue to make available in French all annual reports required under the GNWT's Planning and Accountability Framework.

#### **Recommendation 7**

The Standing Committee on Government Operations recommends that the Department of Finance continue its efforts to ensure that all annual reports required under the GNWT's Planning and Accountability Framework be translated into French and made available to the public in a timely manner.

The standing committee again thanks the Department of Finance for its positive response to the committee's recommendations to improve



public communications related to the public accounts and commends the department for its work in this area.

#### Conclusion

The Standing Committee on Government Operations has a mandate to review the public accounts of the Government of the Northwest Territories so that GNWT financial management practices and decisions receive public scrutiny.

Committee members were grateful for the assistance provided by the Office of the Auditor General in support of this work. Committee members also appreciate the appearances before the standing committee by staff from the Office of the Comptroller General in the Department of Finance.

The standing committee looks forward to the government's response to this report.

#### Recommendation 8

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories provide a response to this report within 120 days.

**MR. SPEAKER:** Masi. Reports of standing and special committees. Member for Kam Lake.

MOTION TO RECEIVE COMMITTEE REPORT 8-18(3) AND MOVE INTO COMMITTEE OF THE WHOLE,  
CARRIED

**MR. TESTART:** Thank you, Mr. Speaker. I move, seconded by the honourable Member for Hay River North, that Committee Report 8-18(3), Standing Committee on Government Operations Report on the Review of the 2016-2017 Public Accounts, be received by the Assembly and moved into Committee of the Whole for further consideration. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. All those in favour? All those opposed?

---Carried

Member for Kam Lake.

**MR. TESTART:** Thank you, Mr. Speaker. I now seek unanimous consent to waive Rule 100(4) and to have Committee Report 8-18(3), Standing Committee on Government Operations Report on the Review of the 2016-2017 Public Accounts, be

received by the Assembly and moved into Committee of the Whole for consideration later today. Thank you, Mr. Speaker.

---Unanimous consent granted

**MR. SPEAKER:** Masi. Reports of standing and special committees. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Minister of Municipal and Community Affairs.

#### Tabling of Documents

TABLED DOCUMENT 202-18(3):  
2017 ANNUAL REPORT - OFFICE OF THE FIRE MARSHAL

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled "2017 Annual Report - Office of the Fire Marshal." Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Tabling of documents. Minister of Health and Social Services.

TABLED DOCUMENT 203-18(3):  
NWT ON THE LAND COLLABORATIVE 2018 REPORT

**HON. GLEN ABERNETHY:** Thank you, Mr. Speaker. I wish to table the following document entitled "NWT On the Land Collaborative 2018 Report." Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Tabling of documents. Minister of Industry, Tourism and Investment.

TABLED DOCUMENT 204-18(3):  
NORTHWEST TERRITORIES OFFICE OF THE REGULATOR OF OIL AND GAS OPERATIONS ANNUAL REPORT 2017-2018

**HON. WALLY SCHUMANN:** Mr. Speaker, I wish to table the following document entitled "Northwest Territories Office of the Regulator of Oil and Gas Operations Annual Report 2017-2018." Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Tabling of documents. Member for Frame Lake.

TABLED DOCUMENT 205-18(3):  
LETTER DATED MAY 24, 2018 FROM GIANT MINE OVERSIGHT BOARD TO HONOURABLE CAROLYN BENNETT AND HONOURABLE WALLY SCHUMANN REGARDING THE GIANT MINE REMEDIATION SOCIO ECONOMIC STRATEGY

TABLED DOCUMENT 206-18(3):  
BILL C-262, AN ACT TO ENSURE THAT THE

LAWS OF CANADA ARE IN HARMONY WITH  
THE UNITED NATIONS DECLARATION ON THE  
RIGHTS OF INDIGENOUS PEOPLES

TABLED DOCUMENT 207-18(3):  
LETTER DATED MAY 28, 2018 FROM  
PRESIDENT OF UNION OF NORTHERN  
WORKERS TO HONOURABLE WALLY  
SCHUMANN AND HONOURABLE ROBERT  
MCLEOD REGARDING DOMINION DIAMONDS -  
LAY OFFS AND CONTRACTING OUT

**MR. O'REILLY:** Merci, monsieur le President. I have three documents I wish to table today. The first is a letter from the Giant Mine Oversight Board to the federal Minister of Indigenous and Northern Affairs and our Minister of Industry, Tourism and Investment, dated May 24, 2018, regarding Giant Mine remediation socioeconomic strategy.

The second document I wish to table, Mr. Speaker, is a copy of Bill C-262, An Act to Ensure that the Laws of Canada are in Harmony with the United Nations Declaration on the Rights of Indigenous Peoples, as passed by the House of Commons, May 30, 2018.

The last document, Mr. Speaker, is a letter from the president of the Union of Northern Workers to the Minister of Industry, Tourism and Investment and our Honourable Premier, regarding Dominion Diamonds layoffs and contracting out, dated May 28, 2018. Masi.

**MR. SPEAKER:** Masi. Tabling of documents.

TABLED DOCUMENT 208-18(3):  
DISCUSSION PAPER - TEMPORARY SPECIAL  
MEASURES TO INCREASE REPRESENTATION  
OF WOMEN IN THE NWT LEGISLATIVE  
ASSEMBLY

**MR. SPEAKER:** Colleagues, I wish to table a discussion paper entitled "Temporary Special Measures to Increase Representation of Women in the NWT Legislative Assembly." This paper explores a number of positive actions this Assembly could take to meet its targets of increasing the representation of women in this House to 20 per cent by 2023 and 30 per cent by 2027. I am tabling this paper today in the hopes that it will initiate a public discussion about the role of women in public office in the Northwest Territories, particularly leading up to the next general election.

Masi. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Member for Kam Lake.

### Motions

MOTION 17-18(3):  
REVIEW OF INUVIK TO TUKTOYAKTUK  
HIGHWAY PROJECT,  
DEFEATED

**MR. TESTART:** Thank you, Mr. Speaker.

I MOVE, seconded by the honourable Member for Nahendeh, the following motion:

WHEREAS the Inuvik to Tuktoyaktuk Highway (ITH) project is the largest infrastructure project completed to date by the Government of the Northwest Territories (GNWT), with a cost of more than \$300 million;

AND WHEREAS the ITH project was undertaken by the GNWT as a negotiated contract;

AND WHEREAS construction of the highway was initiated by the previous 17<sup>th</sup> Legislative Assembly;

AND WHEREAS cost and contract considerations during construction resulted in changes to the project's methodology;

AND WHEREAS there have been unplanned closures during the first year of the operation of the highway;

AND WHEREAS it is in the public interest to ensure that large infrastructure projects are well-managed according to best practices, deliver good value for money, and that any potential improvements are identified for future projects;

NOW THEREFORE I MOVE, seconded by the honourable Member for Nahendeh, that the 18<sup>th</sup> Legislative Assembly request that the Auditor General of Canada undertake a special audit of the ITH project and report thereon to the Legislative Assembly;

AND FURTHER, that the Auditor General assess project control, administration, and the long-term implications of related financial arrangements; value for money; reporting; and adherence to the standards for contracting and procurement;

AND FURTHERMORE, that the Auditor General investigate and consider any other factors that, in his opinion, are relevant;

AND FURTHERMORE, that all employees and officials cooperate fully with the Auditor General in providing all appropriate documents, papers, and information;

AND FURTHERMORE, that the GNWT inform all relevant contractors of the nature and purpose of the special audit;

AND FURTHERMORE, that the Auditor General be requested to complete the audit as soon as

practical and provide a report to the Legislative Assembly;

AND FURTHERMORE, that the Speaker formally transmit this motion and the content of our proceedings today to the Auditor General for his consideration. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The motion in order. To the motion. Member for Kam Lake.

**MR. TESTART:** Thank you, Mr. Speaker. I make this motion today to address, as I said previously, the largest infrastructure project completed to date by the GNWT.

As many Members of this House and the public know, I'm a fan of public accounts, and in particular the public accounts role that our Standing Committee on Government Operations plays here. Often times, we will receive reports from the Auditor General and look into how the government is managing projects or managing departments or managing policy issues that are important to the public's interest. In this case, we are talking about a significant expenditure of public funds, both on the part of this government and the part of the Government of Canada. I think it's important that we take a look at those, the contributing factors to this project.

I want to be clear that I'm in no way questioning the integrity of the construction process, the methods of procurement, and the reporting to date on the ITH project. My concern, again, is to take a look at this \$300 million project that is the first of its kind in the world, and certainly in Canada, and to find the best practices for this kind of procurement and this kind of construction that we can use to apply to other projects, and not just here in the Northwest Territories, but in our neighbouring territories as well, Yukon and Nunavut.

With this government's stated strategic goals of building numerous transportation corridors, the Mackenzie Valley Highway, the road to Whati, the Slave Geological Province, these all will take significant expertise, and it is of interest both to the public that we know that the ITH project is not just a portion of that vision of a coast-to-coast-to-coast highway network, but we can learn from it and use it to apply broadly to public works projects of a similar size. Further, that our committee be given the tools, information, and resources to really look into how we best manage these projects and ensure that Northerners maximize from the benefits.

I see this as one of many infrastructure projects that is deserving of special attention through the Office of the Auditor General or through a concerted effort by standing committee. The new Stanton Hospital

project comes to mind someday in the future, and of course, if we are to complete the Slave Geological Province road, these are all areas that I think are worthy of this level of inquiry. So the intention with this motion is to signal to the Auditor General that this is of interest to Members of this House, and is of an interest to Northerners. We want to ensure that these projects are well-managed, that we can learn as much as we can from them after they're completed, and that we ensure good value for money for major construction projects.

Again, this is the largest infrastructure project completed to date by the Government of the Northwest Territories. So, again, my interests behind this motion are signalling quite clearly to the Auditor General that the honourable Members of this House are very much committed to value for money, good project management, and ensuring that our future transportation corridor projects are successful, by learning best practices from a thorough review of the Inuvik to Tuktoyaktuk Highway project. Thank you very much, Mr. Speaker.

**MR. SPEAKER:** Masi. To the motion. Member for Nahendeh.

**MR. THOMPSON:** Thank you, Mr. Speaker. Mr. Speaker, I'm honoured to second this. I've seen the government with the Deh Cho bridge, and they audited that, and they came out with a good report, but also the Minister here in this House here said that, most likely, this will be audited, and I think we need to audit it.

I honestly think that we've heard the value of the importance of this project, and I think it was a good project that had a big benefit for the Inuvik and BeauDel region, but again, the importance of it is to audit this project. I will also say that we need to do the Stanton Hospital that's going to be coming up, the Mewati road, and if the Mackenzie Valley Highway ever gets built, I would say audit that as well.

I think we need to make sure that we're doing things right. I honestly think we need to look at it and show the best practices out there, because I think the government has done some really good things with it. You know, you look at the various people who are doing research on it. You know, people who are engaged, and it has a huge impact, as the Minister has said here, coast-to-coast-to-coast. It's connecting the community of Tuktoyaktuk to the rest of Canada, and this is an opportunity, but I think we just need to be able to do this, make sure it's audited, make sure it's done right, and to be able to show success of this. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. To the motion. Member for Sahtu.

**MR. MCNEELY:** Thank you, Mr. Speaker, and thanks, colleagues, for allowing me to share my views on this motion here. In my previous life, I was extremely, I would say, happy to hear that the parties behind this piece of infrastructure did their many efforts in securing the necessary funds to not only create employment, but create access. In my view, and I have a similar project under way in my riding, which is incomplete, this motion refers to a project that is not complete. You've got security requirements through the whole back of contractual arrangements which protects you in reviewing the deficiencies come the audit time, which is provisions of the contract or arrangement. So I foresee this as putting the cart before the horse. So given that and my previous experience, I don't think I can support this motion at this time. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. To the motion, Member for Yellowknife Centre.

**MS. GREEN:** Thank you, Mr. Speaker. Mr. Speaker, as we know, this road was billed as an all-weather road, and it was a road in which the GNWT has invested a substantial amount of money. Where we're at today is a road that's been closed for more than two weeks. Twenty-nine per cent of the total road length is slated for substantial improvements, and a very small segment of five-and-a-half kilometers has been the pinch point of not being passable. I think that we need to get to a full understanding of how this road went from being completed, according to the Minister's messaging, to being substantially complete, to being closed. I think we need to understand how this project, the learnings from this project, could be applied to other road-building projects that the government has in mind. I think that the value for money proposition is a very important one, and so I think that this motion gets at some key issues that are important to not only this road project, but future planned infrastructure projects. As I said earlier, I will be supporting it. Thank you.

**MR. SPEAKER:** To the motion. Member for Tu Nedhe-Wiilideh.

**MR. BEAULIEU:** Marsi cho, Mr. Speaker. Mr. Speaker, I would support the motion. I'm interested to see what would happen as the result of a third party looking at this project. Of course, my background is that I was heavily involved in the construction of the Inuvik to Tuktoyaktuk Highway as Minister of Transportation in a previous government, and it would be interesting for the Auditor General to look at the project and identify what had happened as a result of negotiations that had occurred between Cabinet of the last

government and the Regular Members. I would like the Auditor General to look at the impacts of employment, employment that was created as a result of a negotiated contract. A negotiated contract was done between two of the largest construction companies in the Beaufort Delta and the Government of the Northwest Territories. It showed the results; I know that the Members from that area had recognized the positive impact of that.

Many times since that point, we have asked this government to consider negotiated contracts and the positive impacts of a negotiated contract. I think what would happen is that that particular contract would be, as people indicate, proof in the pudding that, when you negotiate a contract and you look at hiring high numbers of individuals from the area, you can see the results of it. I support that because I want to see, I want the Auditor General to tell us, what had happened, what went wrong that the road is not usable, but what are also the positive aspects of it, what had to change during construction. The Auditor General will be able to indicate what has changed during the construction in order to end up with this result or whether or not this was something was not possible to change the outcome because of what it was constructed on.

At the time of the construction, it was indicated that there was never any type of highway ever built on alluvial ice in the whole world, and we had individuals from other countries who came in and actually paid for researching sections of this highway during this construction so that they could look at it and how the material was put down, what material was used, what material was good, and so on, and what material failed. So I would support this for the benefit of the Northwest Territories to be able to see best practices on that highway. As far as I am concerned, there is nothing to hide. There should be nothing to hide from the government, and there should be nothing to hide from the people of the Northwest Territories, so I support this motion. Thank you.

**MR. SPEAKER:** Masi. To the motion. The Member for Yellowknife North.

**MR. VANTHUYNE:** Thank you, Mr. Speaker. Yes, the only thing that I will add, really, is that, when we come into this House, there is a lot of expectation that all Members in this House will have some answers, and it's projects like these that we have a history of the public raising a lot of questions and we do not seem to have the answers.

The Standing Committee on Economic Development and Environment has had discussions at length amongst ourselves with regard to project oversight and to what degree would we be impactful in putting some limited resources toward trying to provide various degrees

of oversight so that maybe we could validate some of what the government does when it's related to these projects and thereby provide significant answers to the public at large. We are troubled to do that. We are not technical professionals by any means, and, when we reach out to research and our staff, they do not have that capacity, either. So, using a third party who can put fresh eyes and ears on a project of this nature and provide us with lessons learned, that will be valuable not only to this government on working on projects going forward but also to answer some very serious questions that the public has had over the many years, so I will support the motion. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. To the motion. The Member for Hay River North.

**MR. SIMPSON:** Thank you, Mr. Speaker. As we all know, the committee was supposed to have a public briefing on the Inuvik to Tuktoyaktuk Highway, and I was hoping that would happen before this motion so we would have a better sense of whether or not the timing is right to make this motion. I see in here it calls for the audit to be completed as soon as practicable, and I know that, the Auditor General's office, you are not going to meet a smarter group of people, and so I think that, if we make this recommendation, they will know the right timing.

Regardless, I think, if this motion fails, I have a feeling that the Auditor General will look at this project anyway because it is such a massive and such an important project. I think it's prudent, considering our future plans. We can learn the best practices, what went right, what went wrong. It will also help address a lot of the questions I have been asked by my constituents about the road.

You know, I know that it's been heavily audited. The feds put a lot of money into this, and they have been paying attention to what has been going on, but that information is not public, so I think that that is something we need, as well. Being part of the Government Operations Committee, I see the value that the Office of the Auditor General brings to the territory when it reviews things like this. Like I said, they can tell you exactly what went wrong, what went right, and ensure that, going forward in the future, we make better use of every dollar that we spend. So I will be supporting this. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. To the motion. The Member for Frame Lake.

**MR. O'REILLY:** Merci, Monsieur le President. I am going to be very short. I support the motion. I had a chance to see part of the road at the end of April, and I have had constituents raise issues around

this with me, and I think it's time that this audit take place at the appropriate time, and I will be supporting the motion. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. To the motion. The Member for Nunakput.

**MR. NAKIMAYAK:** Thank you, Mr. Speaker. Mr. Speaker, I am going to speak a little bit about my region. Mr. Speaker, this project hired hundreds of people from Nunakput as well as the Mackenzie Delta region. A project like this will likely get audited, like the Deh Cho Bridge, like the Yellowknife Hospital. I think, seeing my colleagues here who put this motion forward, to me, looking from the outside in, it questions the integrity of the contractors and it questions the integrity of the Department of Infrastructure, the Department of Finance, and all the moving parts for something like this.

Mr. Speaker, when a project this big happens, it's not one or two people. So I see, pointing the finger at everyone around us in this room, I think the Members need to understand that this is a new gravel road; it's built on permafrost. Somebody mentioned something like it's the first project of its kind in the world. I think one of the Members stated that, you know, it's like putting the cart before the horse, as well as many other things, Mr. Speaker. I think, I believe, that this road will get audited, and I think that we should give it time. Although, the motion put forward, it may not be in this Assembly; it may be in the next Assembly, Mr. Speaker. An audit was done a couple of years ago on this, and I think we can make strides to get access to that information, which will help, as well. Too, the Auditor General may have access to that.

Mr. Speaker, I think that doing something right now on a project that is unfinished is a waste of people's time and resources who are still working on this project. I think it will even imply more cost to the project. So I will not have much to say, but I know that our colleague the Minister of Infrastructure will have, so I am going to say that I do not support this motion as it is right now. You know, sitting here as an MLA, I think we all know that an audit is going to come down the road, but, at this time, it questions the integrity of the contractors and the people of my region, so I will not support this right now, Mr. Speaker. Thank you.

**MR. SPEAKER:** Masi. To the motion. Minister of Infrastructure.

**HON. WALLY SCHUMANN:** Thank you, Mr. Speaker. The Inuvik to Tuktoyaktuk Highway was one of the largest construction projects undertaken by the Government of the Northwest Territories, and it was completed for the most part on time and on budget. Although the terrain on which the

highway was constructed is challenging, the design, planning, and construction of the highway were all conducted by a team of experts. Overall, the highway has been performing as expected. The first winter season of operation was successful, and the highway experienced an average of 60 to 70 vehicles per day.

The contractor is addressing some work not completed last season and the deficiencies from the final inspection, which include final embankment compaction, surfacing gravel on select sections, and work around bridges and culverts such as rip-rap installation and painting. This work could not have been completed prior to freeze-up last year and has carried forward to this summer. These are all normal kinds of works to complete a major project, and there is a budget available for this work.

This project has been undertaken in an open and transparent manner and had significant financial, environmental, and operational oversight by numerous federal, territorial, regulatory, and other agencies. Members of the Legislative Assembly and the public have been kept fully informed on the progress on environmental and regulatory review and permitting, procurement, construction, and operations. Several strategic oversight committees were set up to ensure proper management throughout the project. These included a departmental oversight committee that met on a weekly basis, frequent reports to the P3 and Infrastructure deputy minister's committees, regular updates to the Inuvik to Tuktoyaktuk Highway ministerial oversight committee, regular written in-person briefings from Members of the Legislative Assembly, and frequent progress reports provided to the public during peak construction periods. The departmental project oversight committee reviewed issues including construction progress, environmental compliance, budget, potential emerging risks, local employment, local spending, and training updates, and also identified items that required action.

Infrastructure Canada staff were part of the monthly project meetings involving the Government of the Northwest Territories, the Inuvialuit Land Administration, contractors, regulators, an independent engineer, and also interested parties. The project involved every significant regulatory and permitting oversight. The Department of Infrastructure was transparent in monitoring its commitments and tracking our progress to meet our environmental assessment commitments, and were publicly available on the project website. The department also met twice yearly with all regulators as part of the corridor working group, another requirement from the environmental assessment.

The Department of Infrastructure followed regular GNWT contracting procedures and adhered to Cabinet decisions on this process. The necessary regulatory permits were obtained with the support of the Inuvialuit Water Board for water licences, and the Inuvialuit Land Administration for quarry permits and land use permits. The Department of Infrastructure actively tracked all identified risk elements of the project with a risk matrix that was updated on a regular basis.

Environmental risk were managed in partnership with the Government of the Northwest Territories departments and federal agencies, including the Government of the Northwest Territories Department of Environment and Natural Resources, who monitored the project for wildlife, and federal departments of Fisheries and Oceans, Environment and Climate Change Canada. In total, 235 environmental commitments were tracked and reported throughout the project. An agreement management committee with representation from Infrastructure Canada and the Government of the Northwest Territories was established to administer and monitor the contribution agreement. This committee met twice per year through the duration of the project to review project status and ensure compliance with the agreement.

An independent financial audit has been completed annually to ensure revenue and expenditures are in accordance with the federal funding agreement. In addition, the annual audit by the Office of the Auditor General of the GNWT public accounts included the Inuvik to Tuktoyaktuk Highway Project.

Payments from Canada were based on milestones. If Canada was concerned about project management, payments would have been withheld or held back and not released. Infrastructure Canada is now conducting a joint audit and evaluation of its programs, and will be reviewing the Inuvik to Tuktoyaktuk Highway as part of this audit. This will be conducting site visits to Yellowknife, Inuvik, and Tuktoyaktuk in June of this year, and will speak to the Government of the Northwest Territories and community representatives to review the benefits to communities of this project.

Federal officials indicated that this is one of the most highly monitored and transparent projects they have ever seen, which speaks to the level of oversight that is being committed to the project. Given the high level of the project oversight, the Department of Infrastructure does not believe a special audit will have incremental value, and there are other higher-priority issues the auditor general could look into. However, if an audit is undertaken, the government is very confident that these audit results will be positive. With this, Cabinet will not be supporting this motion. Thank you, Mr. Speaker.

**MR. SPEAKER:** To the motion. I will allow the mover, the Member for Kam Lake, to make concluding remarks on the motion. Member for Kam Lake.

**MR. TESTART:** Thank you very much, Mr. Speaker, and thank you very much, honourable colleagues, for your comments, your thoughts.

Mr. Speaker, right off the bat, I am disappointed to hear from the honourable Minister of Infrastructure that this is not something that the government is in a position to support. I just want to be clear that to people who may be concerned about the potential cost of an audit like this: the resources of the Office of the Auditor General are independent of this government and this government's budgets, and indeed, the prerogative to even accept this motion, should it pass, would be up to the auditor general, as well. As an independent audit office, they are able to choose their own work and pursue their own reviews.

As some of the honourable Member mentioned, the value of a third-party audit really speaks for itself. We, as a standing committee, have reviewed several performance audits and, of course, the annual report on the government's public accounts, which we reported on earlier today. This is an opportunity to have an independent, fair, and transparent process that looks at all aspects of the project. The honourable Minister spoke that the Auditor General has reviewed the financial performance of the ITH project in the public accounts, but that's just an accounting exercise, a financial audit to make sure it meets accounting standards. It is not a performance audit.

The words spoken today in support of the motion were very clear that there are things we can learn from this project. While I have full confidence that the Minister and the department he represents in this House, and further, the contractors who are working on this project and our federal partners took this very seriously, and worked diligently to ensure it met all of the standards they laid out for in the agreement, having a third party verify those results just will further strengthen the case for transportation corridors. When the government is undertaking major transportation corridors in highly expensive regions of Canada, and asking the federal government to pay for them, why not have an independently verified audit of one of those projects to back up our business cases? This is not an attack on contractors, an attack on governments, or an attack on infrastructure projects. This is in support of those projects so we can find out the best practices for projects like these and ensure we can continue to deliver on projects like these.

So I don't agree with the Members who have spoken in opposition to this motion, saying it will reflect poorly on the people involved in this project. That's not what this is about, Mr. Speaker. This is about good value for money and best practices, and I believe that we will be able to achieve that better with a third-party independent review than with our own internal processes.

The strategic oversight committee the Minister spoke of, they are internal to government. They do not produce things that are publicly transmitted unless the Minister chooses to make them public. At this point, we've heard progress updates about the project. The highway, I might add, is closed today due to operational concerns, so people are asking questions. This is an attempt to resolve those questions and to show that the Minister's confidence in this project and that everything was done properly is, in fact, correct.

I urge everyone to support this, and I urge my colleagues across the aisle to change their minds on this. Mr. Speaker, this project was also initiated in the 17<sup>th</sup> Assembly, and a peculiar feature of our unique form of consensus government is we don't look backwards into the full range of operational details that previous Assemblies initiated, which is another reason this is calling for a special audit, to look into something that wasn't properly in the mandate or the responsibility of this 18<sup>th</sup> Assembly.

The Minister held a grand opening, and the project was substantially complete. There's enough there to start looking at it. Further, the motion does not call for an immediate audit. It calls for an audit when is practicable, as has also been pointed out, so to Members who were concerned that we are putting the cart before the horse, the motion clearly states that time should be taken until all the facts are known, and all the details can be produced by governments, to be reviewed by the auditor general.

Furthermore, why don't we just undertake it with our own committees, Mr. Speaker? Well, this project overlaps the mandates of two of our standing committees, and as a result, it would be very cumbersome to try to fit that into the standing committees' normal area of review. Furthermore, the scale of such an audit, or such a review, would stretch the resources of this Assembly, which should be properly focused on policy development, policy review, and legislative review, as well.

So, rather than take away from our own internal resources, we are calling on a third party that is independently funded to provide the kind of oversight that the project of this scale and this magnitude deserves.

Mr. Speaker, I just want to conclude by saying that the concerns that we have all heard as Members perhaps can be responded to by the Minister or by his staff or even by Members of this House. We just need that certainty that comes from an independent third party audit that will ensure we have the best possible facts, evidence, and best practices and good value for money so we can continue to build these projects to justify the investment or to make our investments more attractive to build critical transportation infrastructure from the federal government and continue to do our due diligence as legislators to work with the Office of the Auditor General and review these projects as they come forward.

Thank you, Mr. Speaker. That concludes my comments in this debate. I would like to request a recorded vote. Thank you.

**MR. SPEAKER:** Masi. The Member requested a recorded vote. All those in favour of the motion, please stand.

#### RECORDED VOTE

**CLERK OF THE HOUSE (Mr. Mercer):** The Member for Kam Lake, the Member for Tu Nedhe-Wiilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre, the Member for Deh Cho, the Member for Hay River North, the Member for Yellowknife North.

**MR. SPEAKER:** All those opposed, please stand.

**CLERK OF THE HOUSE (Mr. Mercer):** The Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave, the Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha, the Member for Mackenzie Delta, the Member for Sahtu.

**MR. SPEAKER:** Masi. All those abstaining, please stand. The results of the motion: eight in favour, nine opposed, zero abstentions. The motion is defeated.

---Defeated

Motions. Member for Mackenzie Delta.

MOTION 18-18(3):  
APPOINTMENT OF MEMBERS TO THE NWT  
HONOURS ADVISORY COUNCIL,  
CARRIED

**MR. BLAKE:**

WHEREAS the Order of the Northwest Territories was established in 2013 by the Territorial Emblems and Honours Act to recognize individuals who have served with the greatest distinction and excelled in

any field of endeavour benefitting the people of the Northwest Territories or elsewhere;

AND WHEREAS Section 21(1) of the Territorial Emblems and Honours Act provides for the creation of a Northwest Territories Honours Advisory Council to review nominations and recommend appointments to the Order of the Northwest Territories;

AND WHEREAS Section 21(2)(b) of the Territorial Emblems and Honours Act provides that the council be composed of not more than five members of the public appointed by the Legislative Assembly on the recommendation of the Board of Management;

AND WHEREAS Section 22(2) of the Territorial Emblems and Honours Act provides that the members of the panel hold office at pleasure for a term not exceeding three years;

AND WHEREAS the current membership of the Honours Advisory Council expires on June 5, 2018;

AND WHEREAS the Board of Management is tasked with recommending individuals to the Legislative Assembly and the Legislative Assembly is prepared to make a recommendation to the Commissioner;

NOW THEREFORE I MOVE, seconded by the honourable Member for Yellowknife North, that the following persons be recommended to the Commissioner of the Northwest Territories for reappointment to the NWT Honours Advisory Council, effective immediately for a term of three years:

Ms. Sabrina Broadhead of Hay River;

Mr. Danny Gaudet of Deline; and

Ms. Anne Peters of Yellowknife.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

Masi. Motions. Item 18, first reading of bills. Minister of Justice.

#### First Reading of Bills

BILL 20:  
OMBUDSPERSON ACT



**HON. LOUIS SEBERT:** Mr. Speaker, I move, seconded by the honourable Member for Hay River South, that Bill 20, Ombudsperson Act, be read for the first time. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The motion is in order. The motion is non-debatable. All those in favour? All those opposed? The motion is carried.

---Carried

Bill 20 has had its first reading. First reading of bills. Minister of Industry, Tourism and Investment.

BILL 21:  
AN ACT TO AMEND THE NORTHWEST  
TERRITORIES BUSINESS DEVELOPMENT AND  
INVESTMENT CORPORATION ACT

**HON. WALLY SCHUMANN:** Mr. Speaker, I move, seconded by the honourable Member for Inuvik Twin Lakes, that Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act, be read for the first time. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The motion is in order. The motion is non-debatable. All those in favour? All those opposed? The motion is carried.

---Carried

Bill 21 has had its first reading. First reading of bills. Minister of Finance.

BILL 22:  
SUPPLEMENTARY APPROPRIATION ACT  
(INFRASTRUCTURE EXPENDITURES), NO. 2,  
2018-2019

**HON. ROBERT MCLEOD:** Mr. Speaker, I move, seconded by the honourable Member for Hay River South, that Bill 22, Supplementary Appropriation Act (Infrastructure Expenditures), No. 2, 2018-2019, be read for the first time. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The motion is in order. The motion is non-debatable. All those in favour? All those opposed? The motion is carried.

---Carried

Bill 22 has had its first reading. First reading of bills. Minister of Finance.

BILL 23:  
SUPPLEMENTARY APPROPRIATION ACT  
(OPERATIONS EXPENDITURES), NO. 2, 2018-  
2019

**HON. ROBERT MCLEOD:** Mr. Speaker, I move, seconded by the honourable Member for Great Slave, that Bill 23, Supplementary Appropriation Act

(Operations Expenditures), No. 2, 2018-2019, be read for the first time. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The motion is in order. The motion is non-debatable. All those in favour? All those opposed? The motion is carried.

---Carried

Bill 23 has had its first reading. First reading of bills. Item 19, second reading of bills. Minister of Industry, Tourism and Investment.

### Second Reading of Bills

BILL 21:  
AN ACT TO AMEND THE NORTHWEST  
TERRITORIES BUSINESS DEVELOPMENT AND  
INVESTMENT CORPORATION ACT

**HON. WALLY SCHUMANN:** Mr. Speaker, I seek consent to proceed with second reading of Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The Member is requesting consent required for second reading. Are there any nays? There are no nays.

---Unanimous consent granted

Minister of Industry, Tourism and Investment.

**HON. WALLY SCHUMANN:** Mr. Speaker, I move, seconded by the honourable Member for Inuvik Twin Lakes, that Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act, be read for the second time. This bill amends the Northwest Territories Business Development and Investment Corporation Act to allow the Northwest Territories Business Development and Investment Corporation to use money received by the corporation in interest in a financial year for the purpose of carrying on business of the corporation in the following fiscal year if certain conditions are met, and correct an outdated reference to federal legislation in the definition of "business enterprise." Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The motion is in order. To the principle of the bill.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

Bill 21 has had its second reading. Minister of Industry, Tourism and Investment.

**HON. WALLY SCHUMANN:** Mr. Speaker, I seek unanimous consent to waive Rule 74(2) and have Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act, be moved into Committee of the Whole for today. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The Member is seeking unanimous consent to waive Rule 74(2) and have Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act, be moved into Committee of the Whole. Are there any nays? There are no nays.

---Unanimous consent granted

It is now before the Committee of the Whole for later on today. Masi. Bill 21 is moved to Committee of the Whole. Second reading of bills. Minister of Finance.

**BILL 22:  
SUPPLEMENTARY APPROPRIATION ACT  
(INFRASTRUCTURES EXPENDITURES), NO. 2,  
2018-2019**

**HON. ROBERT MCLEOD:** Mr. Speaker, I move, seconded by the honourable Member for Hay River South, that Bill 22, Supplementary Appropriation Act (Infrastructures Expenditures), No. 2, 2018-2019, be read for the second time. Mr. Speaker, this bill makes supplementary appropriations for infrastructure expenditures for the Government of the Northwest Territories for the 2018-2019 fiscal year. Thank you, Mr. Speaker.

**MR. SPEAKER:** The Motion is in order. To the principle of the bill.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. All those in favour. All those opposed. Motion carried.

---Carried

Bill 22 has had a second reading. Second reading of bills. Minister of Finance.

**BILL 23:  
SUPPLEMENTARY APPROPRIATION ACT  
(OPERATIONS EXPENDITURES), NO. 2, 2018-  
2019**

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the Honourable Member for Great Slave, that Bill 23, Supplementary Appropriation Act (Operations Expenditures), No. 2, 2018-2019, be read for the second time. Mr. Speaker, this bill makes

supplementary appropriations for operation expenditures for the Government of the Northwest Territories for the 2018-2019 fiscal year. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Motion is in order. To the principle of the bill.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. All those in favour. All those opposed. Motion carried.

---Carried

Bill 23 has had a second reading. Second reading of bills. Item 19, consideration in Committee of the Whole of bills and other matters: Bill 6, Cannabis Legalization and Regulations Implementation Act; Bill 19, An Act to Amend the Revolving Funds Act; Minister's Statement 1-18(3), North Slave Correctional Complex Inmate Concerns; Minister's Statement 19-18(3), Aurora College Foundational Review Process; and Committee Report 8-18(3), Report on the Review of the 2016-2017 Public Accounts of the Government of the Northwest Territories.

By the authority given to me as Speaker by Motion 7-18(3), I hereby authorize the House to sit beyond the daily hour of adjournment to consider business before the House, with the Member for Mackenzie Delta in the chair.

**Consideration in Committee of the Whole  
of Bills and Other Matters**

**CHAIRPERSON (Mr. Blake):** Thank you, committee. I now call Committee of the Whole to order. Mr. Beaulieu, what is the wish of committee?

**MR. BEAULIEU:** Thank you, Mr. Chairman. Mr. Chairman, committee would like to consider Bill 19, An Act to Amend the Revolving Fund Act; Bill 21, An Act to Amend NWT Business Development and Investment Corporation Act; and Bill 6, Cannabis Legalization and Regulation Implementation Act, in that order. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Beaulieu. We will continue after a short recess. Thank you.

---SHORT RECESS

**CHAIRPERSON (Mr. Blake):** We will call committee back to order. Committee, we have agreed to consider Bill 19, An Act to Amend the Revolving Funds Act. I will ask the Minister responsible for the bill to introduce it.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, I'm here to review Bill 19, An Act to

Amend the Revolving Funds Act. The purpose of this proposed legislative amendment is to increase the authorized limit set out in Section 6 of the Revolving Funds Act, from \$6.5 million to \$12 million, to recognize the growth of operations of the NWT Liquor Commission since the limit was last increased in 1990. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister McLeod. Would the Minister like to bring witnesses into the chamber?

**HON. ROBERT MCLEOD:** I would, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Sergeant-at-Arms, please escort the witnesses into the chamber. Minister McLeod, please introduce your witnesses.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair, Mr. Chair, to my right, I have Mr. David Stewart, who is the deputy minister of Finance. To my left, I have Mr. Sandy Kalgutkar, who is deputy secretary to the FMB. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister McLeod. I will now open the floor for general comments to Bill 19. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. As Chair of the Standing Committee on Government Operations, the committee has reviewed the legislative proposal and I'll speak to that now. Standing Committee on Government Operations reviewed the legislative proposal 18-6, An Act to Amend the Revolving Funds Act, on April 20<sup>th</sup>, 2018. The committee understands that the authorized limit of the Liquor Revolving Fund must be increased in order to enable to Liquor Commission to prepare for the impacts associated with the addition of cannabis sales to its operations. Given the tight timelines associated with the review of Bill 6, Cannabis Legalization and Regulation Implementation Act, and the extensive consultation that took place around the Liquor Commission's role in cannabis sales, the committee agreed to forgo the 120-day review period of Bill 19, An Act to Amend the Revolving Funds Act, to enable introduction of the bill during this May sitting. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Are there other general comments from committee? Recognizing Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. So I'll make use of the time allotted for opening comments to continue with some lines of questions for the Minister. So the increase to the revolving fund is \$5.5 million. Can the Minister confirm if that is what's anticipated, the cost of the cannabis supply for the Liquor Commission is around that number or falls within that number? Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, the increase, as I said before, it hasn't been increased since 1990. An external auditor recently recommended an increase to the authorized limit, so this particular amount is not specifically ear-marked for cannabis, though I'm sure, during the operations of the Liquor Commission, that would have an effect on it. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister McLeod. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. So from the committee's review of the legislative proposal, our committee's understanding was that it was to absorb the anticipated cost of cannabis. I hear from the Minister now that that's not in fact the case; it's just more or less a housekeeping amendment to modernize or update the bill since 1990. As the Minister has indicated, this increase could be used for the procurement of cannabis. Can the Minister comment on whether or not a supply agreement has been reached with a cannabis producer? Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, I believe we're in the final stages of negotiating an agreement with a supplier, and once that is finalized, we will give committee a heads up. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister McLeod. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. Can the Minister answer how much of the fund was being utilized by liquor procurement? Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, at this particular point, all of it is being used to account for past growth in the operations of the Liquor Commission. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister McLeod. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. So I specifically asked around the procurement of liquor for the purposes of retail sales. Can the Minister confirm the other purposes the fund is currently used for? Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Minister McLeod.

**HON. ROBERT MCLEOD:** Mr. Chair, I would ask Mr. Kalgutkar to respond to that. Thank you, Minister McLeod. Mr. Kalgutkar.

**MR. KALGUTKAR:** Sorry, thank you, Mr. Chair. So the purpose of the limit is to ensure that the assets, the current assets, of the Liquor Commission don't exceed the current liabilities of the commission in an amount in excess of \$6.5 million. So it is really there to allow the Liquor Commission to purchase the inventory necessary to operate the commission, but it is also there to ensure that the Liquor Commission manages its working capital efficiently, and then, when it does build up excess assets in terms of cash, it transfers that cash back to the consolidated revenue fund. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Kalgutkar. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. How often do revenues exceed or does the fund exceed its limits? Are those transferred to general revenue? Is this a common occurrence? Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. I will refer that to Mr. Kalgutkar.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister McLeod. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. Because the current limit is quite constraining, the Liquor Commission currently does make regular transfers into the consolidated revenue fund when it needs to. It likely does it on a quarterly basis. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Kalgutkar. Mr. Testart.

**MR. TESTART:** Is the Minister in a position to answer any detailed information about the procurement of cannabis supply, including potential cannabis products that will be made available through retailers in the Northwest Territories and the names of suppliers that the government has spoken to? Is the Minister able to answer any of those details? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, because we are talking to a couple of potential suppliers, I don't think I'm in a position to answer any detailed questions on the procurement of cannabis. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister McLeod. Mr. Testart.

**MR. TESTART:** The Minister did say he'd give committee a heads up when a supply contract has been entered into with a producer. Can the Minister commit to bringing that before standing committee by way of a public hearing to answer any questions of the general public interests related to cannabis procurement for the government as a wholesaler? Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Testart. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, I did make a commitment to share it with committee, and then we can have a discussion at that time. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. Thank you to the Minister for his responses. Nothing further. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Testart. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I probably have one, maybe two, questions in regard to this here. When the Minister is providing this information to committee, can you tell us what strains? I have just found out there are over 3,000 different strains of the product. Will the Minister be able to provide us a list of this information? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, my understanding is that our officials have a meeting with one of the potential suppliers next week. They will be talking about the different strains. Again, when I give committee an update, we will be able to get into further detail once I know more. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Thompson.

**MR. THOMPSON:** Thank you. I appreciate the Minister making that commitment. I am hoping that we can find out what the product is. I guess, as we have been working on this bill and learning more and more, cannabis is a different creature than alcohol.

When we purchase our products, do we have storage that is being properly looked after, and developing that? Again, with this product, it gets mouldy. It gets outdated, from my understanding.

My understanding is two to three weeks is the shelf life of this product.

When we talk about this, have we looked at these questions and come up with an answer? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Before I ask the Minister to respond, if we can, focus our discussions and questions to the act at hand and be mindful of the questions that may be related to Bill 6. Go ahead, Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. That is part of the discussions that we are having with the potential supplier. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Again, I am just asking this here. Can we get a complete update when the Minister is able to provide that to the committee? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, as I responded to the chair of government operations, once we have more information and more detail to share on the path going forward, then we will provide committee with an update. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Apparently, our technicians are resetting the clock, so we have got our clerk monitoring that, for your information. Go ahead, Mr. Thompson.

**MR. THOMPSON:** I'm good. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Questions? Is committee agreed that there are no further comments?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Can we proceed to a clause-by-clause review of the bill?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Committee, we will defer Bill 19 and title until after consideration of the clauses. Please turn to page 1 of the bill, the act as amended by this act. Clause 1. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Clause 2.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Committee, to the bill as a whole. Does committee agree that Bill 19, An Act to Amend the Revolving Fund Act, is now ready for third reading?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Bill 19 is now ready for third reading. Does committee agree that this concludes our consideration of Bill 19?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister, and thank you to the witnesses. Sergeant-at-Arms, please escort the witnesses from the Chamber. Thank you. Committee, we have agreed to consider Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act. I will ask the Minister responsible, Minister Schumann, to introduce the bill.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. I am here to present Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act.

The NWT Business Development and Investment Corporation, or BDIC, is a territorial Crown corporation that was established in 2005 to promote and maintain economic development and employment.

While the corporation generates substantial income from its investments and loans, it is currently prohibited by its act from using this income to fund its operations.

Instead, the BDIC relies on the Government of the Northwest Territories and some third-party funding for its operating expenditures.

We are proposing amendments to allow BDIC, with the Minister's approval, to use interest and dividend revenue that it receives to cover shortfalls in its operating budget. This would allow the Department of Industry, Tourism and Investment to reduce its annual contribution to BDIC, while enabling the corporation to sustainably continue operating.

ITI has been exploring a variety of options for increasing the BDIC's efficiency and effectiveness in advancing the economic objectives of our government.

In response to concerns expressed by Members of the Legislative Assembly during their review of the 2018-2019 Main Estimates, the department is proceeding with this amendment immediately to ensure that the BDIC has the appropriate long-term sustainability that it requires.

This concludes my opening remarks. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister. Minister, would you like to bring witnesses into the Chamber?

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Sergeant-at-Arms, please escort the witnesses into the Chamber. Minister, please introduce your witnesses.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. On my immediate right is the director of finance and administration for the Department of ITI, Julie Mujcin. On my right is Department of Justice legislative drafter, Doug Ward. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister. I will now open the floor to general comments on Bill 21. Recognizing Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Mr. Chair, as the Minister noted, BDIC has a number of economic development programs from providing businesses support services to running its own subsidiaries. One of the most popular programs is the credit facilities program, which disbursed \$6.2 million in 2016-2017, part of a growing portfolio of \$47.3 million. The program provides for key credit facilities; loan facilities, standby letters of credit, guarantees, credit risk management, and interest rebates. These initiatives help NWT business start-ups as well as establish businesses to grow. This program also generates interest for the BDIC.

There is no doubt that BDIC is a critical organization that nurtures entrepreneurship in the NWT. To continue to diversify our economy, we need to support organizations that help budding entrepreneurs get their businesses off the ground and expand them across our communities.

BDIC is largely funded by the Department of Industry, Tourism and Investment. However, since 2015-2016, following government-wide fiscal restraint policies, ITI has been reducing its contributions. Funding flowing to BDIC has been reduced by half in four years from \$3.8 million in 2014-2015 to \$1.9 million in the current fiscal year. At the same time, BDIC has accumulated a significant amount of money in interest earned over its lifetime, but the current Northwest Territories Business Development and Investment Corporation Act forbids BDIC from using its loans and investment funds to fund its own operations.

During the most recent ITI business plan review, EDE expressed concerns over the reduction in funding to BDIC and potential impacts on program delivery. Pursuant to Clause 41 of the NWTBDIC

Act, a five-year program review is required and this is currently under way. While ITI expected amendments to the act following program review, EDE recommended that amendments to the act be brought forward sooner to allow for BDIC to use some of its interest revenue to fund its operations now and, therefore, maintain the sustainability of its programs.

Mr. Chair, Bill 21 is a targeted bill that proposes to amend the NWTBDIC Act to allow for BDIC to use its interest revenues to fund operations. Bill 21 further adds ministerial approval requirements when an operating budget proposes to use part of the interest revenue and adds reporting requirements to account for these changes. Once the current five-year review is completed, EDE will assess the outcomes and make additional recommendations as needed. These may result in further amendments to the act.

Mr. Chair, Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act, proposes small amendments to address immediate needs that I think are critical for the full and uninterrupted delivery of BDIC's programs. I also want to thank the department for their expedience on this bill. Members are welcome to ask questions of the Minister as they see fit.

Those are my comments. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Vanthuyne. Any further comments? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I would like to ask the Minister how he sees himself exercising his discretion over the operating budgets that the corporation may put forward that start to use some of that interest. I see in the act that is his authority set out in Clause 5 of the bill. Can he just tell us how he anticipates exercising that ministerial authority? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. What I see and what we have been doing is, through their corporate planning process, when they come forward, I work with the management of the BDIC and work with them on their corporate plan with their strategic plan going forward. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Schumann. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. That was almost going to set a record for the shortest answer ever, but it didn't really provide any detail. What kind of criteria or what is the Minister looking for when he is going to be reviewing this use of interest

funds? He has total and unfettered discretion here, so what is he going to be looking for in approving use of these funds by BDIC? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. We need to operationalize this. What we want to do is: when we do the review, we want to look at their operations and how they are doing things within their operations. Through this review that we are going to be conducting with them, which we will be presenting the term of reference probably shortly to committee or once we have all the information pulled together and hope we are going to have that in the next couple of weeks or so, we will be able to review how they operationalize their operation. That is how I will be conducting it. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Schumann. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. If I wasn't confused before. I am going to read the provision in the bill and I would like the Minister then to tell me how he is going to exercise this authority.

"The Minister may approve an operating budget of the corporation for the financial year that designates a portion of the amount of money received by the corporation in interest during the previous financial as money that is available to the corporation for the purpose of carrying on its business."

What criteria is the Minister going to use in deciding whether to approve that budget that is going to come forward from BDIC that might use some of the interest that it has accrued? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. To that specific clause, we want BDIC to lay out their capital plan on how they are going to use their interest and revenue and what portion of that is going to be used for their operational plan. These are early days, as I have said. This is some of the stuff we are proposing that we want to do going forward. With this legislation, we want to be more transparent on how they use their money. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Schumann. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am all for transparency, as well. Can the Minister then commit to share his decision on this with committee so that we know how he has exercised his discretion, whether he has approved the request by BDIC and,

if he hasn't, the reasons why he has turned it down? Can he share that information with committee? I know this is a new thing. In the interest of transparency, can he share that with committee moving forward? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. Every corporate plan will be tabled in the House, and it will show the breakdown on how they are using this money, so it's going to be fully transparent and will be shared. If it's tabled in the House, everybody will be able to have a look at it. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Schumann. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, I don't want to flog a dead horse here, but what gets tabled in the House, though, that is only after the Minister has approved it, presumably. So I want to know whether the Minister has actually approved the request by BDIC, the full request, or not, so can the Minister share that kind of information with standing committee? If it has to be done on a confidential basis, that is fine. I just want to know how this is going to operate the first couple of years. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. I suspect we can share that during the business planning sessions as we go forward and be able to do it through that process. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Schumann. Mr. O'Reilly.

**MR. O'REILLY:** Okay, thanks. I appreciate that, and I am sure the Minister will remind me if I forget about it and do not raise it during business planning review. I just have one other comment that I want to make. I agree with my colleague who chairs the Standing Committee on Economic Development and Environment, the MLA for Yellowknife North, because I sit on the committee, as well. The reason why this is coming forward is because of Cabinet's fiscal strategy of cutting programs and services to fund infrastructure. So they have cut the funding that comes to BDIC by \$1.9 million over two years to meet fiscal reduction targets, so that is why this is coming forward at this point, because they have been cutting BDIC and this is a way to try to help them out of that hole. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. Normally, I would have probably let that one slide, but I am not going to. This is not a fiscal reduction to meet infrastructure needs. This was a way that we moved to prudently manage the money of the Northwest Territories so we could help facilitate and move forward on all policies and needs of the residents of the Northwest Territories, not just the Department of Infrastructure. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Schumann. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I was going to let it go, too, but now I am not. This corporation was set up in 2005. If this had been identified as a problem a while ago, it should have been fixed a long time ago. The only reason this is before us today is because of Cabinet's fiscal strategy of cutting programs and services to fund infrastructure, and that is a strategy that I have opposed from the beginning, and that is why this is before us here though, is to try to help BDIC out of this hole that has been created by Cabinet's fiscal strategy. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Minister Schumann.

**HON. WALLY SCHUMANN:** Thank you, Mr. Chair. This is not just about a fiscal reduction. We have got to do a review every five years, and we are going to do that. I am the Minister of ITI; they are under my realm, and I want to have a serious look at how this place is operating and what overlaps with other lending institutes we have in the Northwest Territories, and are we best facilitating and organization that meets the needs of the residents of the Northwest Territories and using our cash wisely. That is what you call prudent management, and we will continue to do that going forward. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Schumann. Mr. O'Reilly.

**MR. O'REILLY:** I will cut it off there.

**CHAIRPERSON (Mr. McNeely):** [Microphone turned off] Seeing none. Can we proceed to a clause-by-clause review of the bill?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Committee, we will defer Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act, until after consideration of the clauses. Please turn to page 1 of the bill. I will read out, starting at Clause number 1. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Clause 2?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Clause 3?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Clause 4?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Clause 5?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Clause 6?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Clause 7?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Committee, to Bill 21 as a whole, does committee agree that Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act, is now ready for third reading?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Bill 21 is now ready for third reading. Does committee agree this concludes our consideration of Bill 21?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister, and thank you to your witnesses. Sergeant-at-Arms, please escort the witnesses from the Chamber. [Microphone turned off] Bill 6, and I would like to ask the Minister responsible for the bill to introduce the bill. Minister Sebert.

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. I am pleased to be here today to talk to you about Bill 6, Cannabis Legalization and Regulation Implementation Act.

I would like to thank the Standing Committee on Social Development and the Standing Committee on Government Operations for their review of this bill and for the constructive feedback they have provided. A number of motions were made in committee, and I am pleased that the bill has improved as a result.

The development of Bill 6 required significant interdepartmental collaboration and has benefited from feedback from the public, Indigenous governments, community governments, and other stakeholders, received during an extensive engagement process that occurred during the summer and fall of 2017. Since that time, the joint



standing committee has conducted further engagement with residents, and we look forward to hearing about that today.

We recognize that not everyone agrees with all aspects of the legislation being proposed, but, as a government, we have an obligation to make the best decisions we can to design a system that puts the health and safety of our residents first and that follows the guiding principles that received overwhelming support during the engagement.

In addition to the feedback received from our cannabis engagement process, other important factors that were considered when determining our approach included:

- discussion and information from other jurisdictions;
- discussion with enforcement partners;
- practical and financial implications for implementation in the required timeframe; and
- current research on the health impacts of cannabis.

Bill 6 includes three schedules.

In the first schedule, the Department of Finance proposes the new Cannabis Products Act. This will enable the GNWT to assume responsibility for the importation and sale of cannabis products through the Liquor Commission, under the direction of the Minister of Finance. The Act will provide for a cannabis mail-order system to communities that do not have a retail store, and those communities will have the option of holding a plebiscite to decide if restrictions or prohibitions will be put in place. The new act will set 19 years of age as the legal minimum for purchase and possession of cannabis and maintain the federal possession limits, which will allow adults 19 years of age and older to possess up to 30 grams in public and to grow up to four plants in a household.

In the second schedule, the Department of Health and Social Services is proposing the new Cannabis Smoking Control Act. It will place restrictions on the public smoking of cannabis products similar to laws governing the smoking of tobacco products, with a number of additional restrictions. The new act will also require cannabis retail outlets to post health warning signage distributed by the department.

In the third and final schedule, the Department of Infrastructure has proposed several amendments to the Motor Vehicles Act to create additional penalties for drug and alcohol impaired drivers. These will include zero tolerance laws for novice drivers, drivers aged 21 and under, and commercial drivers. Administrative licence suspensions will also

be established for all drivers who fail a standardized field sobriety test or an evaluation by a drug recognition expert. The current legislation governing impaired driving will be amended to appropriately address drug-impaired driving and to reflect the repeal and replacement of the transportation section of the Criminal Code under the federal Bill C-46. Amendments are also proposed to allow the Registrar of Motor Vehicles to release driver's abstracts directly to law enforcement.

I would like to acknowledge the collaboration amongst departments to bring forward this legislation under the challenging timelines, and also the willingness of the committees to work together to review this bill and to ensure we are in a position to respond effectively to the federal legislation.

I would be pleased to answer any questions regarding Bill 6. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you very much, Minister. I would now like to ask the chairs of the Standing Committee on Social Development and Government Operations which reviewed this bill to make comments. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Mr. Chair, I am going to start out a little something here personally. People realize I personally did not support the legalization of cannabis. I would have liked to have seen the legalization process adjourned for at least another year. We heard that in the communities to get it done right. Unfortunately, this was brought by the federal government, and we needed to get it done right, as I said before.

I am one of the MLAs who represent small communities. I want to make that very clear. There are six communities in my riding, five small communities and one regional centre.

Mr. Chair, yesterday, I spoke about the consultation that the committee undertook, and what we learned on our travels. It is our jobs as Regular MLAs to listen to what the people are saying, and to come back and find ways to make amendments to the bill that will make it better based on what we want, what the people want. I take the job very seriously, and I also take my role as the Chair of the Standing Committee of Social Development very seriously. The committee system is a system of teamwork. It is not always easy to work on a team. You have to listen to the input of your colleagues. We have had to make compromises and trade-offs that respect the needs of other Members and their ridings while still being true to the needs of your own constituents.

The joint standing committees worked very hard on the bill to improve Bill 6. In total, there were 22 motions to amend the bill. Nine of these were government motions, and two were made by an individual Member. The remaining 11 were motions of the joint committee. Government concurred with all but two of the committee's motions. These are the motions we will be considering today, and I will speak to each in more detail at the right time.

For now, I want to say that the committee's motions to amend the bill were carefully considered. They were debated and discussed. We reached agreement, and we supplemented the motions to change the bill with a series of policy recommendations. I am proud of the work we did as a joint committee, which is reflected in our committee report, and I stand behind it. I believe this truly reflects what the people of my riding said about Bill 6.

I am aware that some of my colleagues of the joint committee may not be prepared to support the motions. This is deeply concerning for me, or disappointing for me. Personally, it is disappointing for me; however, I am aware that ordinary MLAs get a lot of pressure from outside this House, which sometimes changes what is happening. As I have heard, this is the reality of consensus government, and we have to respect it. We have worked hard, and we worked in good faith. We compromised to reach agreement on a way forward. Like I said, the committee worked as a team. I sincerely hope those who worked with me on the review of Bill 6 and who may now be thinking about not supporting the work of the committee will reconsider their position and support the work that we have collaborated to achieve. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Next, we have Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I, too, want to thank the work of my colleagues on the Standing Committee of Government Operations and the Standing Committee on Social Development.

This was no easy task, and throughout the whole review period the committee was charged with the review of this bill. We had many developments hanging over us. Most importantly, the federal legislation that will legalize cannabis. I want to be clear that this legislation, Bill 6, is not the key to legalizing cannabis. Changes to the Criminal Code are, and that is the sole jurisdiction of the federal government.

During our review period, developments in the Senate called for a delay in implementation of the legislation. Many Members on the committee heard firsthand that we should be waiting. We shouldn't be rushing into this. I want to commend the

dedication and the courage of committee Members to embrace this legislation and do the best job they can with it. As my honourable friend from Nahendeh just said, he is not in favour of cannabis legalization, and that is not an uncommon position in this House; however, the federal initiative and the momentum behind legal cannabis is to a degree where it's not stopping, and we have to see it through to the end, and we need to design rules and laws that suit the needs of our people. I feel that the work of the standing committee has done that.

Our recommendations and our efforts to improve the bill were made, not just from the community consultations, which are crucial at times like these when we are making changes to the fundamental nature of our society, but they also come from well-researched positions, and an extensive amount of research from our own research bureau that supports our committee work, and further, the individual priorities of Members.

Fundamentally, as much as people are concerned, and we've heard this loud and clear, about addictions in the Northwest Territories and the overwhelming social crisis that they represent, the prohibition of cannabis has failed. It has failed to keep communities safe. It has failed to keep cannabis out of the hands of kids. Nearly every community we went to, there was a witness who talked about the prevalence of cannabis in the community. It didn't matter if it was a small, isolated, rural, remote community, or the City of Yellowknife, cannabis is here in our communities. It is here today. Neither this legislation, nor the federal legislation that enables it, is introducing cannabis into the 33 communities in the Northwest Territories. It is already here, and we need a better system to deal with it.

What we have endeavoured to do, working together, is to build that system, and build it in a way that reflects the priorities of Northerners. This bill is very flexible, Mr. Chair. This bill, if passed, will allow for communities to determine their own rules for cannabis through a plebiscite process. It is very flexible towards possession limits, and it ensures the public safety by placing zero tolerance on impaired driving, which is a number one concern of people that we heard loud and clear.

I do share my colleagues' concerns around what will happen as we continue on these proceedings. The standing committees worked diligently together, and the support we received was consensus-based and reflective of the viewpoints of all of our ridings. Ten Members of this House served on that committee and worked together to produce the report. At the end of the day, I hope that we all can stand up, those same 10 Members can stand up, and support the motions that are

brought forward, and we can ultimately complete our work of improving this bill.

The outstanding issues that will be brought forward on the floor of the House today that will seek to improve the bill, the amendments that will be brought forward by Members here, are crucially important to the people that we serve. They are supported by the consultations, they are supported by medical and scientific evidence, and they also support the intentions of this bill, which is to keep our community safe, to disrupt the black market, to fight against bootleggers and drug dealers, and to keep cannabis out of the hands of our kids.

I encourage everyone to let their viewpoints be known today, but also to reflect on the tremendous amount of work that the joint committee did on this bill and to work together once again to ensure that we can complete our work and improve this bill before it receives third reading. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Testart. I know there are people already in line, but we will just finish the process first, then open it up.

I would now like to ask the Minister responsible for Bill 6 if he would like to bring witnesses into the House. Thank you, committee. I will now ask the Sergeant-at-Arms to escort the witnesses into the Chamber. Would the Minister please introduce his witnesses? Thank you.

**HON. LOUIS SEBERT:** Yes. Thank you, Mr. Chair. To my right is Mark Aitken, assistant deputy minister, Attorney General branch of Justice. To his right is Mike Reddy, director, Legislation Division, Justice, and to my left is Sandy Kalgutkar, deputy secretary to the Financial Management Board, Finance. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you. I will now open the floor to general comments on Bill 6, Cannabis Legislation and Regulation Implement Act. First on the list, we have Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Mr. Chair, yesterday, I spoke about my support for the seven substantive policy recommendations designed by the joint standing committee to improve the government's planning and program development related to the legalization of cannabis. Today, I would like to speak more specifically about the content of Bill 6.

First, I want to start by recognizing that the short and demanding time frame for development of this bill was set by the federal government and was not ideal. I appreciate the work that my Cabinet colleagues have done to get legislation before us prior to the federal legalization date, to ensure that we do not get stuck with the default federal framework.

With that said, however, as I suggested yesterday, I feel that the GNWT could have done more to develop a bill that meets the needs of Northerners, while also preparing for legalization.

In my Member's statement at the beginning of this sitting, I voiced my concern that this government is not doing enough to assist Northerners by supporting employment initiatives and economic development opportunities and those designed to lower the cost of living. As I mentioned, we have seen: power rate increases equating to near 40 per cent over the last seven years, the latest increase coming tomorrow, by the way; new airport taxes which increased the cost of everything through airport transport; increased land lease fees up to 300 per cent; increased medical service fees; increased Deh Cho Bridge tolls; and coming soon, a land transfer tax and an NWT carbon tax, which will be on top of Alberta's carbon tax that we already pay on goods and services from the south.

In this context, and recognizing that the GNWT loses approximately \$30,000 in federal transfer payments for every resident that leaves the Northwest Territories in search of employment elsewhere, you would think that the GNWT would welcome legalization of cannabis for the employment and economic development potential it brings to the NWT. Instead, we have, in Bill 6, a proposal that would see the GNWT retain a large portion of the revenues that will flow from the sale of cannabis, except for those that go to a select group of business people currently already selling alcohol on commission from the GNWT through seven liquor stores in six communities.

I am deeply disappointed that Bill 6 does little to acknowledge or capitalize on the job creation and economic development opportunities that cannabis legalization brings. The liquor store model, which the government has made a policy decision to implement, shuts out those who want to be a part of this business opportunity at the outset.

As well, Bill 6 does not consider the regulation of establishments allowing for the consumption of cannabis, sometimes referred to as "cannabis cafes." For this reason, the standing committees could not even contemplate amending the bill to allow for such establishments.

I can only hope that economic development will be given much higher priority when the Legislative Assembly reviews this legislation during the 19<sup>th</sup> Assembly, a requirement, I might add, that was included in Bill 6 as an amendment put forward by the joint committee and supported by the Minister during Monday's public clause-by-clause review.

Speaking of the clause-by-clause review, I want to point out, for the benefit of members of the public

who might be listening, that the committees moved 22 motions to amend the bill at the meeting. Of those, nine were motions developed by government to address deficiencies in the bill.

While government may occasionally ask standing committees to put forward a motion to correct an oversight or drafting error in a bill, it is not common to see so many changes, or ones as substantive as some of these. For example, the motion to amend the bill to give the GNWT regulation-making authority over cultivation, or the motions to create new sections addressing transitional rules for cannabis cultivation and smoking in rental properties and condominium corporations.

These are significant changes to the bill that the public did not have the opportunity to be consulted on, because the GNWT failed to conceive of their need when Bill 6 was developed. The fact that even the government found it necessary to make significant changes to the original bill suggests to me that the joint committee has all the more reason to make further important amendments to improve Bill 6, which brings me to my final point as I conclude my general comments, Mr. Chair.

Of the 22 motions moved by the joint committee at the clause-by-clause review, there were two that were carried by the committees, but which the Minister declined to concur with. I understand that these motions will be moved during today's proceedings, and I will have further comments at that time.

Those are my comments. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Vanthuyne. Would the Minister like to respond?

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. Like much of our legislation, what we have before us is a compromise worked out with Members in this Chamber.

It is quite right that we were put under pressure by the federal government when they announced that they were going to move ahead on their promise made during the election to change the criminalization of cannabis. It was an election promise, but I think we were a little surprised when it came forward as early as it did.

This did put pressures on this jurisdiction, and in fact, all jurisdictions, to respond and bring forth legislation that dealt with the areas that we would be concerned with. I believe what we have brought forward is suitable to the Northwest Territories. We looked at many things. We looked at other legislation. We certainly listened to the observations and concerns expressed by committees. Our officials went out. There was public engagement, and I believe there were over a thousand online

submissions, so there were many opinions out there, including some that felt that cannabis should not be legalized in the first place, but, of course, that was a federal government decision.

So, yes, this bill, Bill 6, is a compromise, but we feel it's a reasonable compromise in the circumstances. Again, we were under a time pressure. We have responded. We have consulted with the public and the Members in this Chamber. Again, I believe that Bill 6 is the appropriate legislation. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Next on the list, we have Mr. Beaulieu.

**MR. BEAULIEU:** Thank you, Mr. Chairman. Mr. Chairman, just speaking in general terms about the bill, I found it interesting that, when we went around and did our tour, in general, we heard some mixed opinions on whether or not cannabis should be introduced, legal cannabis should be introduced, into the small communities. Essentially, all of the larger communities will have liquor stores, and there will be cannabis, legal cannabis, sold in the stores, in the liquor stores. In general, my feeling is that the government is introducing legal pot into some communities and is refusing to introduce legal pot into other communities, therefore keeping the door open for illegal pot or illegal cannabis in small communities.

What I feel that we are asking by making a motion, I guess which we are going to discuss today, was to ask the government to open it up to everyone equally. At this point, the government has essentially set up a two-tiered system, one for larger communities that already have liquor stores, and then, for smaller communities, they are left to their own devices to how they are going to bring legal pot into their communities. That's one alternative. The other alternative would be continue with the consumption of illegal pot.

I can't understand why the government would want to paint themselves into that corner, and I don't know why.

It seemed like, when we went out, when we were asked to take the bill on the road, for the most part, people felt that they should be treated equally. All people in the territories felt that they should be treated equally, that opportunities to go down a couple of blocks and purchase legal pot should be available to everyone. I can't believe that people would be so ignorant as to believe that by preventing a marijuana store in a community will prevent people from smoking marijuana. That is unbelievable to me.

Marijuana has been in the Northwest Territories, I think, since the 1960s, a long, long time, and many people smoke marijuana in the territories and

across this country. That is why it's becoming legal. We have heard from the experts that there is no one in prison because of smoking marijuana; there is no one dying from smoking marijuana.

When the government introduced alcohol to the Northwest Territories, when the government allowed people, Dene people, to drink alcohol, it was just done because the government was making a lot of money off it. Initially, the bootleggers were making a lot of money off it, so the government introduced alcohol, and I am not glad there's not alcohol in all of the communities, mind you, but marijuana is a different kind of drug.

People don't smoke marijuana and then go out and commit heinous crimes, and that's a fact, and I don't think anybody could dispute that, not in here or anywhere, so I find it very unusual that the government takes a position to introduce marijuana to certain communities only, and so, if you're in a fly-in community, maybe it's going to cost you five, six, seven, or eight hundred dollars to get to a marijuana store if you want to purchase legal pot, in addition to the cost of the pot.

I believe that the actions of this government are going to only increase the sale of illegal pot. There is no way that individuals -- and, as I have said many times in the House, there is no employment in small communities, and people will have the legal right to smoke marijuana, but it's going to be very expensive if you don't have a store in your community, very expensive. You're going to have to fly somewhere or drive somewhere. Even the drive, I have two communities that will be quite a distance from the nearest liquor store. One community, it will cost \$450 to buy a plane ticket to come to Yellowknife. In another community, you have to drive 330 kilometres round trip in order to purchase legal marijuana. In people's right minds, they're not going to do that, and the government's got to know that.

It's ridiculous that the government could say, "We're just going to open in certain places because it'll govern that we don't want to put it in small communities." That's a right. It's a legal right for individuals to have marijuana, and that's going to happen on July 1<sup>st</sup> right across this country, yet we, as a government, make a decision that we are going to restrict it to certain communities. You know, it was good that they had allowed plebiscites in communities that don't have liquor stores. That's fine. If the majority of the communities say they don't want to have marijuana present in their community, legal marijuana present in their community, that it's illegal to possess marijuana in your community, even though it's legal in every other community, then that's their right to do so, but they should be given that option. Why would they remove the option? Why is the government

presupposing that that's what should happen and remove that ability or that right for individuals to have marijuana in their communities?

I find that -- like, I can't explain it. I can't explain the rationale. People have come in small communities and said, "If we put a store in a community, it's going to, you know, it's mad. It's like alcohol." Well, it's not like alcohol, at all. You've got to quit advising people that this is an enhancement of alcohol. It's two different drugs. Two different drugs have two different types of effects on a person's body.

There are a lot of people that do not do either. Many people in the territories don't smoke marijuana. Many people don't drink alcohol. That's a personal choice. They have the right to do it, but they don't. However, if we pass this bill as is and we don't look at changing it and we don't look at opening it up to smaller communities, then that right is removed from individuals. The government must be flexible. It must be flexible to be able to positively allow people their rights.

Everyone in the Northwest Territories should have the right to be able to purchase marijuana where they wish to do so if they wish to smoke marijuana. The government has to be prudent enough to let the market decide how drugs or marijuana should be sold in the communities or cannabis should be sold in the communities. The government's going to go into liquor stores. They are going to set the price. Drug dealers are going to come in and lower the price. It's gonna happen, guys. You got to open it up. This is not a prudent thing to do, restricting it to only some communities and everybody else can fend for themselves. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you Mr. Beaulieu. Would the Minister like to respond?

**HON LOUIS SEBERT:** Yes, thank you, Mr. Chair. Well, yes, our initial plan is that it will be sold through the current liquor stores, but it's important to remember also that there will be in the future, online or mail-order schemes so that those outside of those communities that have a liquor store will have the ability to obtain marijuana. The bill doesn't limit the designation to the current liquor stores; in the future there may be other vendors that are designated. As I say, our thinking has evolved in this, thanks in part, because of the submissions that have been made by committees, and, yes, there may not be a vendor in every community, but as I said, there may be other ways to obtain cannabis.

In comparing ourselves to some of the other jurisdictions, I note that, in Ontario, there are only going to be 40 retail outlets, so one outlet for every 300 000 people. We're going to have more per capita than that. Now obviously there are geographic challenges, but as I say, hopefully

online or mail-order will solve some of those problems.

Certainly, we do want to end the black market in marijuana, and that is one of the purposes of the federal bill. These issues have been around for a long time. Mr. Beaulieu pointed out that marijuana has been here, I think he mentioned from the 1960s, probably even longer than that. There have been many changes suggested over the years, as long ago as the Le Dain Commission, which I think was in the early 1970s, which looked at the marijuana legislation. Who would have thought it would have taken 45 more years to come to where we are now?

So, yes, it may be that people in the larger communities will have easier access to cannabis, but there are ways that people in other communities, should they wish, will be able to obtain either by online or mail-order. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Next on the list, we have Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, I am just going to take a step back. I want to reiterate a point that another of my colleagues made, which is that we didn't ask for this legislation. Ottawa decided within its own power that it was a good idea to legalize cannabis, and what we were left with as the NWT, along with the other territories and provinces, is how to implement the legalization of cannabis. In undertaking this job, a really huge job, we are breaking new ground about how to make that happen. As my colleague the Member for Hay River North says often, and it's worth repeating again, there's never been an end to prohibition before in our lifetime. We don't know what this looks like and we don't have a map for it.

So that left us in the position of reviewing legislation created by the territorial government that was supposed to, or theoretically addresses three areas; harm reduction, the security of the supply chain, and public safety. The result is this huge bill, 60 pages and three schedules. What we know is that people are very leery of this legalization because of the devastation they've witnessed of alcohol in their communities, in their families, and perhaps even in their own lives. Alcohol is a huge problem in the NWT. I noted yesterday that one of the measures of the problems that alcohol causes, which is hospitalizations resulting primarily from alcohol, has again gone up, and it is higher in the NWT than in most other places.

That was a message that I certainly paid attention to when we were travelling around, and we heard more of it in the small communities than we did in the regional centres, I think because the effects are

really magnified in those small populations, and because people care deeply for one another, because most often they are related, directly or indirectly.

So the public engagement was very thorough, and the southern committee chaired by my colleague Mr. Thompson, we certainly made every effort to hear what people had to say with open hearts, without prejudging the results. We came back here and we tried to work on ways to improve the legislation that we'd received, and to make it more reflective of what we had heard, and the result was, as my colleague from Yellowknife North said, 20-plus motions to adjust the bill. The government agreed with many, but not all of those adjustments. We are left with two very substantial areas of disagreement; the first, as the member for Yellowknife Centre said, is about vendorship. It's about how new vendors are going to be brought into this process outside the Liquor Commission, and also, as my colleague from Tu Nedhe-Wiilideh described very well, how to make this into a system that is fair to everyone and not into a two-tier system, where people with liquor stores have access to cannabis, and people without liquor stores don't.

Today we are going to try again to address that issue, and another issue that is very important to me, which is the issue of co-location. There is no question in my mind, and I will speak about this at length, that co-location is a bad idea. It takes the problems of alcohol and compounds them with cannabis. In the current vendorship situation of having sales only in communities that have commercial market rental, there is no reason to have co-location. That's something that we'll be talking about.

Mr. Chair, people often ask me, not always in a joking way, what we do when we're not sitting here. The answer is that we do this kind of work. We take government bills, we make every effort to understand them, and then we take them out to the public and ask them what they think of the legislation. We do our best to reflect what they've said to us and to improve the legislation that we've been given. That is a big part of what we do, and the Order Paper reflects that we are going to be doing much more of this in the time remaining in the 18<sup>th</sup> Assembly.

Finally, I just want to reflect on how unfortunate it is that the Regular Members have split between the northern MLAs and the other MLAs in support of the amendments. Last week the Members supported the amendments, but I realize that that may not be the case today. It turns out that solidarity is fleeting, and I think that's very unfortunate; but at the same time I also recognize that it's an issue that I don't have any influence

over. My hope today is for a thorough and respectful debate of the remaining amendments, and that we will be able to continue improving the act before it's made law. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Ms. Green. Would the Minister like to respond.

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. There are an awful lot of opinions out there as to how we should proceed. I know that when our officials went out, and I'm looking at the report on what we heard, there were quite a few different suggestions about how to proceed. I do see, at page 20 of the report, there seemed to be, when asked the question, "Do you favour sales controlled by a GNWT agency or a more open system," there was a slight majority in favour of a GNWT agency, such as the Liquor Commission, but when we got to other questions, such as retail model suggestions, there were many, many different suggestions.

One that received the most support seemed to be the Liquor Commission one. There's one that suggested a tobacco model, a pharmacy health centre model, online mail order model, GNWT-operated dispensaries, private retailers, entrepreneurs. Raising taxes, I see, is one, and nowhere -- I guess those were opposed -- and others. I'm not sure what they wanted. It's not surprising that there were an awful lot of opinions on the other side of the House, if I can put it that way, because there are a lot of differences of opinion within Cabinet. However, we felt in the end that this was the way to proceed. So there were active discussions on our side, also.

Ms. Green has raised the issue of co-location, which is a complicated issue, and I am well aware that the McLellan Report stated that that might not be the best way to go, but that same report acknowledged that smaller and remote communities may not have the flexibility to accommodate a dedicated separate retail location. So it's a very, very tough issue. We are alive to it. As I say, I think all of us had different opinions going into this situation. We're now having to respond to the federal government's initiative, and I think we've come forward with a compromise bill that probably doesn't make everybody happy, but I think it is most appropriate in the circumstances. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Sebert. Committee will now take a short recess. Thank you.

---SHORT RECESS

**CHAIRPERSON (Mr. Blake):** Thank you, committee. I will now call Committee of the Whole

back to order. Next on our list, we have Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. That dinner was a tough act to follow.

I made some remarks when we were discussing the committee report a couple of days ago where I thanked committee and the public, and I don't really want to go over that ground again, but I want to say that I do personally agree with legalization. I wish that we had more time, though, and that much of our efforts, and I think most of the efforts have been very well-intentioned, have been really fraught with poor communications. We have had to deal with a whole set of very complex, difficult issues, and it has been very divisive. I think we are going to see more of that, unfortunately, today.

I am a bit resentful of the amount of time that this has taken up, and I wish that we could have probably devoted this time to a number of other issues. I recognize that this is largely brought on by the federal government, and it is probably going to be the most significant legislation that this Assembly deals with. It could lead to some very profound changes that we probably can't anticipate right now.

I also feel that this is being rushed and that we are basically in a big pressure cooker. There are a number of residual issues that we are going to talk about here this evening. They really boil down to things like the retail model, whether cannabis and liquor should be sold out of the same location. I have some issues around the age limit, which I am going to try to address in one way, and I will be bringing forward another motion to try to improve the toolbox that communities have once a cannabis store is located in their community.

Also, there are a number of underlying issues here that I think are really fundamental. The most important is ministerial authority. That is what this is really about, and much of the debate that we are going to be talking about in the motions to come is really about ministerial authority. That's what it's all about, and unfortunately, it has boiled down to Cabinet versus the Regular MLAs and some issues of trust, as well.

I have said that we're not going to get this right. No matter what we do, whatever kind of compromises people are going to make, we're not going to get this right, and we're going to make mistakes. The one, I think, important feature of the bill that is now before us is that there will be a review within two or three years, the next Assembly will conduct that, on the implementation of the bill. It will be up to those that come after us to review this and try to make it better.

I think, Mr. Chair, that is all I want to say for now. Like my colleague from Yellowknife Centre, I do hope for a respectful debate. I know everybody is trying to do their best to represent their ridings and their citizens and do the best thing for the Northwest Territories, even if we disagree. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. Would the Minister like to respond?

**HON. LOUIS SEBERT:** Not really. I know that this has been a divisive issue, and hopefully, at the end of this, we can come together with the best kind of bill possible. Sometimes it is said that the perfect is the enemy of the good. This is not a perfect bill, I don't think anybody would say this, but I think it is a good bill. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Next on the list, we have Mr. Nadli.

**MR. NADLI:** Thank you, Mr. Chair. I just wanted to take the opportunity just to briefly outline, in my language, the nature of the significance of this moment here, so if you could bear with me.

[English translation not provided.]

Thank you, Mr. Chair. I just explained that the matter that is before us is Bill 6, the legalization of marijuana, and for some time, its use has been underground for a long time for our people. So, you know, the discussion at this point is historical. It's symbolic, and that even for me, I would never have imagined in my lifetime to see the legalization of marijuana.

Sentimental reflection aside, the reality is, Bill 6 was in response to the federal legislation to legalize marijuana. In fact, it placed us in a process that was already predetermined for us. It was inevitable for us to support the legalization of marijuana, especially up here in the Northwest Territories.

From an Indigenous perspective, another layer has been put upon our communities. As we travelled throughout the communities, and I was a member of the joint committee that travelled in the southern communities, part of our communications in the communities was to almost, perhaps, assure communities, yes, legalization is coming, but there is a trigger that you could use, and that is through a plebiscite. A lot of our people, because of their experience with alcohol and the many tragic things that come along with it through our history, especially the leaders who have experienced it firsthand, did not support the idea of legalization.

What we told them was, they could say no to marijuana; that you could ban it; and that you could prohibit the use of marijuana in your communities through a plebiscite. In a sense, what we heard

through our communities is that you could have a level of control. What Bill 6 proposes to do is to have the government control the sales and distribution of marijuana or cannabis versus the free market retail system where we let the market decide. I understand that.

Now, being part of this committee, we are giving the draft Bill 6 as it was, an opportunity to review it, and then to consult. Therefore, we travelled into our communities. When we went into communities, we listened. We listened to what people had to say.

When we did that report, those recommendations reflected what we believe people were telling us in the communities. From my understanding, there was a lot of social concerns, a lot of fears about the legalization of marijuana. Here we are talking about Bill 6, and it's rather interesting that, on one hand, we are given a sense of control to our communities. Yes, you could have a plebiscite. Bill 6 is inevitable, and marijuana will become legalized. At the same time, we are trying to at least look at the idea of a free market economy system. It is rather interesting that we have two parallels or two extremes, but my sense from communities is that it gives them a sense of control, and I believe this legislation proposes to do.

I'm in a position to say, as I've said, I could never imagine in my lifetime that I would ever say these words, that I support the legalization of cannabis or marijuana. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Nadli. Would the Minister like to respond?

**HON. LOUIS SEBERT:** Yes, thank you. I thank Mr. Nadli for his comments and concerns, which we've carefully noted. We realize that legalization and what comes with it is of great concern throughout the Northwest Territories. He mentioned early on that he was surprised to see its legalization. I'm surprised to see that it took so long. As I mentioned, the Le Dain Commission was some 45 years ago, and we've been talking about it ever since.

There is a discussion about free market and controlled market. I see our proposal is somewhat in the middle, government controlled to some degree. Those who own the liquor stores, I understand, are private entrepreneurs, so there is kind of a mixed system in here that we are contemplating. I feel that as we start out on this journey, this is a reasonable system that we proposed. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Next on our list, we have Mr. McNeely.

**MR. MCNEELY:** Thank you, Mr. Chair. I'm going to share and take not too much time on what's in front



of us today. I recall decades ago in some job sites where joking manners were made to legalizing marijuana. As my colleagues Mr. Nadli and Mr. O'Reilly said, I couldn't imagine I would be in a position to say that I support legalization; however, it's a bill that is pretty much forced upon us. We are complying with somebody else's direction. I know all the colleagues in the House are passionate of their decision-making process to do what is right for the people they serve, and for the people of the Northwest Territories.

Given the work of committee, the staff, the research, puts us here today at the moment of voting on Bill 6. It is in today's society where it makes us so much different compared to years ago. Some items or issues can be said that we are really modernizing society, and by comparison, the cannabis drug is really weak in comparison to what is already out there. I was very surprised in going to some of the communities that I never thought I would ever go during our northern consultation, only to find out that cannabis is all over our Northwest Territories in our 33 communities, and in far more greater volumes than I ever could imagine.

Moving forward, I'm hoping our government would reserve the necessary resources that we were denied. The limitations of the resources we received only allowed us to go to 16 communities in a short period of time, on a piece of legislation that we were learning as we went along on engagements of what we heard, and that was the intent of the trip, on what we heard. What we heard helped us develop the report.

Moving forward, all of the communities, including the young students, were recommending to us that we do come back in a forum of education, public consultation and give them the materials to help educate society on what's being legally imposed on them and also take into account the difficulties that we are going to have with policing and enforcing Bill 6. So those are my few words on this issue. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. McNeely. Would the Minister like to respond?

**HON. LOUIS SEBERT:** Yes, Mr. Chair. I thank Mr. McNeely for his comments, and I know committees as well as the government were under a lot of time pressure on this, but, between the officials that we sent around and the two committees, I believe we did visit most of the communities, not all but most of the communities, containing a pretty high percentage of the overall population. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Next on our list we have Mr. Nakimayak.

**MR. NAKIMAYAK:** Thank you, Mr. Chair. I won't reiterate too much of what everybody said. I think we've all heard it so much in this last hour that we need to look at other things.

Being from a small community perspective, like my colleagues Mr. Nadli and Mr. McNeely, drugs have been in the small communities for quite some time. I remember growing up and going to school in Inuvik when there was a lot of cocaine coming down through the Dempster Highway. With the new highway to Tuktoyaktuk, we are going to kind of see some of that, you know. Every time there's an opportunity for a highway or other avenues to travel, all good and all bad will come with it.

Sometimes we focus maybe on one facet of something. There might be, like, seven or eight, you know, as much as a diamond. How many facets in a diamond? We need to look at all of those. As well, you know, I'm looking at this paper here, and we're talking about this bill, and I'm wondering why didn't we talk about all these other bills that are on this brown sheet of paper while we were travelling with this marijuana legislation, as well? Because, you know, everything that happens within that bill will have an effect, you know, social assistance, social services, on health, education, all of those aspects of it. I think we need to look more broadly.

You know, some of the meetings we've had recently, there has been a lot of disagreement. We're not all the same, you know. Everybody has a right to agree or a right to disagree. I think what we need to look at is, okay, a way forward and championing that rather than, "Oh, my God, this is an emergency," knowing this was coming from the federal government. We didn't really have a choice. We had a chance to react, and this is how we're reacting to it? I think we need to take a look around and see how we could make this better as we move ahead.

I think there's a good opportunity for communities to start to look at their bylaws. Some communities do not even have bylaw officers in the community, and some communities have two police officers. You know, we're taking a little bit of burden off the police officers so they can actually do some positive policing in the communities, like going out fishing or hunting, get a softball game, go coach hockey or baseball, whatever it may be. We need to look at those aspects of this and say, "You know what, there are a lot of good things out of this as well as the concerns." Everybody has concerns.

I know I do for my region. I was up in my region recently, and I actually saw some marijuana, you know, delivered in the mail, and this has been going on for some time. It's not a shock. You know what, it's either that or bring it in legally. You know, we look at communities that are going to possibly make

a prohibition to not have marijuana in their communities. We need to educate them, as well, to use this as an education tool to educate them that, you know, the black market is still going to be there; it's still going to thrive. Community members will still be paying the high amount that they may pay for marijuana, you know, rather than a community that does not have it.

For the communities that have liquor stores, you know what, I am from a small community. In the past, I remember ordering from, you know, the Inuvik liquor store to get some wine into Paulatuk. It's going to be like that with marijuana, as well, too. It's nothing. Nobody is reinventing the wheel. What people are trying to do is refine it so that it's actually workable, so it has, you know, less impact of harm in the communities.

We did one tour of the communities. You know, we've seen them once, but imagine living there and seeing that on a daily basis, what the impacts are of illegal marijuana. The communities that have totally banned alcohol, it's still there, and, you know, in a sense you hide that aspect of all of the illegal things that are going on. You can either ignore it, or you can say, "Hey, you know, we need to do something about this and educate people the right way."

There is a good opportunity to move forward, the best way forward. Together, whether we agree or all disagree, it's going to move forward just the way it needs to. I believe that, you know, there's a six-month term where it gives the government time to, I wouldn't say make corrections because we don't know what mistakes will be made yet. It will give the government time to take responsibility for the shortfalls.

Actually, some of the people who may fall through the cracks on this, who may rely on it too much, it gives an opportunity to work with them, and I think the government has the best opportunity to do that. The government has a lot of resources that they can fall back on, not like some private entrepreneurs. If we give this to private businesses right away, it may be, in a sense, stepping off, starting off, on the wrong foot, and I think we need to look at that and look at all the implications if we do something like that and what's next. You know, we need to maybe have seven or eight plans, and, you know, maybe this one, maybe the government has already looked through, all the professionals in the departments have looked through all this, and maybe that's the way forward, the best way forward, seeing how it's so rushed. You know, if we say that it's so rushed and we are not ready, do we expect to give an entrepreneur a licence tomorrow, saying, "Hey, we do not know, but go ahead and, you know, see what happens." That is kind of going in off of the deep end. I think we need to tread our way in slowly and work together on this.

You know, I look at social media, see the tweets even about myself, you know, voting on things like that. I'm, like, wow, we need to keep this in a professional manner and work forward together on this, not, you know, take jabs here and there. I think we need to all kind of work together on something like this, because this is something of significance to not just people of Yellowknife but people all over the Northwest Territories.

There are 33 communities in the territories that are looking at this, you know, and some people see it as an opportunity to do something good, and I think we need to, as well. A way forward, I think we're already halfway there right now, tonight, and it gives us time to look at it this summer and go back to our constituencies and how can we help. You know, there are also other governments to consider in the territory. The Government of the Northwest Territories is not the only government in the Northwest Territories. You know, there are a lot of Indigenous governments who take pride in what they do, and there are a lot of economic development arms of those Indigenous governments who could change their policies overnight, unlike the government, where it may take some time, so we need to rely on them, too. So, when we are developing things like this, we need to look at the businesses and the professions who've worked at that for, you know, years and years. We are not the professionals here, but we have a lot of resources that will direct us in the right way to make the best decisions.

That's all I have to say, Mr. Chair. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Nakimayak. Would the Minister like to respond?

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. Only to say that we fully realize that there are different opinions out there and there may be a difference in opinion overall between the larger and small communities. Doubtless, there will be some surprises and perhaps some unintended consequences of our legislation. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister. Members, may I please remind you to have your devices on silent. It's getting a little distracting. That's the second time tonight. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. I will actually be brief, unlike the other 10 Members who said they would be brief and then went on. I have talked a lot about cannabis and this legislation. I am profoundly disappointed in what has been put forward. I know that we can't do everything perfectly. The Minister has stated that.

Perhaps I am just out of step with this government, because my priorities don't always line up with this

government's priorities. As I was quoted by the Member for Yellowknife Centre, it is less than once in a generation that a prohibition is lifted. This is something we are going into for the first time. There will be mistakes, but we have to do everything we can to mitigate those mistakes.

I don't fault those people in the department working on it. I would have liked to see perhaps more resources put to it. The people who developed this policy and drafted this bill, maybe if they weren't up so many late hours because they actually had a few more people in their shop, it might be nice. Next time that something like this happens, maybe the departments can come to us and say, "We need a few more resources." As the Regular Members, perhaps we can give that to them.

With this bill, I see it is not guided by the future. It is guided by a fear, fear of the unknown. Instead of listening to the youth, because that is what I was really driven by was the youth, we had a lot of conversations with a lot of people on the road. There were two distinct thoughts. There was, "Let's do this right so that we don't go down the same path we did with alcohol, where there are bootleggers and people making a living off selling this product and there are not drug dealers selling fentanyl-laced cannabis. Let's do it properly." There was that school of thought.

Then there was the school of thought where, "We shouldn't do this at all. We should stick with the status quo, be as conservative as possible." That is what I see this legislation doing, being as conservative as possible, not moving forward, digging its heels in, and saying, "How can we keep things the same?"

I don't know. I am quite disappointed. I'll shut up now. As we go through, I will talk about each of these clauses. Like some of the other Members have said, too, if you had told me when I was younger that I would be sitting here working on legislation to legalize cannabis, I wouldn't have believed you. It is pretty mind-blowing. I just wish we could have done more. We didn't have enough time, but I think we could have done better if we tried and if we collaborated a little more. I will end my comments there. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Simpson. Would the Minister like to respond?

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. I suppose in some ways it would have been better if we had had more time, but we didn't. The federal government proceeded. Frankly, we didn't have all that much time. I guess we are fortunate that there is likely to be a slight delay in the legalization from July 1<sup>st</sup>, which would have really put in a difficult situation if legalization was a month and a day

away. Instead, it looks like it is going to be, as I understand it, mid-August, so we have been given a little more time. I suppose it is not enough.

I think the bill is a good compromise and will serve us well in the future. It may need changes. As I mentioned earlier, there may be some unintended consequences that we haven't foreseen. That is always possible, but laws can be changed. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Next on the list, we have Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. Before, I spoke as one of the co-chairs of the joint committee. Now, I will speak as a Regular Member and a representative for the constituents of Kam Lake. We often challenge the attitudes and policy direction of this government from this side of the House. The challenge can seem critical on days, but it comes from a good place. That place is: be ambitious. Be willing to embrace change when change is needed.

I have heard the Minister say in reply to nearly everyone's opening comments, "We didn't have a lot of time. We didn't have a lot of time." We had two years that we knew this was coming. Certainly, we didn't have the federal legislation to review, but there are jurisdictions in the United States. There is Alaska, which is a similar northern context; different economy, certainly. There are areas we could have looked at. There has been much said about Colorado's experience. There have been news reports about how their early cannabis implementation failed to achieve the public policy objectives.

There were steps we could have taken. Instead, the Minister and Cabinet delayed for as long as possible. They delayed until the federal legislation happened and waited until the committee had scant weeks to work together to improve the bill. From the degree of amendment to the bill, it clearly needed improvement. There were technical errors that needed to be addressed, which isn't uncommon, but just shows how rushed the entire process felt.

There was no need for this. I firmly believe that we could have embraced this as an opportunity to make our community safer, to generate some economic activity, to set zero tolerance for impaired drivers, to keep our kids safer than they have been in the history of us dealing with cannabis as a controlled substance. Those are good things, having an optimistic and ambitious attitude and a creative response.

Instead, for retail, we have the Liquor Commission, which is not a perfect system. Members have risen on the floor to criticize the liquor system

consistently. Members of the public, members of my riding criticize the Liquor Commission, that it needs reform. Yet we are going to adopt the exact same structure to do cannabis now? I mean, we are not even talking about a system that works. We are talking about a system that needs reform that will now have another problem attached to it.

Our neighbours in the Yukon have a supply agreement. They have a price for cannabis. We can't get a straight answer on that. In the last budget round, when we knew cannabis was coming in months, we couldn't get a costed plan. Not a penny in that budget for cannabis that was clear and announced and gave the public confidence that the government was dealing with this responsibly.

Again, we have a massive bill dropped on us that has put many Members in an uncomfortable position to deal with something they weren't prepared for. We had two years to prepare for this. We could have applied a creative solution to get the best results possible. As my honourable friend from Hay River North has said, this is a government that is fundamentally conservative in its approach to policies.

I spoke to people who went to the cannabis engagement and spoke to public servants who were at the event representing the Department of Finance and said we are going to do the Liquor Commission. How is that a fair consultation that is taking into account what people have to say, if the government has prejudged the outcomes?

Then when we hit the road and speak to members of the community. They have no idea what is in the bill. It becomes our responsibility as Regular Members to provide public information for a massive societal shift. I don't accept the Minister's comments that we didn't have enough time.

He speaks of compromise. As other Members have said, we are all trying to work together and work on behalf of our people for the good of the Northwest Territories. Who is the Minister compromising with? Why do there necessarily have to be two sides of this House at this moment, when we could both be accepting a bill or a cannabis regime that has the best results for everyone intended?

The government has accepted the vast majority of the committee's amendments, the committee's improvements, to the bill. I acknowledge that, and thank the Minister and his colleagues for doing so and concurring with those so we have a more complete bill.

There are two motions that are outstanding that are of significant concern. They are backed up by the evidence. They are backed up by the consultations. They are backed up by what Members agree is the

best way forward, and we can't do it because we are afraid of it, because we don't know how it is going to work, because we are not sure of the market.

I say we need to be bold. I say we need to be ambitious. I say we need to make this a transformative piece of legislation that is going to help keep our communities safe and help achieve the results that prohibition has never given Northerners and never given Canadians. This is an opportunity. We shouldn't be shying away or saying this was imposed on us. The policy direction came from Ottawa, but this is an opportunity for us to fix a problem in society with comprehensive legislation that has vision and can transform our society. That is what I am here to do, Mr. Chair. I hope that by the end of the proceedings today, we will have accomplished that. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Would the Minister like to respond?

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. Staff worked very hard on bringing this bill forward. I understand that we were the first territory to introduce legislation, and in fact, we were ahead of some of the provinces. Of course, we looked at what other provinces were doing, and I suppose our legislation somewhat reflects what others were doing, but also our unique circumstances in the Northwest Territories.

Mr. Testart mentioned the improvements that committee has suggested and those which we agreed to on the bill. Of course, that's part of the system we have, and I thank them for that. The bill wasn't perfect, it may never be perfect, but it has been improved by that contribution, so I would like to thank committee for that. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Is committee agreed that there are no further comments?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Blake):** Can we proceed to a clause-by-clause review of Bill 6? Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Blake):** Does committee also agree that we consider the clauses in groups?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Blake):** Thank you. Committee, we will defer the bill number and title until after consideration of the clauses. There are three schedules, A, B, and C, in the bill. We will go through each of the schedules individually before

returning to the clauses of Bill 6, which are found on page 1 of the bill.

Let's turn to page 8, Schedule A, Cannabis Products Act. There are 72 clauses in Schedule A. Clauses 1 to 4. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Blake):** Thank you. Clause 5. Mr. Testart.

COMMITTEE MOTION 59-18(3):  
BILL 6: CANNABIS LEGALIZATION AND  
REGULATION IMPLEMENTATION ACT –  
AMENDMENT TO SCHEDULE A, CLAUSE 5 –  
ADDITION OF SUBSECTION 5(1),  
DEFEATED

**MR. TESTART:** Thank you, Mr. Chair. I move that Schedule A to Bill 6 be amended by adding the following after subsection 5(1):

(1.1) Before the Minister designates a person to act as a vendor under subsection (1), the Minister shall ensure that the person meets the prescribed criteria.

(1.2) If a person meets the prescribed criteria, the Minister shall designate that person to act as a vendor unless the Minister provides a reasonable justification for not doing so.

(1.3) The Minister shall not require that, in order for a person to be designated as a vendor under subsection (1), the person must also be designated as a vendor under subsection 34(1) of the Liquor Act. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. A motion has been made. The motion is being distributed. The motion is in order. To the motion. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. This motion represents the work of the committee, and it is one of the motions that committee agreed to bring forward, that was passed at the clause-by-clause review, and that the honourable Minister of Justice did not concur with. I am bringing it forward again to reflect the work of committee and to reflect the common policy objectives that the committee agreed were important and that Bill 6 must contain.

This amendment to the bill will allow for the immediate designation of vendors outside of the Liquor Commission system. Granted, regulations will need to be developed to ensure that those vendors have prescribed criteria. Although this does not speak to specific regulations, it is more appropriate that the government address that, should this pass.

The Alberta model of private retail has extensive regulations for vendors that have already been set out. For example, you can't have a criminal record, and you have to have a credible business interest. I believe that the committee developed this because of the concerns we heard from the public. Just to put it into context, even in some communities or some segments of the population who weren't completely sold that legal cannabis would be safer or achieve those public safety objectives, they were so concerned about a lack of economic activity in the Northwest Territories that they saw this as something that could boost their local communities, that could create jobs and create an economic opportunity.

Further, when you look at what this bill is designed to do, it's not going to make the black market disappear overnight. That's unrealistic, and I have heard criticism of these approaches. Even the whole legalization effort started by the federal government, that "you're joking if you think the black market is going to vanish." Of course, it's not going to vanish overnight, Mr. Chair, but it will give us better tools to deal with it than we currently have. Without tools like this that will allow for the wide distribution of cannabis in a legal market on a controlled basis, I fear that we will not effectively disrupt the black market.

One of the examples that stuck with me when we engaged stakeholders in the community of Tuktoyaktuk, one of the town councillors told us that they had recently started bringing flats of beer into the community, and they were able to increase the supply and lower the cost, and that had largely relieved many of the serious problems that they had seen in the community because of abuse of hard liquor. They had changed behaviour by making the supply more accessible. When we asked, "Well, what would you propose to do with cannabis?" they said, "The exact same thing." Open a store. Make it cheap. Make it available. If we do not change the legislation to allow that, we are going to end up in the same situation.

My honourable friend from Tu Nedhe-Wiilideh said it better than I ever could, and I really respect the position he's coming from. He's seen it all, as have many others, but where he's coming from is exactly the concern, that we are creating a two-tiered system. We are creating regional monopolies through liquor stores that will be run by the Liquor Commission and relying on mail order in communities where people don't have Visas, where the shipping is high, and the cost isn't going to go down. There will be no incentive to switch from bootleggers and drug dealers.

We need to do better, and this motion will allow us to do better. It will bring about private cannabis stores far quicker than the government's current

agenda and allow us to disrupt the black market, to put economic opportunities into the communities, and to keep people safe, and that's exactly what the committee wanted to achieve when we agreed on this amendment. I hope that we see the support today, when we vote on it, that we did when we worked together to develop it. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. To the motion. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Mr. Chair, I understand that this motion was developed by committee as a response to the government's stated policy decision to refrain from granting vendors' rights to any vendor other than liquor store vendors for at least two years. The fact that the Minister declined to concur with the amendment demonstrates to me the degree to which the GNWT wants to ensure their authority to implement their policy to see cannabis sold only through liquor stores for at least two years. As I noted yesterday, Mr. Chair, the trenches will be dug after two years, and there will be no getting out.

For me, this begs the question why. As I suggested, again, in my remarks yesterday, I believe the government is determined to reserve cannabis revenue for its own coffers to the greatest extent possible. There is nothing in Bill 6 right now that requires the Minister to give fair consideration to private citizens who want to become legal cannabis vendors. We must simply trust the government when they say that they will consider opening the sales model to private vendors. The committee's motion would ensure that private vendors are given fair consideration right from the start.

We have heard the government say that they don't anticipate cannabis revenues to be all that significant. In fact, in this year's budget address, the Minister of Finance said, "Early estimates indicate that revenues from cannabis for the GNWT will be modest and that there are likely to be some increased expenditure pressures."

Contrast that with the following observation from the chief economist at CIBC World Markets who said, "If businesses are allowed to set-up cannabis shops and compete in the same way that other retailers do, Canadians could be buying as much as \$10 billion worth of marijuana products a year." By that estimate, the Canadian cannabis market is expected to bring in \$1 billion more per year than the \$9 billion in beer sales that occur annually in Canada right now. That says a lot. At least one industry analyst predicts that the Canadian cannabis market is more likely to be closer to \$20 billion a year in sales.

My point, Mr. Chair, is that by its insistence on selling cannabis through liquor stores, the GNWT

is denying NWT retailers who are not already liquor vendors the opportunity to enter this market at the outset, with the opportunity to learn and grow alongside liquor vendors who choose to sell cannabis and to reap a fair share of the profits. Mr. Chair, I will be supporting the committee's motion because it will, not prevent the GNWT from selling cannabis through liquor stores, but it will ensure that other entrepreneurs who meet the criteria and requirements set out in regulations will be given fair consideration in their applications to become cannabis vendors. I believe strongly in the entrepreneurial spirit of this territory and the capabilities of northern businesspeople, and I believe they can rise to meet whatever conditions are set by the GNWT. Thank you, Mr. Chair

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Vanthuyne. Next, we have Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Mr. Chair the committee developed this motion as a way to address the government's position that they would only grant cannabis vendor licences to liquor store operators for the first two years after legalization. My constituents want to see cannabis stores in communities that don't have liquor stores. The only way to make sure this happens is to put a requirement in the act that obligates the Minister to consider all eligible vendor applications, not just those from liquor store operations. That's what this motion would do. It gives the Minister the discretion to not approve an application from someone who is not qualified or who does not meet the established criteria, but it prevents the government from giving a monopoly to liquor stores.

A lot has been said about whether the Minister will have to develop the criteria now or in six months or in two years. This is a red herring. The government will develop the regulations as soon as possible if they have to. What matters is, once legalization takes place, without committee's motion, the government can develop the regulations, but they'll have absolutely no obligation to consider applications from anyone other than the liquor store owners.

Mr. Chair, in my riding that I represent, Acho Dene First Nations has already sent a letter to the government and asked to put a store in their community. Why should they, you ask? They're two and a half hours away from BC. If we're going to go with this model, what the government's going to do, they're not going to mail order. They're not going to drive to Fort Simpson. They're going to drive to BC. They're going to access the cannabis when they want to. The community wants to have this opportunity to put it in their community, so the revenue stays in the north. Unfortunately, if we continue this action that the government has proposed in this bill, we're not going to see that.

The Minister of Justice talks about online. Great, we're going to have online. Well you know what? If they're going to go online, and they have access the credit cards or the ability to do online, they're not going to go to the liquor store in Hay River or Fort Simpson, or the Liquor Commission, wherever that is going to go based out of. They are going to go online down south. So we're going to not only miss the taxation and the revenue, it's going to go down south. We see that right now with opportunities to buy stuff online. You can do it now. So without having this opportunity, we're missing that.

This here is coming from the communities. It's not my decision, because I'm not in the business. I'm here to represent the people from Nahendeh, and this is what they've asked. Mr. Chair, they want business opportunities that could come with cannabis stores. They want to be given a chance. Right now, in the Deh Cho, or in Nahendeh, there's limited opportunity. We don't have the opportunities that Fort Smith, Hay River, Inuvik, Yellowknife have. The economy is not great. Here was an opportunity to, one, develop a business; and two, put people to work.

It's unfortunate some people on Cabinet side don't understand that. Some don't, some laugh about it, and it irritates me. Some people over there are serious about it, they understand that, they've been in the small communities, but it's about putting people to work, and if we don't do that, I know you like income support, well, I'd love to see you guys live on it. People want that opportunity to work, and I think this is an opportunity to do that. For that reason, I'm supporting this motion and calling on my colleagues who worked with me to develop it to do the same. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. Next, we have Mr. Beaulieu.

**MR. BEAULIEU:** Thank you, Mr. Chair. Mr. Chair, I will be supporting committee's motion in this area. I have my reasons for supporting it: it is to be able to have a safe supply of cannabis to all residents of the Northwest Territories, not to only some residents of the Northwest Territories. I can assure Cabinet that, if this motion is not passed, you will be supporting the illegal trade of marijuana in small communities. There is no reason in the world, there's no reason in the world for an individual to fly all the way to a liquor store to be able to buy, and they can't even pick up marijuana for their friends, because of the limit that is there. So everybody has to fly in to a community to get their own. What is going to be the option? The option is going to be to either buy it online or buy illegally. So for the people who don't have Visas out there, and I've talked many times, when you have 40 per cent employment rates, you don't have many Visas

flying around in the community, Mr. Chair, and if they were to get a Visa, if they were to be lucky enough to have a job and get a Visa and want to smoke legal marijuana, they will buy it from somewhere else. They'll order it places where they're not selling it for \$10 a gram, because that's what the market, that's what the government sets the price at, and everybody else is going to set the price at the market rate. The illegal drug dealers are going to have a better sense of what the market is than the government.

We have to let the people start up vendors in the communities so they could stay within the market and they could provide legal pot to people, safe pot to people. There's a feeling that there are going to be stores, pot stores popping up all over the community. That ain't gonna happen. There's not enough business for that. Not going to happen. And if it does, at least they'll be paying taxes back to the government coffers instead of putting illegal money in their pocket.

If we approve what the government is saying, we are supporting the illegal trade of pot. There's no question about it. I think everybody knows that, but for some reason or another people are bound to the fact that they think that there's going to be pot stores popping up all over, and everybody's going to start smoking marijuana. That's not necessarily going to happen. That ain't gonna happen. There's a reason that it's being restricted to only certain communities; there's a reason that it's only going in to liquor stores. If it's not what the honourable colleague from Yellowknife North said, that the government wants to keep all of the tax dollars for themselves, then it must be what? I just can't understand, unless the other reason is a lack of understanding of what the lay of the land is as far as this product goes in the Northwest Territories. It is unbelievable. It ain't gonna happen. If we don't pass this committee, then we are supporting the illegal trade of marijuana. In the whole North, you will hear that, and that's how it's going to be set up. Everybody's going to know that this government is passing a bill that supports the illegal trade of marijuana by restricting it to only certain communities and leaving the small communities, the 27 other communities that we went out and heard from, that said that this is what we want to see. Mr. Chairman, I request a recorded vote. Thank you, Mr. Chairman.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Beaulieu. Next on the list, we have Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. I don't like this motion. I find it too prescriptive, but I am in support of it because our alternative is subservience to what I believe is a wrong-headed policy position for all of the reasons mentioned by

Mr. Beaulieu and Mr. Vanthuyne, and I have nothing further to say. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Simpson. Next on the list we have Mr. Nadli.

**MR. NADLI:** Thank you, Mr. Chair. I do not support this motion because the communities that I represent did not explicitly tell me to take this position. As I stated in the outset, speaking on this Bill 6, is people want a level of control. They want a level of control or government has control, and therefore position the communities to have control. I disagree with the comments that were made earlier. We can't really predict and crystal-ball this and place hypothetical situations over our heads and predict what may happen. We don't know that, but I do know that I support Bill 6 because it's predicated on the idea of stomping out the illegal drug trade. That's the initial intention and spirit of Bill 6. I understand the federal government is proposing this legal framework because, in the end, they have primacy in terms of enforcing the control and sales of marijuana and cannabis, and, therefore, I don't support this motion. Mahsi.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Nadli. Next on the list, we have Mr. Sebert.

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. I have a number of concerns about the proposed motion, and, if it fails, there may be an opportunity to accomplish its objectives without the negatives associated with the particular language. We do understand the motivation to see other private retail options to be open sooner rather than later. I think we need to be very careful not to suggest that there's a huge market waiting to be captured with lucrative returns to be had. The prices must be set in a way that can displace the illegal market.

Everyone should appreciate that it is going to be a challenging operating environment for legitimate enterprises. Unlike organized crime and other existing dealers, legitimate businesses must pay staff, payroll, income and property taxes, provide training, pay insurance, pay WSCC premiums, get business licences, comply with zoning requirements, pay rent and utilities. Cannabis retailers will also have to compete with legitimate mail-order and online options that may indeed turn out to be the preferred retail option of most consumers. Convenience and, frankly, anonymity are attractive features of mail order.

All cannabis retailers in the NWT will also have to buy their products through the Liquor Commission, acting as the wholesaler, to ensure that there is a safe, well-regulated, and approved supply. To meet our objectives, this has to be a regulated product that is treated differently than other products commonly available through many retail channels. I

would stress again that the majority of respondents to the GNWT's extensive public engagement expressed a preference for the liquor store model to be used in retail for cannabis. As I mentioned earlier when I was quoting the figures, it was not a huge majority by any means, but that seemed to be the preferred option. I still think this makes sense, to provide a safe and professional retail option on legalization day and to provide for an expanded marketplace shortly thereafter.

To that point, I would emphasize that the bill already provides for other options, and, if this motion does not pass and another is brought, we would make that explicitly clear and we would establish full and fair criteria that any potential cannabis retailer would have to plan for. What is being proposed through this motion as written is the elimination of ministerial discretion to consider important questions about how, when, and where these additional retail options would proceed. Approval of cannabis stores should not be a mere rubber-stamp, bureaucratic formality. This is an important concern. Ministerial discretion is always subject to review for abuse of discretion, but, where broad policy issues require careful consideration, Ministers must be free to act based on the best interests of the residents they serve and on the conceptions of the public good. This is how the system is supposed to work.

As noted above, we do support prescribing criteria for cannabis stores, which should include, to list but a few, their location; where are the new stores proposed to be established; what they can sell; should they be able to sell toys, candy, cannabis; does the community support the addition of new stores; what are the security requirements for the new store for staff, customers, and security of the stock; what are the inspection requirements for the new store; what should the hours of operation for the stores be; what should the training requirements for staff be. These questions quickly come to mind. Undoubtedly, there are many other considerations that should be applied, and it is our intention to do the work necessary and as quickly as possible to address those considerations.

Residents want cannabis stores to be well regulated, with matters related to health and safety and community support to be fully considered. I fear that this motion would undo the key element of having opportunity for the public interest to be carefully considered with each application for a new store. The explicit "unless the Minister provides a reasonable justification requirement," when read together with the rest of the provisions, would not preserve the necessary ability of the Minister to fully exercise his discretion in the public interest. At least, it is far from clear that it would.



This language is not used in any other legislation that I am aware of and certainly not anywhere in territorial legislation, or the legislation of other Canadian jurisdictions. It would be unfortunate, for example, if the Minister was forced to designate a vendor over the legitimate concerns of the community.

Mr. Chairperson, our thinking has evolved. We accept the objectives of the motion but not the constraint placed upon Ministerial discretion. If this motion does not pass, we will support an alternative version that achieves the same ends while recognizing Canadian principles of executive government.

To conclude, when we went out and were seeking the views of the public, there were many different options that the public looked at and the liquor store model seemed to receive significant support. Cabinet will be voting against this motion, thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Sebert. Next we have Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I have a confession that I want to start with. At first, I supported the liquor retail model, but I changed my mind based on the input that we've heard. I'm going to come at this very differently than some of my colleagues, but I do agree and support the work of the committee on this. Although I did hear that there were some individuals who supported or wanted private retail stores, I do think that the claims of economic opportunities are probably greater than they are really going to turn out to be, especially around retail. There may be some opportunities around production, but I am worried about raising unrealistic expectations around economic opportunities, particularly with regard to retail.

I want to go and just look at what is in the existing bill. The only conditions that are being placed on who can become a vendor are that you can't be a minor, you can only sell cannabis that is authorized by the federal government, you have to keep records, there may be some additional things required by regulation, and you probably have to enter an agreement with the Minister.

Those were the only conditions in the existing bill, but the Minister may designate a person to act as a vendor in a particular community. That's total and unfettered discretion. The Minister can decide whoever can become a vendor, total and unfettered discretion, and I don't think that's appropriate. What we are left with is trying to deal with a policy decision through a legal amendment, and it is kind of a difficult position to be put in.

I want to point out that the amendment that we are talking about here, there's nothing in this amendment that prevents sale of cannabis through the liquor retail system. The government can continue to do that. If that's what the policy direction is, this amendment will still allow that to happen. What it would require is that the government actually develop a set of regulations, to set out in a clear and transparent manner what the prescribed criteria are. It would force the government's hand to actually set those out in a clear and transparent fashion, set up a process for doing that, and presumably, it would be a public process where the development of those regulations would take place. Anybody who meets those prescribed conditions would get a licence to sell. They could be the sorts of things that the Minister of Justice talks about, whether it's security or lack of a criminal record or whatever. All of those things could be laid out in a clear and transparent fashion, and I think that's what this government should be doing right now.

As I said, I come at this a lot differently. I am very concerned about the Minister having total and unfettered discretion, and that's what this is about. It's about ministerial authority and discretion. To me, that is a key issue here, and I'm not prepared to give the Minister that much authority over something that's brand new. Absolutely not. I'm going to be voting in favour of this. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. Next on our list, we have Mr. McNeely.

**MR. MCNEELY:** Thank you, Mr. Chair. I think we said right from the start that, as we proceed forward in this very unknown market, we're probably not going to get it right. Right now, I think we can all agree in this room here that cannabis is not being sold here. It's being brought in to all 33 communities from other sources outside, south of the 60<sup>th</sup> parallel, or west or east or north, but there is no supply point here.

Assuming that we didn't have the system of alcohol sales, would we have designated these six communities as cannabis suppliers? Probably not. It's the system that we have and the tools that we have on delivering programs and services.

Having said that, I can't see myself, in consultation with some people in my region and listening to them as well, supporting this motion. As much as I respect everybody's opinion, I hope everybody would respect mine. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. McNeely. Mr. Nakimayak.

**MR. NAKIMAYAK:** Thank you, Mr. Chair. I won't be long. Earlier, in the opening comments, I mentioned

that I wouldn't support this, and I think all of us who sit here, our time up in this Assembly is done in 2019. I think we need to look beyond that.

Earlier, I mentioned that, if the government is in control, it is something that could be controlled by the government and the government can take responsibility for. If we look at something like this that is being proposed, it would become the wild, wild west, and I don't think that's the right way to go. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Nakimayak. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mr. Blake):** Question has been called. The Member has requested a recorded vote. All those in favour?

#### RECORDED VOTE

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Kam Lake, the Member for Tu Nedhe-Wilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre, the Member for Hay River North, the Member for Yellowknife North.

**CHAIRPERSON (Mr. Blake):** All those opposed?

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave, the Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha, the Member for Sahtu.

**CHAIRPERSON (Mr. Blake):** All those abstaining, please rise. The results of the recorded vote: seven in favour, nine opposed, zero abstentions.

---Defeated

Clause 5. Mr. Simpson.

COMMITTEE MOTION 60-18(3):  
BILL 6: CANNABIS LEGALIZATION AND  
REGULATION IMPLEMENTATION ACT –  
AMENDMENT TO SCHEDULE A, CLAUSE 5 –  
ADDITION OF SUBSECTION 5(1),  
CARRIED

**MR. SIMPSON:** Mr. Chair, I move that Schedule A to Bill 6 be amended by deleting subsection 5(1) and substituting the following:

(1) The Minister shall, where the Minister considers it to be in the public interest, designate a person to act as a vendor in a particular community for the

operation of a cannabis store and the sale of cannabis in that community.

(1.1) The Minister shall, within six months after the coming into force of this subsection, recommend that the Commissioner make regulations prescribing criteria to guide the Minister in considering whether the designation of a person as a vendor is in the public interest.

(1.2) The criteria referred to in subsection (1.1) must not establish a condition that a person first be designated as a vendor under subsection 34(1) of the Liquor Act in order to be designated as a vendor under subsection (1).

(1.3) Notwithstanding subsection (1.1), the Minister may designate a vendor before the regulations referred to in subsection (1.1) have been made.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Simpson. The motion has been made. The motion is being distributed. The motion is in order. To the motion. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. Mr. Chair, this motion is what some would call a compromise, what some would call better than nothing, and what some may call nothing more than a smokescreen.

Many Members of this House and many members of the public have expressed a desire for private sales of cannabis and the opportunity to sell cannabis in all communities in the NWT. However, as the bill is written, it gives the Minister of Finance broad discretion, seemingly the broadest discretion available under the law, as to who he designates as a cannabis vendor, and this government has made it clear that it wishes to limit cannabis sales to liquor stores.

Unlike the motion that just failed, this one would not force the Minister's hand, and that is why some may consider this motion a farce. What this motion would do, if successful, is require the government to make regulations prescribing criteria to guide the Minister when considering whether it is in the public interest to designate a person as a vendor.

This does little to fetter the Minister's discretion as it will be the department that develops the regulations, but it at least provides clarity to entrepreneurs so they know what criteria their applications will be based on, and it allows for much more transparent decision-making process. The motion also ensures that one of those criteria will not be that a cannabis vendor must already be a liquor vendor, which addresses the concern raised by some that such a regulation would be made, and it mirrored the provision in the motion that just failed.

The motion states that the criteria must be developed within six months. If this motion is successful, I will move another one later that would see that six-month provision come into force on assent, meaning tomorrow, in all likelihood. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Simpson. Next, we have Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Mr. Chair, this motion was actually floated by the government earlier this week, and, quite frankly, it was "a compromise alternative to the committee's motion that was just defeated."

Mr. Chair, this is not a compromise, in my mind. This is a tactic by the government designed to undermine the work of the standing committees. As we have just seen by the defeat of the previous motion, the tactic appears to have worked. I want to be perfectly clear about the effect of this motion, Mr. Chair. The motion requires the Minister to bring in regulations within six months "prescribing criteria to guide the Minister in considering whether the designation of a person as a vendor is in the public interest."

The government seems to have convinced some Members that this six-month timeline is a compromise over the two-year period the government first said it would adhere to when Bill 6 was introduced. What was apparently not made clear was that, while the committee's motion would have obligated the Minister to give fair consideration to all vendor applications that meet the prescribed criteria, this motion gives the Minister full discretion in determining whether or not a vendor designation is in the public interest. If the Minister determines that it is in the public interest only to designate liquor store vendors to sell cannabis, and that it is not in the public interest to designate private vendors, then, even with prescribed criteria in place within six months, there is still no obligation on the GNWT to open up the sales of cannabis beyond liquor stores. A tactic, Mr. Chair, not a compromise.

I will not be supporting this motion, which makes little meaningful improvement over the original subsection in Bill 6. Again, I am deeply disappointed that it does not have the effect of bringing an end to the government's plan to sell cannabis only through liquor stores at the outset of legalization, and I intend to work hard to push this government to move in that direction as quickly as possible. Those are my comments. I will not be in support. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Vanthuyne. Next, we have Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Mr. Chair, the government is calling this motion a compromise because they would be required to develop regulations in six months. This isn't a compromise. It is a bait and switch. This government is trying to bamboozle Members so that they don't really see what is going on. What is really going on is that this government's motion leaves all the power in the hands of the Minister to grant vendor licences to liquor stores only. That's the part that they don't want committee to change. I can't say it any plainer than that.

Six months, one year, two years, it doesn't matter when the government makes regulations because their motion says they will use the regs to "decide what is in the public interest." They have already done that. They think it is in the public interest to have cannabis sold only in liquor stores, but what they know is that this is the government's interest because almost all of the revenue will come to the government. Government may put regulations in place, but they don't have any obligation to use them.

I cannot support this motion because it gives too much discretion to the Minister to implement the sale model that is not consistent with what my constituents want, and, at the end of the day, that's what matters to me. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Simpson. Next, we have Mr. Testart. Oh, sorry, Mr. Thompson. Next, we have Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I think it's telling when the mover of this motion has to characterize it in debate as a smokescreen in addition to other things. To address the strong feelings committee members are going to have says something about the nature of this compromise, quite frankly, the preoccupation with the Minister in debate over the last motion that failed, with Ministerial control and Ministerial discretion being unduly fettered.

Committees don't propose motions half-baked. We consult with experts. In this case, we consulted with a legal expert. The legal opinion we received is that it is well within the boundaries of Canadian constitutional law to apply reasonable limitations on Ministerial discretion. This reverses that, and that seems to be the huge sticking point. I don't find comfort to see that a proposed two years has been reduced to six months. I think that's an attractive number for those of us who have been pushing the government to bring forward some sort of privatized rules sooner, but they could make that political commitment regardless of what was written in this legislation. I would like to think that they recognized the work that the standing committee did in advocating for this point and advocating for the

need for regulations for private business and would do so anyway.

I'm not convinced that this is necessary. I'm not convinced that the wording of this, which seems to have taken what the committee's initial intention was and reworded it to protect the Minister's unilateral right, is reflective of what ought to be a process that reflects the need for privatization and respects the rights of Northerners to take risks. This is a paternalistic attitude, that we need government monopolies controlling our industries, we need to squeeze all the revenue out of legal cannabis into public coffers, and that, no, we're not going to let people take risks and fail because they will blame us at the end of the day.

That is not how entrepreneurs work. They are willing to take the risks, and they are willing to go out and do the research and get prepared for this. Many of them have. In our consultations, we heard from the NWT chamber which represents the entire territory, business community, the entire territory, and, the Chamber of Commerce of Yellowknife, they have been approached by people who want these opportunities, and this government is saying, "No, thanks. We'll keep all the revenues for ourselves." This motion is not going to change that, as much as they're trying to convince us that it will.

I again can't understand why we can't embrace our entrepreneurs, why we can't let them take the lead on cannabis. Why can't we give them the opportunity when our Liquor Commission system is far from perfect and there seems to be no willingness on the part of this government so far to really look into that? Look at the state of the Yellowknife Brew Pub, or NWT Brewing Company. It took them years to start making alcohol and working with the government to get them there. Are we really to believe in six months this government will be in a position to let someone open a cannabis store? I think not. I think the government has played its hand in defeating the previous motion and putting this one in place, which speaks to the public interest.

Mr. Chair, the plebiscite components of this legislation allow the public interest to be met through a plebiscite process that allows communities to control what goes on in their communities. The Minister doesn't need to decide for communities. The plebiscite exists. The bill has been amended to extend the window for plebiscites to ensure that proper notice is given. The Minister doesn't need to decide on behalf of communities, and that's what this is ensuring. The Minister needs to be in a position to accept that there will be people who will be qualified to sell cannabis as private retailers and should be allowed to do so. Obviously, that's not going to be the case.

It's a roundabout way of saying I won't be supporting this motion. Mr. Chair, at the appropriate time, I would like a recorded vote. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, I'm fond of saying that the biggest problem small business has in this territory is the Government of the Northwest Territories. This is not a government that is friendly to small business. It's a paternalistic government that is regulating small businesses into the ground. The irony is that they're gutless with big business, too. In any case, do they take us as fools? Do they really think that we consider this on par with what we have proposed in our amendment? This is not an acceptable compromise. The Minister does not need this kind of discretion. The prior motion did not fetter his discretion, according to a legal opinion we received. This motion is nonsense, and I will not be supporting it. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Ms. Green. Next on our list, we have Minister Sebert.

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. I am pleased to support this motion as brought forward today. We are very grateful that our discussions with members of the joint standing committee following their thorough review of the bill have allowed us to arrive at a mutually agreeable approach. I didn't say "unanimously agreeable," reasonable.

**SOME HON. MEMBERS:** Nay, nay.

**HON. LOUIS SEBERT:** Reasonably agreeable approach, I will say, to the issue of designating vendors. Bill 6, as originally proposed, did allow for the designation of a range of vendors. It supported our plan for retail to initially occur through the Liquor Commission and the existing well-regulated liquor store regime, but there was no barrier to the designation of other vendors in the future, once the shape of the market became more evident, and there was an opportunity to provide, properly provide, for matters relating to security, health and safety, and determining community support. This motion does that. It will require that regulations be developed within six months that will assist the Minister in consideration of the public interest in respect of the designation of vendors.

We recognize the interest in providing business development opportunities to residents of the NWT but are also mindful of the guiding principles that were developed at the beginning of the legalization process, that we must ensure a safe and secure retail regime that reduces the black market and that restricts youth access.

This motion as revised will provide clarity for those interested in becoming vendors in the future while also requiring consideration of the public interests in any decision to designate a vendor going forward. Mr. Chair, I am happy to support this motion. It gives us a better bill. Cabinet will be voting in favour. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Next on our list we have Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, if I wasn't fooled into thinking this was a smokescreen before, that one sealed it. Look, if the Minister had said in a very clear, unambiguous way in this Chamber that the GNWT is going to open up the system to private sales in six months, I might have been fooled into believing this, but that's not what the Minister said. The Minister said they're going to develop regulations to define what the Minister thinks is the public interest. That's just not going to work here.

This is not a compromise. All this requires is that a regulation be developed within six months. It's not going to provide clarity. There's no requirement in this motion for private sales. All there is, is a requirement to develop a regulation that somehow is going to mysteriously define what is in the public interest.

You know what, the Minister has already decided what is in the public interest. The Minister has decided that it's not in the public interest to allow for private sales. The Minister has already decided that the public interest is served by selling cannabis through the liquor store system, and nothing in this amendment is going to change that. There's nothing in here that will stop that from continuing. I don't know what it's going to take to change the Minister's mind, quite frankly.

You know, it's going to be defined, the public interest is going to be defined, through some regulation? I've never heard of that before, never heard of it. So this is not transparent. It's not accountable, and this is worse than even the existing bill because I think it has the potential to create an expectation that there are going to be private sales in six months. That's not what is going to happen.

This is about the Minister developing some kind of a regulation in six months' time that defines what the public interest is. Meanwhile, the Minister can go ahead and start designating vendors right away. That's what the last part of this says: notwithstanding anything else, the Minister may designate a vendor before the regulations are even made. So who is that going to be? We already know. Thanks, Mr. Chair. I won't be supporting this.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. Next, we have Minister Abernethy.

**HON. GLEN ABERNETHY:** Thank you, Mr. Chair. Mr. Chair, I've been listening to both sides, and we've had conversations on this side about what we heard the Members saying, which is they want us to open it up to the private market. We presented them with this as an option. It isn't a smokescreen.

I just want to be very, very clear: the GNWT will be opening up cannabis sales to the private market within six months. That is our intention. That's what we hope to do. That's what we hope to do with this motion. It will be based on regulations, which your previous motion said was necessary. We felt we were working with committee. The last motion was defeated. We could have left it there. We did not. We intend, as a government of this Northwest Territories, to open the market up based on regs, as you have requested in your previous motion. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Abernethy. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair, and I will shortly close debate on this. I just want to thank all the Members for the spirited and entertaining conversation we've had around this. I knew there was a good chance the previous motion was going to be defeated, and that's why I agreed to move this. I'm in the camp that I believe this is better than nothing. I don't believe it's a smokescreen, and I don't believe it's a compromise. I think it's better than nothing.

There's a lot of "us versus them" here, but I have to remind everybody that this act is going to outlast this current Cabinet. The first six months of cannabis legalization isn't the entire world. Time goes on, and, if this motion even slightly improves this bill, which I believe it does -- it addresses the issue Mr. O'Reilly brought up about the transparency of the decision-making process. It's going to be based on this criteria, which is laid out so people can see. I think that the Members owe it to the public to look beyond the next six months, look beyond this Cabinet, and think about how this affects the bill. It may not make a world of difference, but, like I said, if it's a slight improvement, I think we owe it to the people to follow through with it. I am ready to close debate on this. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Simpson. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mr. Blake):** Question has been called. The Member has requested a recorded vote. All those in favour, please rise.

## RECORDED VOTE

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Hay River North, the Member for Sahtu, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave, the Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha.

**CHAIRPERSON (Mr. Blake):** All those opposed, please rise.

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Wiilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre, the Member for Deh Cho.

**CHAIRPERSON (Mr. Blake):** All those opposed, please rise. Sorry, abstaining. Long night here. The motion is carried.

---Carried

Next, we have clause 5, as amended. Ms. Green.

COMMITTEE MOTION 61-18(3):  
BILL 6: CANNABIS LEGALIZATION AND  
REGULATION IMPLEMENTATION ACT –  
AMENDMENT TO SCHEDULE A, CLAUSE 5 –  
ADDITION OF SUBSECTION 6.1 AFTER  
SUBSECTION 5(6),  
DEFEATED

**MS. GREEN:** Mr. Chair, I propose that Schedule A to Bill 6 be amended by adding the following after Subsection 5(6):

(6.1) Every agreement referred to in Subsection 6 shall require that, where a cannabis store is to be located in the same building as a liquor store, the two stores are to be separated so that,

(a) each store has a separate exterior entrance for members of the public; and

(b) the portion of each store that is open to the public is not accessible from the portion of the other store that is open to the public. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Ms. Green. A motion has been made. A motion is being distributed. The motion is in order. To the motion. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, the federal government appointed a task force to study the legalization and regulation of cannabis, and that task force delivered a report in December of 2016. One of the recommendations of that task force was

that there be no co-location of alcohol and cannabis sales, wherever possible. When co-location cannot be avoided, appropriate safeguards must be put in place.

Mr. Chair, this finding was based on the public engagement that the task force did with Canadians, and it came with the following rationale: "Given the wide use and availability of liquor stores, concerns were raised about product promotion and exposing a larger population to cannabis products should sales be co-located, as well as the impact on cannabis consumers who are trying to avoid alcohol. Many also noted that this approach could help mitigate co-use, given what we've heard about the risk of co-use on health and with alcohol, the exponential effect on impairment. In all of the US states that have legalized cannabis, there is a ban on the co-location of sales of cannabis and alcohol."

Mr. Chair, there are also some statistics provided that put this problem into perspective: 80 per cent of adult Canadians use alcohol, while only 11 per cent use cannabis. The Chief Medical Health Officers of Canada believe there is a risk of cannabis being introduced to a larger number of Canadians who otherwise might not bother using it because it will be readily available in the same space. What they argue is that the potential for increasing the rates of use and co-use run counter to public health objectives of harm-reduction and prevention, so preventing co-location is part of the precautionary approach to this issue.

As we know, the government is planning to use liquor stores to sell cannabis, and the liquor stores are located in six different NWT communities. Mr. Chair, only one of these communities could be described as small and remote, and that's Norman Wells, which has no regular road access and has fewer than a thousand people. All of the other liquor stores are in larger communities, in which there is a commercial rent market, so I do believe that it's possible to direct vendors to create separate retail spaces for the two different products.

This is not a huge ask, Mr. Chair. This is a matter of renovating retail space and making room for two separate products. It's worth noting, as well, that cannabis will not require the kind of space that alcohol does. The product is small and light and will be available in infinitely fewer varieties than alcohol is, so we're not talking about having to have a large space, simply a separate space.

Most jurisdictions in Canada have heeded the advice of the task force on co-location but not here, in the NWT. In our public hearings, we didn't hear from anyone who supported co-location. In fact, we heard the opposite. I want to draw your attention to the remarks by Florence Catholique of Lutselk'e,

who is quoted in the Bill 6 report that we discussed yesterday, in which she said, "I totally disagree with having the cannabis sold to us at liquor stores. It's also very tempting to buy a bottle."

So those are the reasons that I am requesting Members support this motion to not allow co-location of cannabis and alcohol in the same retail space, and I look forward to your support. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Ms. Green. Next, we have Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I'm pleased to support the motion moved by my honourable friend, the Member from Yellowknife Centre. One of the curious things about the government's plan to co-locate the sale of alcohol and cannabis came to me in a particularly clear way when the Cannabis Talk Kit was mailed out to every household in the Northwest Territories, which is a commendable effort, and I think it's a good idea to get that information out there.

In that talk kit, there's a one-page sheet on top of it, and there's a small box on that sheet that says, "Don't drink alcohol and smoke cannabis at the same time." Yet, the government is proposing to sell both those substances in the same place. So, if anyone in the Northwest Territories, maybe in six months that will change, but when legalization date rolls around, they will have to go to a liquor store to get cannabis, so I hope they read their one-page talk kit sheets and understand not to consume both substances at the same time.

This motion flies in the face of the federal task force and the Collin Report and the evidence-based best practices developed. And yes, there may be a concern about retail space in smaller communities, yes, there may be a concern about the ability of vendors to modify their premises, but, if the government is really sold on this model, we should provide the resources to make those stores work or make other stores work or to open cannabis-only stores.

This is not something that, you know, we read once in a report and decided to put forward. This was brought up during our public engagements, as well, and people know first-hand the devastating effects of alcohol on their communities. In fact, the hesitation around legalizing cannabis largely stems from the catastrophic experience of alcohol coming into the small communities. So to imagine that we are going to have one-stop shops for cannabis and liquor, it doesn't seem to meet the test of good public policy and good public health policy.

I really hope that we hear from the Minister on this and why this is necessary because my suspicion is,

again, this motion was not consented to during the committee review, because it would put financial strain on liquor vendors and imperil the success of the government's proposed cannabis monopoly. I think that's why this is here. When we're putting the success of the government's monopoly over the importance of public health outcomes and harm reduction, I think we really need to think about what we're trying to achieve here.

This motion, again, is an evidence-based motion designed for harm reduction and designed to promote public health and conforms to the best medical evidence we have about harm reduction and how to properly manage the substances in our society. So I will be supporting this, Mr. Chair, and I hope my colleagues will as well because this isn't a Liquor Commission or a retail model debate. This is a public health debate. It is a harm-reduction debate. We need to pass this motion. We need to do this for the sake of harm-reduction in our communities. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Next, we have Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. Mr. Chair, when we travelled to communities, we heard over and over about the devastation caused by alcohol. Some people are worried that cannabis will bring more devastation. Others are hopeful that some people will switch from alcohol to cannabis, which they think is less harmful. We heard about the damage caused by bootlegging and the acceptance that prohibition does not work.

We heard repeatedly that the people of the Northwest Territories don't want to tempt people who are buying cannabis by putting booze in front of them on their way to the till. This is why the committee developed this motion, which prevents somebody from selling booze and cannabis from the same store. They can still be at the same building. They can share a roof, warehouse space, but they have to have separate entrances for shoppers.

Government has said that they think this will cost too much money: another red herring, if you ask me. Cannabis sellers will have to make preparation for the sales of cannabis, including inventory and sales systems. These are one-time costs. They are the routine costs of doing business.

The federal task force on legalization spoke about co-location of cannabis and alcohol sales. This motion will help minimize impulse purchase of either substance. It will also make it less convenient for bootleggers to do one-time shopping. Mr. Speaker, we are going to hear from the Minister who says, "This is an opportunity. We are going to work together. This is going to stop it." None of that

is real. This is fake. I've heard now from the Health Minister that, in six months, we're going to see things happen. I wonder if they're willing to resign if they don't do it in six months. Really, they are making big promises here.

This is about the residents' health. This motion by Ms. Green, I am going to support it. I hope everybody else does. Thank you, Mr. Speaker.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Thompson. Next, we have Mr. Beaulieu.

**MR. BEAULIEU:** Thank you, Mr. Chairman. Mr. Chairman, I will be supporting this motion. I think, in the NWT, I noticed that for the people that I am familiar with where I grew up in a small community and that, many people started smoking marijuana to get away from alcohol because alcohol is devastating. Alcoholism is a devastating disease.

It was interesting today, in a news report, they talked about how the hospitalization of people as a result of alcohol is six times higher in the NWT than it is in the rest of Canada, six times, and we're worrying about spending a few dollars to close off one area of the liquor store that this government is sold on, the model that they're sold on, but they don't want to spend a few dollars to close off an area so that there is no co-location of alcohol and cannabis.

I ask this Cabinet: what does it cost our society for alcohol? We should be doing all we can to try to deter people from consuming alcohol. The people who have picked up cannabis or pot or marijuana in order to get away from alcohol are going to be forced to go back into an alcohol store to buy cannabis.

What we're saying is: let's remove that temptation; let's do something about trying to reduce the cost to society of the price of alcohol. The only thing preventing this from happening is money. That's it, a few dollars that would prevent the government from agreeing with the motion and put up separate doors, separate walls and allow the sale of cannabis to be separated from the sale of alcohol.

If the government is saying it has to go into the liquor store, and it has to go into those seven liquor stores that are selling alcohol; we have no choice; that is the only mode that is best for the NWT, then put up a wall. Put up a separate entrance. All it is a few dollars, and you may save a few lives. Thank you, Mr. Chairman. Mr. Chairman, in case Ms. Green hasn't requested it already, I would like to request a recorded vote.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Beaulieu. To the motion. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. This has come up many times, and I have spoken to it many times. The comment from the communities that got to me was exactly what Mr. Beaulieu was saying, where someone has issues, they have mental health issues, and they are self-medicating for whatever reason. They managed to get off alcohol, and now they have moved to cannabis. They go in that store, and they see that bottle, and the temptation is too much. That is a big effect on someone. Think about that happening to one person. That is a big effect on someone's life.

Everywhere we went, too, we heard concern for the youth and exposing youth to drugs. Now, if there is a youth, someone 19 to 25 or whatever the age, over 19, who wants to purchase cannabis, now we are exposing them to alcohol, as well, and vice versa.

Those are things that weren't contemplated by this bill. This goes back to our privatization debate. The government really never contemplated any other model than selling through the liquor stores. They are really not prepared for this. We say the market will provide all, but I don't think entrepreneurs are ready for it either because the government hasn't even released their wholesale price, what they are going to be selling cannabis for to these stores.

No one has a business case. No one is raising capital to go get some retail space to sell cannabis out of. If it is not sold in liquor stores, it might just not be sold anywhere in the community. Then we are still supporting drug dealers.

That is one of the reasons why I am disappointed with this bill, as I mentioned earlier. It didn't contemplate any of these situations. It didn't account for any sort of variation from exactly what was in there. I think that, if this motion passes, and I hope it does, that the government can figure something out quickly enough that legal, safe cannabis will be available to those wishing to purchase it and we will keep people away from alcohol, or at least keep people away from that temptation if that is what is needed for that person. I will be supporting this. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Simpson. I see no further questions, comments. Minister Sebert.

**HON. LOUIS SEBERT:** I will defer to the Member opposite. I will speak to it, Mr. Speaker. Mr. Speaker, Bill 6, as it is currently drafted, provides for a secure retail regime that is ready to roll out across the territory on legalization day. If this motion was to be passed, most of the present liquor stores would have a struggle getting ready in time to begin operations when legalization occurs.



There would be engineering requirements, building permits, fire and building-code considerations, and a lot of money directed toward renovations, all during the very busy summer construction season. It certainly brings into question whether stores would be prepared to invest in hiring additional staff for separate areas and to undertake extensive restructuring of their buildings, especially given that it is anticipated that other cannabis vendors will be designated in the future.

We understand the concerns that exist around co-location of alcohol and cannabis and acknowledge that these are legitimate, but it is not expected that requiring a separate entrance would be the most effective way of addressing those concerns. Walking out of one door and into another just steps away is not much of a deterrent. Efforts would be better spent on increasing education around the risks of consuming alcohol and cannabis simultaneously, and it is planned that public information on this issue will be available at all retail locations.

Individuals who may have alcohol addiction issues and who wish to purchase cannabis without having to enter a liquor store will have the option of ordering cannabis through the mail or growing their own at home. It should also be noted that it is anticipated that vendors other than liquor stores will be designated in the future, providing yet another option.

We are committed to having a safe and secure retail regime in place by the time legalization occurs. We believe that, when considered alongside the options to legally obtain cannabis outside of liquor stores provided for in the legislation, along with planned publication around the risks, the retail regime is a reasonable approach.

I spoke earlier of the information we obtained in the report, "what we heard." There were several questions asked, "Do you favour sales controlled by a GNWT agency or more open system?" As I mentioned earlier, it was 563 to 528, with 563 saying a GNWT agency, such as the Liquor Commission, as opposed to an open system.

Among the retail model suggestions, there were many. I may have said earlier there was a majority in favour of the liquor retail model. I see when I'm looking at the stats, actually, it was by far the largest number, 419, and there were a variety of other possibilities, such as the tobacco model and pharmacy health centres. Our plans to initially sell through the liquor store, as I say, are reasonable. There may be other options in the future, and for these reasons, I and the Cabinet will not be supporting the Member's motion. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. Next, we have Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I want to thank the Minister for speaking before me. I want to make it very clear, like some of the other speakers, that I didn't hear anybody support or ask for co-location, selling liquor and cannabis out of the same space. Nobody I've ever heard say that, not one person.

I want to take the Minister back to his opening remarks tonight. We have an obligation to make the best decisions that we can to design a system that puts the health and safety of our residents first. That's not what's in the bill. That's the Minister's own words: health and safety of the residents first. The public interest first. That's not what's in the bill. The Minister admitted that this is really an issue of commercial interests, costs, convenience. That's not putting health and safety of our residents first at all.

I now know where Cabinet is coming from on this. They're not putting the health and safety of our residents first when it comes to co-location. Commercial interests, costs, convenience: that's what's driving this, and that's just wrong.

I told my colleagues this is the hill I'm going to die on in terms of cannabis. We should not be selling it out of the same place as liquor. It's the hill I'm going to die on, and I don't know how the Minister could have said what he said in his opening statement and then just said those reasons for why we're going to allow for co-location. It's completely inconsistent. I'm going to be supporting the motion. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mr. Blake):** Question has been called. The Member has requested a recorded vote. All those in favour, please rise.

#### RECORDED VOTE

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Yellowknife Centre, the Member for Hay River North, the Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Willideh, the Member for Nahendeh, the Member for Frame Lake.

**CHAIRPERSON (Mr. Blake):** All those opposed, please rise.

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave, the

Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha, the Member for Sahtu.

**CHAIRPERSON (Mr. Blake):** All those abstaining, please rise. The results of the recorded vote: seven in favour, nine opposed, zero abstentions.

---Defeated

Clause 5 as amended. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Blake):** Thank you. Clauses 6 to 10. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Blake):** Clause 11. A Member is requesting a break. We will take a short recess. Thank you.

---SHORT RECESS

**CHAIRPERSON (Mr. Blake):** Thank you, committee. We will now call the Committee of the Whole back to order. Starting with clause 7 -- sorry, clause 11. Mr. O'Reilly.

COMMITTEE MOTION 62-18(3):  
BILL 6: CANNABIS LEGALIZATION AND  
REGULATION IMPLEMENTATION ACT –  
AMENDMENT TO SCHEDULE A, SECTION 11 –  
ADDITION AFTER SUBSECTION (2)  
DEFEATED

**MR. O'REILLY:** Thanks, Mr. Chair. I move that section 11 of Schedule A to Bill 6 be amended by adding the following after subsection 2:

(3) Notwithstanding subsection (1), a person who has attained 19 years of age but has not attained 25 years of age shall not possess one or more classes of cannabis, the total amount of which, as determined in accordance with Schedule 3 of the Cannabis Act (Canada), is equivalent to more than 10 grams of dried cannabis. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. A motion has been made. The motion is being distributed. The motion is in order. To the motion. Mr. O'Reilly.

**MR. O'REILLY:** Thank you, Mr. Chair. I am not going to keep you long because I know everybody's exhausted. We heard in every community, there were concerns raised about the age of consumption being set at 19 in this bill. The medical evidence does show that brain development of young people can be affected by cannabis consumption up to at least 25 years of age. We had health organizations ask us to raise the age limit for consumption. We heard that in some communities. It is only fair to

say that that was not universal. I heard enough evidence that I felt that there needed to be some way to try to send very strong signals to youth that use of cannabis when you're below the age of 25 is not a good thing. I don't think public education is sufficient. We need something more. That is what this motion attempts to do is to set a lower possession limit for people aged between 19 and 25 years of age. In the bill, it would be 30 grams. This amendment would reduce the quantity to 10 grams. It's not ideal, but I think it's a step in the right direction.

I just want to note that for the record, the legal age of consumption for cannabis in the eight US states that have legalized possession is 21 years of age. The evidence that I've been provided by the medical community shows that increasing minimum age of consumption, even for tobacco for 21 years of age, over time decreases adult smoking, smoking-related deaths. It leads to reductions in youth smoking. I understand that that's related to tobacco, but I think the same will apply to cannabis. Any efforts that I think we can make to try to move in that direction, and that's what this amendment is aimed at, I think are in the public interest, and this is not to take away from the needs around public education and making proper curriculum in schools and so on, but I think this is an amendment that addresses a clear public need. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. Next, we have Mr. Beaulieu.

**MR. BEAULIEU:** Thank you, Mr. Chairman. Mr. Chairman, I will be supporting this motion. Mr. Chairman, we did hear a lot about the development of the youth, the growth of the brain, I think. We had, I think we had a couple of associations, nurses' associations, that came and spoke to us, plus there's research and there's other supporting documentation that the brain continues to develop. The brain continues to grow to the age of 25. A person's physical body gets to grow up in height maybe until they're 18, maybe 19, and so on, but the brain will continue to grow until a person is 25 years old. I guess is the best type of medical research we have.

I, too, wanted to look at ways to reduce the consumption by people between the age of 19 and 25 as much as possible. Initially, I wanted to support that we legalize marijuana at 25 years old, and then, I started talking to some of the people. I talked about my work and so on, and one person came and said, "Don't do it." Don't impose a rule where the minimum age is 25 years old because you're going to create a whole bunch of criminals. People that have never been in trouble with the law that are 19 years old, 20 years old, and they are smoking. They aren't chronic smokers, but if they're not allowed to possess marijuana at all, you could

end up being the 21-year-old person that's never been in trouble will all of a sudden end up with a criminal record because they're possessing marijuana, something that they've been smoking for awhile.

I started thinking about this system of having a two-tier possession system where individuals between the age of 19 and 25 would only possess 10 grams as opposed to 30 grams in the overall. That's in the legislation from 19 and up. We knew that wasn't going to prevent people from smoking, but we thought that just to have it against the law for them to have in their possession any more than 10 grams, it's just inconvenient enough that maybe they would smoke less, and it would have less of an impact on their brain development.

I have actually witnessed people younger than 19 years old who have smoked, and I have seen the impacts. I was surprised because, up until I've seen it, until I've seen a 16-year-old boy in action after smoking marijuana, I didn't really believe that it had any impact on the brain development of a young person. Once I learned that, and then when we got to this legislation, and we got witnesses that spoke on it, I thought that this would just be enough of a deterrent to maybe change the habit just a bit, just to lower it just a bit, and it costs really nothing to do. It lowers the amount. It's a bit of a deterrent, and it doesn't really cost us anything. It's not really creating individuals that, maybe people don't want to carry more than 10 grams around anyway, but that's another matter altogether. I will support this motion. Thank you, Mr. Chairman.

**MR. BLAKE:** Thank you, Mr. Beaulieu. Next, we have Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. I would like to thank the honourable Member for Frame Lake for bringing this motion forward.

In looking at this, and listening to the data out there, it's 25 and under. If we really want to have an impact on our youth and the brain development, we shouldn't allow it until the age of 25. When we talk about the possession of 10 grams or less, but it doesn't talk about the possession at home. They could have 10 grams in their pocket, and they can still have a whack of it at home. Ten grams is a lot. As we travelled, a gram works out to be about three joints. What's that? I'm getting educated here.

I'm just going by what the federal government task force said a joint weighed, was 0.3 of a gram. Even if it's half a gram per joint, that's still 20 joints on the person's possession. Having it is not going to be a deterrent. To me, having it on your person is not going to stop them. When I talked to the youth, and we had the pleasure of talking to three classes, they're going to get it whenever they want it. Let's

be realistic about it. That is what they told us. They told us straight up that if they wanted to find something, they were going to get it.

I want to support this. If it was zero to the age of 25, and then having it say that it's not a criminal charge, maybe a fine, but the other challenge I have, though, is the ages of 19 to 25. That's our students going off to school. They're going to go off to school in other jurisdictions. The other jurisdictions say 30 grams. They're going to have that possession. They come back home without really thinking about it. I'll use an example of hockey players, beers in the hockey bag. You go into a dry community, and you open your bag, and what is that? A beer. Uh-oh. I mean, R.C. would never, ever say he would do that, but I've done it. I'm not supposed to say names. I apologize to the Minister, but I've seen it happen. I've seen it happen.

I do not want to put our youth into a situation where they're going to end up with a criminal record. Criminal records carry on, even so minor of a possession charge. We're seeing that right now in the mines, where people aren't able to work because of criminal records with drugs, just possession, and there are people not working.

I know people that were 18 years old, did something silly, crossed the border, and they can't cross that border anymore. I don't want to see us putting it in there and giving the youth an opportunity to have a criminal record. As much as I understand what the honourable Member is trying to do, I wish I could support it, but I just can't. If it was 25 and there was no possession, I would jump all over that. That, to me, is a deterrent, and I would have loved to have seen that motion.

I know the honourable Member from Frame Lake is trying to comprise and come up with a solution that works for everybody, but unfortunately, I can't support it. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Thompson. Next, we have Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. I won't be supporting this motion, although I do agree with much of what has been said. One of my professors once said that the development of a 19-year-old to a 25-year-old's brain is like turning a dirt road into a superhighway. It is true that a lot of development happens during that stage, but reducing the possession limit, in my opinion, won't do anything to curb consumption.

When I see people coming out of the liquor store, 19-to-25-year-olds, they're not carrying Texas mickes; they're carrying bottles. They're not going to go in there and buy as much cannabis as they can. By allowing them to only buy less isn't going to

make a difference. People go in there, they get what they need, and 10 grams is still a lot. It is a lot of cannabis to have. I mean, that's not a night's worth. That's going to last you for a long time. It's not going to be that inconvenient that it's going to be a big deterrent to you.

I do appreciate what the Member is doing. Like I said before, people are very concerned about the youth, and it's education. I disagree with the Member from Frame Lake in that sense. Education is the way to deal with this issue, just like smoking cigarettes. We have seen a massive decrease over the past few decades, and that is because of education.

I don't want to make this change, and the government says, "Look, we're doing something. We've reduced the possession limit for people under 25." Well, that's not doing something that's education. I don't want them to be able to use that as an excuse. For those reasons, I won't be supporting this. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Simpson. Next, we have Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, I am in support of this motion. I was in support of it even before the debacle of the last motion on co-location, where the government demonstrated irrevocably that they are not interested in harm reduction. I will continue to argue in favour of harm reduction, and I believe that this motion presents that possibility.

The intent of this motion is not to make life difficult for the casual user. It is to try and prevent casual users from becoming chronic users. It is aimed at presenting a level of deterrents to stop youth from becoming chronic users. The casual users are not our audience here. It's the chronic user who is going to jeopardize his or her brain development between the ages of 19 and 25, and what we are proposing here is a means of harm reduction. It is not the be-all and end-all. It needs to be done in conjunction with education, and it needs to be done in conjunction with support from the schools, educating youth about the risks of consuming cannabis, both casually and chronically.

There are a number of approaches that could be taken, but this motion, in my mind, leads the way to acknowledging what we heard in the southern tour about the need to help young people manage the risks to brain development by consuming cannabis, and it also responds to fears that parents have about their children becoming chronic users of cannabis.

It presents, I believe, harm reduction without a lot of effort on anyone's part. It is my understanding that enforcement of this entire act will be

complaints-based, so I don't perceive that having another enforcement tool would be onerous. It would, in fact, accomplish safety for our youth, and in the end, this bill is really about them. I would like to see a recorded vote on this. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Ms. Green. Next, we have Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. This was not one of the committee motions, but I am glad the mover has brought this forward because it is an important issue, and we did hear a lot about the age limit. Many Members spoke to the minimum age for consumption. I know that this motion does not change that or propose to change that.

The mover also spoke about the jurisdictions of the states with a minimum age of 21. They also have a minimum age of 21 for the consumption of alcohol. In the European countries that have legalized cannabis, their ages are much lower, lower than what is being proposed: 18 in the Netherlands, just to use two examples, and 18 in Portugal. Portugal, in particular, has been very successful at curbing underage use of cannabis and did not require a higher age to do it.

I think, if the intention here is to increase the age because of the concerns about brain development, the motion should read that way. I don't think that establishing a limit, a two-tiered system of possession, is going to be effective.

Chronic cannabis users can easily smoke 10 grams a day and be satisfied, I believe, and this doesn't change that. Consumption patterns are quite different in cannabis consumption than alcohol consumption. While I could see a better rationale if this was an alcohol limit, which would limit how many bottles you can buy or how much beer you could buy, dried cannabis is consumed very differently and has very different effects, and 10 grams is a lot of cannabis. It's not as much as 30, but it's still enough to get intoxicated off of.

I don't think this will have a huge difference, other than potentially putting someone between the age of 19 and 25 in criminal jeopardy should they go over that limit and be charged under the criminal code, and I think that is a significant concern for people aged 19 to 25. At this point, you're old enough to vote, you're most likely headed off to university if that's your choice, we're expecting you to be an adult, and, at this point, if public education has been put in place, you should be old enough to make responsible decisions, including how to responsibly use cannabis, and be very aware of the potentially hazardous effects it has on young brain development.

I should caution about the medical evidence we have on cannabis usage. It's not complete. It's an illegal substance, and, I've said this many times before, we haven't been able to study it as fully as tobacco or alcohol because it's been an illegal substance. The medical community is cautioning us with the best available evidence they have, and I'm not questioning that evidence, but what I'm saying is we don't know all the facts yet because we simply do not have enough evidence.

I don't think this is going to have an effect on cannabis consumption for those under the age of 25, and I think it does unduly create criminal jeopardy. Again, we should be using public education to support responsible cannabis usage and not heavy-handed measures like possession limits and Criminal Code charges. So I won't be supporting this amendment, thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Testart. Next, we have Mr. Nadli.

**MR. NADLI:** Thank you, Mr. Chair. Mr. Chair, I, too, will not be supporting this motion. I think colleagues have noted that there is a need for public education. I think it was resounding in our travels in communities that people wanted to know more about cannabis, or marijuana, as a product and, in some respects, its different forms and for its different purposes.

I think what should be known, too, and I think should be strongly stated by the House is that the best approach to dealing with marijuana, or cannabis, is that simple abstinence, trying to live a clean and healthy lifestyle, that means you don't need drugs, you don't need alcohol, and life is good. I think that's what we should be promoting and standing on that. That's a very simple message, but I think people need to hear that you can actually live without the use of alcohol or drugs and be on a natural high.

On record, too, I did, among my colleagues, propose the idea of increasing the age limit for the legalization of marijuana so that people have to be 21 to be able to access marijuana, but I don't think that had any traction at that time. Therefore, I won't be supporting this motion. Mahsi.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. Nadli. Next on the list, we have Minister Sebert.

**HON. LOUIS SEBERT:** Thank you, Mr. Chair. I understand the legitimate concerns that have led to the bringing forth of this motion. There are concerns about heavy use of cannabis in this age group, I think that harm can best be reduced by public education. No other jurisdiction has set an age limit above 19. Ours is, of course, 19. Generally, jurisdictions have based their age on the same age

as liquor. I also don't think that this would be particularly effective. This two-tiered system would be rather complicated, unique in Canada, as I said, and the harm we wish to reduce, I think, can be best accomplished through awareness. For those reasons, we won't be supporting this motion. Thank you.

**CHAIRPERSON (Mr. Blake):** Thank you, Minister Sebert. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mr. Blake):** Question has been called. The Member has requested a recorded vote. All those in favour, please rise.

#### RECORDED VOTE

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Frame Lake, the Member for Yellowknife Centre, the Member for Tu Nedhe-Wiilideh.

**CHAIRPERSON (Mr. Blake):** All those opposed, please rise.

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave, the Member for Yellowknife South, the Member for Hay River South, the Member for Inuvik Twin Lakes, the Member for Thebacha, the Member for Hay River North, the Member for Sahtu, the Member for Yellowknife North, the Member for Kam Lake, the Member for Nahendeh.

**CHAIRPERSON (Mr. Blake):** All those abstaining, please rise. Three in favour, 13 opposed. The motion is defeated.

---Defeated

**CHAIRPERSON (Mr. Blake):** Clause 11. Does the committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Blake):** Agreed, thank you. Clauses 12 to 18. Does the committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Blake):** Thank you. Clause 19. Mr. O'Reilly.

COMMITTEE MOTION 63-18(3):  
BILL 6: CANNABIS LEGALIZATION AND  
REGULATION IMPLEMENTATION ACT –  
AMENDMENT TO SCHEDULE A, ADDITION OF  
SECTION 19.1,  
DEFEATED

**MR. O'REILLY:** Thanks, Mr. Chair. I move that Schedule 8 of Bill 6 be amended by adding the following after Section 19:

19.1(1) In this section, "voter" means in relation to a community, a person who is on the list of voters prepared under the Local Authorities Elections Act for the most recent community election;

(2) If that's at least 20 per cent of the voters of a community in which a cannabis store has been in operation for two or more years, petition the Minister to hold a plebiscite. The Minister may order that a plebiscite be held to determine whether the voters of that community wish to establish a restricted-quantity system as described in paragraph 12(2)(b)(3). Sections 15 to 19 apply with any necessary modifications to a plebiscite ordered under Subsection 2.

Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Blake):** Thank you, Mr. O'Reilly. The motion has been made. The motion is being distributed. The motion is in order. To the motion, Mr. O'Reilly.

**MR. O'REILLY:** The purpose of this motion is to ensure that communities have one more tool to look at the effects of cannabis in their communities, and, if they're not happy with what's happening, then they would have the ability to hold a plebiscite for a restricted-quantity system, even if there's an operating store. That could only take place, though, two years after a store opens and if 20 per cent of voters in the community prepare a petition and only after the Minister allows for a plebiscite to go ahead.

Just to refresh people's minds, a restricted-quantity system is one of the three options that are open to communities, as set out in Section 12(2) of the bill. The three approaches are: an unrestricted system, the second is a restricted system, and the last is a prohibition system. I'm not talking about a prohibition system, this is not about prohibiting cannabis in a community where there is a store. This is about bringing in a plebiscite for a restricted-quantity system, "a restricted-quantity system where the quantity, or type of cannabis that persons may possess, purchase, transport, or bring into the community is limited."

It's not about prohibiting cannabis but if, after a store has been operating for a couple of years, the community would like to have some kind of restrictions placed on possession limits, what's sold through the store, that kind of thing, they would at least have the ability to petition for a plebiscite, and the plebiscite would only be held if the Minister agrees. So this is to give communities one more tool to express their views about cannabis, even if

there's an operating store. Under the current bill, once the store opens, the community cannot have a plebiscite for prohibition, cannot have a plebiscite for a restricted quantity system; that door's closed. This would open the door to allow for a community to express its views.

The last thing I guess I want to say about this is that this is no different than the authority of the Minister. The Minister can set terms and conditions for cannabis sale in a store through the agreement that's negotiated with a vendor. The Minister also has authority under Section 71 to set the terms and condition of sales through the store. What this does is allow the community to have some authority, a tool to express its views once a store has been opened. So that's what this is about, is providing communities with one more tool. So I hope that Members would support it. Thanks, Mr. Chair

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. Next on the list, we have Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. Briefly, I appreciate the Member's intent to give communities more tools; however, I can't support a motion that sets up another hurdle for small business in this territory, and if utilized, would have the effect of just simply shifting sales from the legal to the illegal. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Mr. Thompson.

**MR. THOMPSON:** Thank you, Mr. Chair. After listening to Mr. O'Reilly with his motion and thinking about it long and hard, in one of the communities I represent we have a rationing system in place right now. So I thought about it and I think I'm going to support this. I understand the challenges there right now, but I think this gives the communities a chance to look at it after a two-year period of time to see if this is what they want to do. This is a tool, and I thank him very much for bringing forward this motion, and I will be supporting it. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Thompson. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mr. McNeely):** Question has been called. All those in favour. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I'd like to call for a recorded vote.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Testart. The Member has requested a recorded vote. All those in favour, please rise.

RECORDED VOTE

Comment [KC1]: Take 50

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Frame Lake, the Member for Nahendeh.

**CHAIRPERSON (Mr. McNeely):** All those opposed, please rise.

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Yellowknife Centre, the Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave, the Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha, the Member for Hay River North, the Member for Sahtu, the Member for Yellowknife North, the Member for Kam Lake.

**CHAIRPERSON (Mr. McNeely):** All those abstaining, please rise.

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Tu Nedhe-Willideh.

**CHAIRPERSON (Mr. McNeely):** Two in favour, 13 opposed, one abstention. The motion is defeated.

---Defeated

Clause 19. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Clauses 20 to 37. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Next, we have clause 38 to clause 60. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Clauses 60 to 70. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Clause 71. Mr. Simpson.

COMMITTEE MOTION 64-18(3):  
BILL 6: CANNABIS LEGALIZATION AND  
REGULATION IMPLEMENTATION ACT –  
AMENDMENT TO SCHEDULE A – ADDITION OF  
PARAGRAPH 71(J.1),  
CARRIED

**MR. SIMPSON:** Thank you, Mr. Chair. Mr. Chair, I move that Schedule A of Bill 6 be amended by adding the following after paragraph 71(j):

(j.1) Prescribing criteria to guide the Minister in considering whether the designation of a person as

a vendor is in the public interest for the purpose referred to in subsection 5(1).

Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** The motion has been made. The motion has been distributed. The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mr. McNeely):** Question has been called. Yes, Mr. Simpson.

**MR. SIMPSON:** Just for clarification, this just provides the Minister with the regulation-making authority that was referenced in my earlier motion. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. To the motion. No, Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I'd like to request a recorded vote.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. O'Reilly. To the motion. Question has been called. The Member has requested a recorded vote. All those in favour, please rise.

#### RECORDED VOTE

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Hay River North, the Member for Sahtu, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave, the Member for Inuvik Twin Lakes, the Member for Hay River south, the Member for Thebacha.

**CHAIRPERSON (Mr. McNeely):** All those opposed, please rise.

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Willideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre, the Member for Deh Cho.

**CHAIRPERSON (Mr. McNeely):** All those abstaining, please rise. Nine in favour, seven opposed, zero abstentions. The motion is carried.

---Carried

Clause 71 as amended. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Clauses 72 to 74. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you, committee. This concludes Schedule A of Bill 6. Does committee agree that consideration of Schedule A is complete?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Does committee agree with continuing with Schedule B, Cannabis Smoking Controls Act.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Let's turn to page 40. There are 20 clauses in Schedule B. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Okay. Clauses 1 through 6. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Clauses 7 through 14. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Clauses 15 through 20. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. This concludes Schedule B of Bill 6. Does committee agree that consideration of Schedule B is completed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Does committee agree to continuing with Schedule C, Amendments to the Motor Vehicles Act?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Let's turn to page 47. Clauses 1 through 10. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Clauses 11 through to 18. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Thank you. Clause 19.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. This concludes Schedule C of Bill 6. Does

committee agree that consideration of Schedule C is completed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Committee, we will now turn to page 1 of Bill 6. Clause 1. Mr. Simpson

COMMITTEE MOTION 65-18(3):  
BILL 6: CANNABIS LEGALIZATION AND  
REGULATION IMPLEMENTATION ACT –  
SUBSTITUTION OF SUBCLAUSE 1(4) OF BILL 6,  
CARRIED

**MR. SIMPSON:** Thank you, Mr. Chair. I move that subclause 1(4) of Bill 6 be deleted and the following substituted:

(4) The following provision set out in Schedule A come into force on the day on which this act receives assent:

- (a) Subsection 1(1);
- (b) Subsections 5(1), 1.1, 1.2, 1.3, and 2;
- (c) Section 6;
- (d) Part 4
- (e) Section 71, 72, and 74.

Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. Just for clarity, this allows the first motion I made to come into effect on the day of assent, which would start the clock ticking on that six months from when the bill receives assent. It has been a long night. I apologize. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** To the motion. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I would like to ask for a recorded vote. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Testart. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mr. McNeely):** Question has been called. The Member has requested a recorded vote. All those in favour, please rise.

#### RECORDED VOTE

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Hay River North, the Member for Sahtu, the Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake, the



Member for Range Lake, the Member for Great Slave, the Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha.

**CHAIRPERSON (Mr. McNeely):** All those in opposed, please rise.

**DEPUTY CLERK OF THE HOUSE (Ms. Kay):** The Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Wiilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre.

**CHAIRPERSON (Mr. McNeely):** All those abstaining, please rise. Ten in favour, six opposed, zero abstentions. The motion is carried.

---Carried

Clause 1 is amended. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Clause 2, does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Clause 3, does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Bill 6, Cannabis Legislation and Regulation Implementation Act. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** We have a little typo here. Go back to Clause 4. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. I will read this out again. Bill 6, Cannabis Legislation and Regulation Implementation Act. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Bill 6 as a whole, does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Does the committee agree that Bill 6 is ready for third reading as amended?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. McNeely):** Agreed. Thank you. Thank the Minister and the witnesses. Minister Sebert.

**HON LOUIS SEBERT:** I would just like to make some final comments, if I may. First of all, I would like to thank the very patient staff who have sat with me today. They have been very helpful in getting us to where we are now. There were some notes passed to me, but a little hard to read because they were from a lawyer.

I know this has been a very contentious issue, and a very difficult issue for the many reasons that have been set out, but I think this really does show how consensus government can work. I know that a tremendous amount of work was done by the committee in a very short period of time, those who went north and those who went south. I know also that a lot of work was done by our staff, which is reflected in the "what we heard" report.

I just wanted to correct something that I might have said earlier. When people we asked about whether they favoured sales controlled by the GNWT agency or a more open system, a majority said the Liquor Commission. However, when we were dealing with the retail model, I may have misunderstood something here, there were a lot of variations that they were looking at.

There was a wide variety of opinions. Liquor Commission, which I assume meant the store-type model, I assume because we are talking about retail, received the largest number but not a majority of votes. There was a tremendous diversity of opinion in what we heard from the public, what you heard, and the opinions this evening.

I thank all of you for your patience. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister Sebert. I would like to thank the Minister and the witnesses. Sergeant-at-Arms, please escort the witnesses out of the Chamber. Thank you, committee. What is the wish of committee? Mr. Beaulieu.

**MR. BEAULIEU:** Thank you, Mr. Chairman. Mr. Chairman, I move the chair rise and report progress. Thank you, Mr. Chairman.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Beaulieu. The motion is in order. All those in favour? All those opposed.

---Carried

I will now rise and report progress. Thank you.

**MR. SPEAKER:** May I have the report, Member for Mackenzie Delta?

### Report of Committee of the Whole

**MR. BLAKE:** Mr. Speaker, your committee has been considering Bill 19, An Act to Amend the Revolving Funds Act; Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act; and Bill 6, Cannabis Legislation and Regulation Implementation Act, and would like to report progress with three motions carried, and that Bills 19 and 21 are ready for third reading, and that Bill 6 is ready for third reading as amended, and Mr. Speaker, I move that the report of the Committee of the Whole be concurred with. Thank you.

**MR. SPEAKER:** Masi. Do I have a seconder? Member for Thebacha. The motion is in order. All those in favour? All those opposed?

---Carried

Item 22, third reading of bills. Minister of Finance.

### Third Reading of Bills

BILL 22:  
SUPPLEMENTARY APPROPRIATION ACT  
(INFRASTRUCTURE EXPENDITURES), NO. 2,  
2018-2019

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Hay River South, that Bill 22, Supplementary Appropriation Act (Infrastructure Expenditures), No. 2, 2018-2019, be read for the third time, and Mr. Speaker, I would request a recorded vote. Thank you.

**MR. SPEAKER:** The Member is requesting a recorded vote. The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. All those in favour, please stand.

### RECORDED VOTE

**CLERK OF THE HOUSE (Mr. Mercer):** The Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha, the Member for Hay River North, the Member for Mackenzie Delta, the Member for Sahtu, the Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Wiilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre, the Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave.

**MR. SPEAKER:** Masi. All those opposed, please stand. All those abstaining, please stand.

The results of the recorded vote: 17 in favour, zero opposed, zero abstentions.

---Carried

Third reading of bills. Minister of Finance.

BILL 23:  
SUPPLEMENTARY APPROPRIATION ACT  
(OPERATIONS EXPENDITURES), NO. 2, 2018-  
2019

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Great Slave, that Bill 23, Supplementary Appropriation Act (Operations Expenditures), No. 2, 2018-2019, be read for the third time, and Mr. Speaker, I would request a recorded vote. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. The Member has requested a recorded vote. The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. All those in favour, please stand.

### RECORDED VOTE

**CLERK OF THE HOUSE (Mr. Mercer):** The Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha, the Member for Hay River North, the Member for Mackenzie Delta, the Member for Sahtu, the Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Wiilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre, the Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Great Slave.

**MR. SPEAKER:** Masi. All those opposed, please stand. All those abstaining, please stand. The results of the recorded vote: 17 in favour, zero opposed, zero abstentions.

---Carried

Third reading of bills. Mr. Clerk, orders of the day.

### Orders of the Day

**CLERK OF THE HOUSE (Mr. Mercer):** Mr. Speaker, the meeting of the Standing Committee on Social Development scheduled for the rise of the House today is cancelled. Orders of the day for Friday, June 1, 2018, at 10:00 a.m.:

1. Prayer
  2. Ministers' Statements
  3. Members' Statements
  4. Returns to Oral Questions
  5. Recognition of Visitors in the Gallery
  6. Acknowledgements
  7. Oral Questions
  8. Written Questions
  9. Returns to Written Questions
  10. Replies to the Commissioner's Opening Address
  11. Petitions
  12. Reports of Standing and Special Committees
  13. Reports of Committees on the Review of Bills
  14. Tabling of Documents
  15. Notices of Motion
  16. Notices of Motion for First Reading of Bills
  17. Motions
    - Motion 19-18(3), Extended Adjournment of the House to October 11, 2018
  18. First Reading of Bills
  19. Second Reading of Bills
    - Bill 20, Ombudsperson Act
  20. Consideration in Committee of the Whole of Bills and Other Matters
    - Minister's Statement 1-18(3), North Slave Correctional Complex Inmate Concerns
    - Minister's Statement 19-18(3), Aurora College Foundational Review Process
    - Committee Report 8-18(3), Standing Committee on Government Operations Report on the Review of the 2016-2017 Public Accounts of the Government of the Northwest Territories
  21. Report of Committee of the Whole
  22. Third Reading of Bills
    - Bill 6, Cannabis Legalization and Regulations Implementation Act
- Bill 19, An Act to Amend the Revolving Funds Act
- Bill 21, An Act to Amend the Northwest Territories Business Development and Investment Corporation Act
23. Orders of the Day
- MR. SPEAKER:** Masi, Mr. Clerk. This House stands adjourned until Friday, June 1, 2018, at 10:00 a.m.
- ADJOURNMENT
- The House adjourned at 9:59 p.m.

