

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 401-18(3): CANNABIS LEGALIZATION IMPLEMENTATION

October 17, 2018

MR. O'REILLY: Merci, Monsieur le President. My question is for the Minister of Finance, who was in charge for preparing for the legalization and regulation of cannabis. It's clear from the public briefing on cannabis implementation we had on October 10th in response to the committee report on Bill 6 that there is no overall government-wide plan for implementation. We heard that the Minister says this plan is going to be available on Monday; when I look at the response from Cabinet to the committee report, it says: "The Cannabis Legalization and Regulation Interdepartmental Working Group is developing a cannabis implementation plan. We will provide copies of that plan to committee prior to making it available to the public, before October 17th." That's today. Why didn't this working group, or why didn't Cabinet, deliver the plan in advance of today? Mahsi, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Finance.

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, it was not Cabinet, it was the Minister of Finance, and I wanted to ensure we had a plan that was going to be right. I do apologize to committee. I did make the commitment that we would have that before implementation day; obviously, I missed that. So it's on me, but I will provide the plan to committee. Thank you, Mr. Speaker.

MR. O'REILLY: I want to thank the Minister for being forthright there. I look forward to the report on the overall plan. So, according to the response to the standing committee report, there is going to be a breakdown of sales by online and by individual stores and by product type in annual reports from the Liquor and Cannabis Commission, but the expenditures for cannabis-related programs, including things like public education, public health research, community support, and so on, it's not clear where those are going to be reported. So can the Minister tell the public and this House whether any of the revenues from cannabis sales will actually be targeted for public education, and how the costs of cannabis implementation will be reported?

HON. ROBERT MCLEOD: Much like the revenue from liquor sales, that goes into a general revenue fund, which we in turn use to deliver a lot of the programs that we offer across the Northwest Territories, and 65 per cent of our budget goes toward social programs, but as far as specifically earmarked, the answer is no. It will be put into general revenue, and we will in turn use that money to deliver many of the programs that we offer today.

MR. O'REILLY: I want to thank the Minister for that. I didn't really get a response about how we're going to report the cost of cannabis implementation. One of the key changes that Regular MLAs put into the Cannabis Legalization Regulation Implementation Act was the requirement for a review of the implementation, administration, and effectiveness of the legislation. So what measures, monitoring, reporting, or other means is the Minister putting in place now to ensure that the review of the legislation is

meaningful and evidence-based?

HON. ROBERT MCLEOD: Mr. Speaker, I apologized to the Member on his question on the report. I will continue to give committee an update as we move forward, making it part of the overall report. I mean, as we unroll this, we can see how we can provide all the information to committee that's required.

As far as the monitoring, I believe I made a commitment to committee that I would keep them up to date as we go into the legalization of cannabis. We can have regular updates, if it's committee's wish. We do plan on preparing a report. It will be in the life of this Assembly, obviously. Whether it's after a year after legalization, or six months after legalization, I would welcome feedback from committee. If they think six months is fine or a year would be better, then I will take their advice.

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

MR. O'REILLY: Merci, Monsieur le President. I want to sincerely thank the Minister for that commitment to work with Regular MLAs in designing that report, and I think that's a good commitment.

We now have draft regulations that could enable private retail of cannabis, but in my view they are clearly flawed. The Minister has total and complete discretion over any applications. There is no timeline for approval, or even a requirement for decisions to be made. No appeal process and authority for the Minister to determine the financial feasibility of a proposed operation. It's not even clear whether committee or public input is being sought at this point.

I know that we are all under deadlines, but is the Minister actually interested and willing to make changes to these flawed regulations?

HON. ROBERT MCLEOD: First of all, I don't believe the regulations are flawed. Maybe they do need some work. Again, we are 12 hours into the legalization, and it is a moving target, so the regulations are not flawed.

As for the Minister having the absolute discretion, Ministers or those decision-makers rely on a business plan, a business case, being presented to become vendors, and we have the technical folks have a look at them. They come forward with a recommendation. I don't think Ministers would have the time to sit and review every application, but we rely on the technical folks. They come up with recommendations. As far as the public input goes, I believe part of that is garnering some support from their local governments to see if there is a desire to have a private vendor in the community.

Again, it is a moving target. We will continue to work with Members, because this is a serious issue for folks across the Northwest Territories, and I want to ensure as a Legislative Assembly, and I speak of all 19 of us, I want to make sure that we have this right before we leave office. Thank you, Mr. Speaker.