

WHAT WE HEARD

NWT LIQUOR LEGISLATION REVIEW

March 2022



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Executive Summary

The purpose of this document is to report what the Government of the Northwest Territories (GNWT) heard from Northwest Territories (NWT) residents about how to improve territorial liquor laws. Governments, groups, organizations, industry, liquor administration and the general public contributed their suggestions during a period of engagement from February to June 2021. The engagement involved an online survey, a dedicated email address, virtual meetings and events.

The following themes represent the most commonly expressed viewpoints. Themes are listed in order of participant support. While there were participants who disagreed with, or had alternate views about each theme, they were few in comparison.

1. **Loosen restrictions/ Increase access** – Engagement participants believe that liquor restrictions, in general, do more harm than good. They believe that people take larger risks to get around restrictions and that bootleggers thrive when restrictions are put in place. Participants want enhanced and increased access to safe, legal liquor, particularly to lower alcohol volume products such as beer and wine.
2. **Reduce retail prices*** – Engagement participants say high prices are unnecessary and are causing problems. Examples of problems they cited include illegal importation, lost revenue for the NWT and risks for vulnerable people.
3. **Streamline operational processes*** – Engagement participants are frustrated with operational processes related to liquor licences and special occasion permits. They suggested improvements such as providing services online where it is possible to do so, reducing paperwork and providing better liquor distribution services for licence holders.
4. **Educate and provide programs*** – Engagement participants believe the GNWT should expand its education programs for the public and for industry while, at the same time, enhancing services for people with problematic substance use. They believe legislation is not the place to address social problems.
5. **Increase community control** – Engagement participants feel that many decisions about how liquor is controlled should be left to individual communities, including decisions about how retail sales occur.
6. **Be flexible** – Engagement participants believe the new legislative framework should be pliable enough so that updates can be made over time. Participants felt that if the legislation allowed for flexibility, other potential objectives could be achieved with small changes going forward.

* Items with an asterisk are not necessarily legislative matters and may fall outside the scope of the Review.

Introduction

Background

The *Liquor Act* and liquor regulations are the law regarding the possession, consumption, purchase, sale, distribution, importation, and manufacture of liquor in the Northwest Territories (NWT).

The Government of the Northwest Territories (GNWT) is conducting a Liquor Legislation Review (Review) to make NWT liquor laws more modern, streamlined and responsive to the needs of NWT residents. The Review is a multi-streamed research process involving:

1. Review of historical documents
2. Jurisdiction review
3. Literature review
4. Interdepartmental interviews
5. Administrative interviews
6. Engagement

A final report about how the GNWT intends to update liquor laws will be available in late 2022. That report will be based on the cumulative results of the six research streams.

Purpose of this Document

The purpose of this What We Heard document is to report the results of the sixth research stream – engagement. As the name suggests, it reports what the GNWT heard from NWT residents about how to improve territorial liquor laws. Governments, groups, organizations, industry, liquor administration and the general public contributed their suggestions during a period of engagement in 2021. The results in this document represent what residents would like the GNWT to consider as it moves toward new liquor legislation.

Engagement

Methods

The engagement portion of the Liquor Legislation Review occurred from February to June 2021, and involved:

- a) an online survey;
- b) a dedicated email address;
- c) virtual meetings with specific groups; and
- d) virtual public events.

To assist participants in preparing for engagement, the GNWT created a website with background information about liquor legislation and a discussion guide. The discussion guide provided an overview of the NWT's liquor laws, an introduction to pertinent legislative topics and questions for discussion.

Invitations

NWT residents were informed of the online survey as part of a territory-wide media announcement in spring 2021 and on social media.

The GNWT contacted specific groups by email to provide an invitation, the discussion guide, contact information and log-in details for virtual meetings or an email address for submitting written comments. For each engagement group, an invitation was sent to all members of that group, either directly from the GNWT or via that group's coordinating organization. Reminders were sent by email prior to each meeting. For some groups, several meetings were scheduled on different dates to accommodate as many people as possible.

Virtual public events are online spaces that anyone can attend using the link provided on the GNWT website or social media. Participants are able to comment or ask questions under their own names or as anonymous participants. Multiple virtual public events were advertised on social media and in newspapers with NWT-wide circulation.

Participation

The engagement process resulted in the following:





- a) 442 survey responses;
- b) 10 emailed submissions;
- c) 32 virtual meetings, resulting in 54 hours of dialogue; and
- d) four virtual public events, with a total of one attendee.

Further details about engagement participants are provided in Appendix A.

Results Rating

Throughout this document, a rating scale will be used to indicate the degree to which participants agreed about a particular approach for liquor legislation. Only those approaches which received some level of agreement among participants - or mixed feedback – have been reported. Single suggestions or ideas that were made by fewer than 10% of participants have been noted by the GNWT but do not appear in this document.

Further details about the rating system and how it was developed can be found in Appendix B.

Level of Feedback	Interpretation
 Strong	Strong agreement among participants about a particular approach
 Moderate	Moderate agreement among participants about a particular approach
 Some	Some agreement among participants about a particular approach
 Mixed	Mixed opinions among participants about a particular approach

Limitations

Engagement results are limited by the following factors:

- a) The COVID-19 pandemic prevented the GNWT from holding in-person meetings.
- b) Virtual public events were poorly attended, however public participation in the online survey was strong at 80% of total participants.
- c) People who attended virtual meetings or contacted the GNWT via email were encouraged to participate in the online survey. This could have resulted in some participants' views being expressed more than once. As well, a few participants attended more than one virtual meeting.

What We Heard - Themes

The following themes emerged throughout the engagement and represent the most commonly expressed viewpoints. The themes are listed in order of participant support. While there were participants who disagreed with, or had alternate views about each theme, they were few in comparison.

1. **Loosen restrictions/ Increase access** – Engagement participants believe liquor restrictions, in general, do more harm than good. They believe that people take larger risks to get around restrictions and that bootleggers thrive when restrictions are put in place. Participants want enhanced and increased access to safe, legal liquor, particularly to lower alcohol volume products such as beer and wine.
2. **Reduce retail prices*** – Engagement participants say high prices are unnecessary and are causing problems. Examples of problems they cited include illegal importation, lost revenue for the NWT and risks for vulnerable people.
3. **Streamline operational processes*** – Engagement participants are frustrated with operational processes related to liquor licences and special occasion permits. They suggested improvements such as providing services online where it is possible to do so, reducing paperwork and providing better liquor distribution services for licence holders.
4. **Educate and provide programs*** – Engagement participants believe the GNWT should expand its education programs for the public and for industry while, at the same time, enhancing services for people with problematic substance use. They believe legislation is not the place to address social problems.
5. **Increase community control** – Engagement participants feel that many decisions about how liquor is controlled should be left to individual communities, including decisions about how retail sales occur.
6. **Be flexible** – Engagement participants believe the new legislative framework should be pliable enough so that updates can be made over time. Participants felt that if the legislation allowed for flexibility, other potential objectives could be achieved with small changes going forward.

The items noted by an asterisk * are not necessarily legislative topics. Often these items are matters of policy and operation. Whether legislative or not, this document includes the results of the Liquor Legislation Review engagement. All results have been communicated to the GNWT Department of Finance which oversees the administration of the NWT liquor system. Results involving other GNWT departments have been shared with them.

What We Heard - by Topic

1.1 Legislative Objectives




Engagement participants most support the following legislative objectives for the *Liquor Act* and regulations, in order of participant support.

	Be flexible to incorporate change over time
	Support a safe and successful liquor industry
	Be reasonable for the liquor industry to navigate
	Enable different approaches in different communities
	Foster public safety

Participants who provided a rationale said adaptability will allow legislation to keep up with changes in the industry and technology. Others said that a safe/successful liquor industry results in benefits to both economic development and public safety. While many participants are concerned about problematic drinking, most feel avenues such as programs and services are more effective than legislative changes.

2.1 Community Control

NWT communities may currently vote on a type of liquor system, create bylaws related to licensed premises and request times of temporary prohibition. Engagement participants support these controls and feel that new controls should be added as follows:

	Allow community control over the hours/days/locations of retail outlets
	Allow community control over the number and type of retail outlets
	Allow community control over the types of liquor sold at retail outlets

General Matters

3.1 Bootlegging

Bootlegging is the sale of liquor by people who have no authority to sell it. Customers of bootleggers are often people who cannot access liquor legally – because liquor is restricted or prohibited in their community, because they are under 19 years of age, because they are intoxicated or because legal sales outlets are closed.

Engagement participants believe that increasing access to safe, legal liquor is the best way to attempt to curb bootlegging.

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	Increase access to liquor in regulated retail outlets, including retail outlets in some smaller communities
<input checked="" type="radio"/> <input checked="" type="radio"/>	Lower retail prices to increase accessibility and reduce illegal importation
<input checked="" type="radio"/> <input checked="" type="radio"/>	Increase GNWT funding for programs for people with problematic liquor use
<input checked="" type="radio"/> <input checked="" type="radio"/>	Increase fines and jail time for convicted bootleggers
<input type="radio"/>	Restrict the number of 375ml bottles (mickeys) that a person can purchase at one time

3.2 Advertising

Existing legislation requires the liquor industry to follow federal advertising rules plus refrain from advertising discounted liquor or free liquor. Engagement participants feel that federal rules are sufficient.

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	Have no additional restrictions on advertising beyond federal requirements
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3.3 Liquor Delivery

In the NWT, liquor may be delivered by certain classes of licence holder, in certain liquor amounts and only on certain days/times¹. Engagement participants were asked for their opinions on this and the response was mixed. Those who supported delivery felt that it may decrease impaired driving and would be a welcome convenience, particularly for residents with mobility issues. Those who opposed delivery worried that restrictions such as checking identification and prohibiting sales to intoxicated people could not be adequately enforced in a delivery setting. They worried that people, particularly youth, may take advantage of this.

<input type="radio"/>	Allow local liquor delivery
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¹ Delivery from liquor stores was also temporarily allowed during the COVID-19 pandemic.

3.4 Public Places

In the NWT, liquor may not be consumed in a public place. In some Canadian jurisdictions, this is changing so that people may enjoy liquor in picnic areas and similar locations. Engagement participants had mixed opinions about whether liquor consumption should be allowed in some public places. Participants could think of examples where this might be welcome, but they were concerned that enforcement would be a concern. Some people felt it should be up to each community to decide whether and where to allow liquor consumption in public places.

<input type="radio"/>	Allow liquor consumption in some public places
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Retail Sales

4.1 Retail Model

Engagement participants had opposing views about what retail models and configurations would be best for the NWT. There was strong agreement that, whatever the model, lower prices and greater access are important. Participants said that the NWT's high prices are causing illegal importation and lost GNWT revenue. They say high prices require vulnerable people to spend more income on liquor than is necessary. Participants also supported greater selection and access, particularly to low volume alcohol products.

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	Lower retail prices
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	Provide full liquor retail services in stand-alone stores
<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	Sell beer and wine in grocery stores
<input type="radio"/> <input type="radio"/>	Enhance product selection and the shopping experience
<input type="radio"/> <input type="radio"/>	Support ownership of retail outlets by Indigenous or community governments




4.2 Retail Days and Hours

Currently retail stores are closed on Sundays and statutory holidays. Hours vary, depending on the store. Engagement participants supported the following:

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	Allow retail sales every day of the week and on holidays
<input type="radio"/> <input type="radio"/>	Keep existing retail hours
<input type="radio"/> <input type="radio"/>	Extend retail hours two hours earlier and/or two hours later
<input type="radio"/> <input type="radio"/>	Leave retail hours up to the store owner

4.3 Added Retail Services


Added retail services such as wine pairing advice, cooking classes, and other services that create a positive atmosphere around liquor were highly supported. There was mixed support for supervised product sampling, with many participants liking the idea of trying a product before buying and others worried that people might over-consume if samples were available. Nearly all participants felt these services should be up to the retailer.

	Have added services in liquor stores, at the owners' discretion
	Ensure extra precautions are in place for services such as samples
	Have added services but not sampling or tastings

4.4 Minimum Retail Prices



In the NWT, liquor is sold under a consignment model where the government, not the store owner, sets the retail prices. Retail prices are set according to a formula and are among the highest in Canada. The GNWT tried a private model in Yellowknife, but this resulted in prices increasing, not decreasing. A consignment model was re-established thereafter. The GNWT is currently reviewing its retail liquor prices.

Price is not set out in legislation and is not part of the Liquor Legislation Review. However, one concept related to price is being considered for legislation by some jurisdictions. This involves setting a threshold in a highly competitive market so prices never become so low that people are enticed to over-consume. When asked, participants thought this idea was good in theory, but was unnecessary due to the unlikelihood of a high level of competition in the NWT.

	Create a price threshold so prices do not become too low in a highly competitive market
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4.5 Retail Sales - General



Participants were asked whether they had suggestions for retail liquor sales that were not covered by any of the previous topics. Two suggestions emerged, both related to creating a more positive tone to the retail experience.

	Create a responsible, positive culture around liquor by increasing access and promoting low-risk consumption
	Create a welcoming customer experience in liquor stores

Licensed Sales

5.1 Types of Licences

There was widespread agreement among engagement participants to open the eligibility for liquor licences to any business that could demonstrate safe and responsible service of liquor. In particular, participants felt strongly that businesses in the tourism industry should be eligible for liquor licences, whether they had a fixed premises or other service such as outdoor day trips. Other types of businesses mentioned by participants were those in the hospitality and entertainment industries.

	Open eligibility to any business that can demonstrate they meet requirements
	Open licensing to tourism, hospitality and entertainment businesses

5.2 Minimum Licensed Prices


Price is not a matter for legislation. However, some jurisdictions have introduced a legislated price threshold to prevent licence holders from selling liquor at so low a price it could encourage over-consumption.

Engagement participants had mixed opinions about minimum prices in licensed premises, with more opposing than idea than supporting it. The most strongly held opinion was that the government should not be involved in pricing outside of retail and wholesale prices.

<input type="radio"/>	Create a minimum price threshold for licensed premises
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5.3 Ferment on Premises

There was high support for ferment-on-premises businesses as a concept for the NWT. These are businesses where customers come to make their own beer and wine, and store it at the business until it is ready. Participants cautioned that it should be clear these businesses are not commercial manufacturers, and that only beer and wine can be made.

	Allow ferment-on-premises businesses with safety precautions
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5.4 Licensed Days and Hours


Engagement participants highly supported keeping the hours of licensed premises the same (10am-2am). There was some support for allowing liquor to be sold earlier than 10am for customers who wish to have liquor with brunch, and some support for allowing licence holders to decide their own hours. Participants also supported removing restrictions on which days licensed premises could operate, with preference for the licence holder to decide.

	Keep existing hours for licensed sales at 10am-2am
	Allow licensed premises to be open on Sundays, Christmas day, Good Friday and election days ² during polling hours
	Allow licensed sales to begin earlier than 10am to accommodate brunches
	Let licence holders set their own opening/closing times

5.5 Minors in “Class A” premises



In the NWT, minors (people under age 19) are allowed to go into most licensed establishments except Class A premises. Class A premises are those with liquor sales as the primary focus. If a Class A establishment wants to allow minors, it must switch to another class.

Elsewhere in Canada, some Class A premises are allowed to have minors without the need to switch licence classes. Minors must be accompanied by a legal guardian, must be having a meal, and can only be in the establishment at certain times. When asked whether this should be permitted in the NWT, engagement participants had mixed opinions. Most felt this should be allowed, but many people believe that minors should stay out of Class A premises entirely.

	Allow minors in Class A establishments with restrictions
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5.6 Licensed Sales - General

Participants were asked for general suggestions about licences or licensed premises. There were many individual suggestions, with the following themes:

	Ease restrictions, where possible, but continue to prohibit over-serving
	Simplify paperwork requirements for licence holders, particularly during licence renewal




² The requirement to be closed during polling hours on election days is both a requirement of the liquor legislation and the *Elections and Plebiscites Act*. Changes to both statutes would be required to allow liquor sales on these days.

Education and Enforcement

6.1 Industry Education

Most Canadian jurisdictions, including the NWT, require people who sell and serve liquor to have server training. This training focuses on how to sell and serve liquor in a safe and responsible manner. Another type of training available in some jurisdictions, but not the NWT, is security training. Security training focuses on how to de-escalate situations and how to deal with volatile individuals.

When asked about training, engagement participants supported server and security training. They had mixed opinions about whether security training should be mandatory.

	Make all training available online
	Make server training available and mandatory for anyone who sells and serves liquor
	Make security training available for anyone who sells and serves liquor
<input data-bbox="212 915 237 947" type="radio"/>	Make security training mandatory

6.2 Public Education

Although public education falls outside legislation, engagement participants feel the GNWT could enhance its role in this area. This includes educating the general public about moderate consumption and low-risk drinking, while ensuring there are programs and services for people with problematic substance use.

	Provide education, messaging and programs for the public
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6.3 Education and Enforcement – General

When asked about enforcement and education in general, engagement participants had a number of individual suggestions. The most supported suggestion was that education should be prioritized over enforcement for industry. This would mean liquor inspectors spend the biggest percentage of their time building relationships with the NWT liquor industry and educating them about the legislation and social responsibility.





	Prioritize education over inspection
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Other Topics

7.1 Distribution

The NWT Liquor and Cannabis Commission (NTLCC) distributes liquor in the NWT. The NTLCC distributes liquor directly to retail stores. As well, the NTLCC pays some liquor stores to act as distribution centres for licence holders. In these cases, liquor stores are responsible for taking, packing and fulfilling orders.


Participants would like to see a wider selection of products. Also participants say that having liquor stores serve as distribution centres is cumbersome and inefficient. Participants recommend re-establishing a liquor warehouse, which was the distribution method in the past, or finding a another distribution system that prioritizes licence holders. Finally, participants thought licence holders should have easier access to products that the NTLCC does not normally source. Although they recommended allowing licence holders to bypass the NTLCC and order directly from distributors, this practice is not legal in Canada.

	Provide a wider selection of products
	Make the distribution system for licence holders organized, timely, thorough and attentive to licence holder needs
	Bring back the liquor warehouse (or similar) in Yellowknife
	Provide licence holders with easier access to products the NTLCC does not normally source

7.2 Importation

People may bring liquor into the NWT in two ways. If the amount of liquor is small³ and the person brings it across the NWT border with them, no paperwork or fees are required. In all other cases, people must first obtain an importation certificate from the GNWT. An importation certificate allows people to have liquor sent to them or to bring larger amounts of liquor across the border directly.





Engagement participants were largely unaware of the NWT's importation rules. Several participants commented that lower prices and a wider selection might curb illegal importation.

	Lower retail prices and broaden retail selection to reduce illegal importation
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³ 1.5L wine; 1.14L spirits or 8.52L beer (as of November 2021)

7.3 Special Occasion Permits

Special occasion permits (SOP) allow non-profit groups and individuals to sell and/or serve liquor at occasional events. Applicants must meet regulatory requirements – which span more than one GNWT department. In addition to meeting these requirements, applicants may be required to have their volunteers or staff take server training.

	Streamline the process, particularly for obtaining occupancy load certificates
	Put the SOP process online for a quicker and more transparent approach
	Reduce the notice period required to identify volunteers
	Provide a range of options for outdoor spaces, recognizing all spaces are different

7.4 Manufacturing

There were no survey questions specific to manufacturing, and few participants discussed this topic. Specific suggestions related to manufacturing were received from the NWT’s only manufacturer. These suggestions are being considered by the GNWT but are not being shared in this report.

Conclusion

The GNWT is grateful to those who participated in the Liquor Legislation Review engagement process. The results outlined in this report will be considered, in conjunction with the results of the Review’s other research streams, to create a report of recommendations. The end goal is to propose changes to the NWT liquor laws in order to make them more streamlined, modern and responsive to the needs of NWT residents.

Appendix A

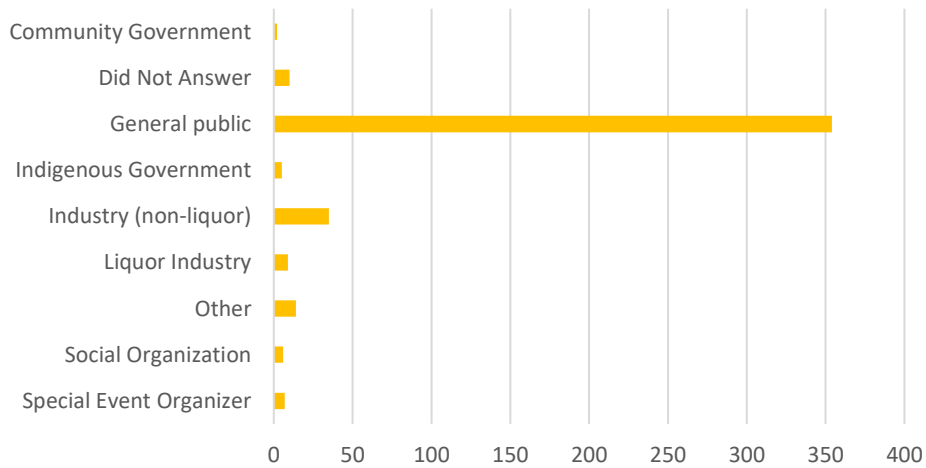
Engagement Details

Overall

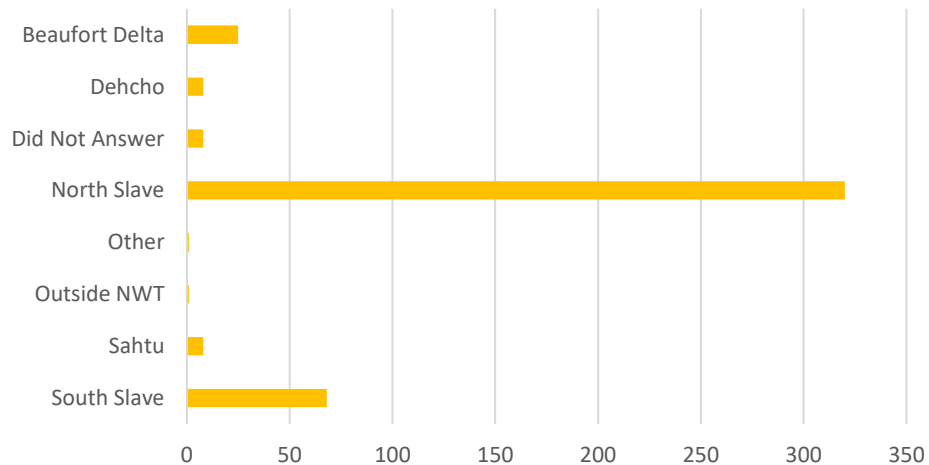
- 442 Survey Responses
- 32 Virtual Meetings
- 54 Hours of Dialogue
- 10 Email submissions
- Four Virtual Public Events

Survey

Survey Participant Type



Survey Participant Location



Virtual Meetings

Government, Group, Organization ⁴	Who Participated	Who Was Invited
Chambers of Commerce	NWT Chamber (7) YK Chamber (4)	All chambers of commerce
Community Governments	Fort McPherson (1) Fort Providence (1) Fort Smith (1) Hay River (1) Inuvik (2) NWT Association of Communities (1) Paulatuk (1) Yellowknife (2)	Mayors and Senior Administrative Officers of all community governments^^
Frequent Permit Applicants	Inuvik (1) Yellowknife (1)	Fort Providence (1) Fort Simpson (1) Hay River (2) Inuvik (1) Norman Wells (1) Yellowknife (1)
Indigenous Governments & Indigenous Organizations	Fort Good Hope Métis Local (1) Gwich'in Tribal Council (1) North Slave Métis Alliance (1) Tulita Land Corporation (1) Yellowknives Dene First Nation (1)	Elected and senior officials of all Indigenous governments and Indigenous organizations in the NWT^^
Liquor Enforcement	Manager, Liquor Enforcement Liquor Inspectors (5)	Same
Liquor Licence Holders	Class A (liquor primary licence) (10) Class B (food primary licence) (8) Class C (mobile licence) (1) Class D (liquor incidental licence) (13) Manufacturing (1)	Class A (24) Class B (34) Class C (1) Class D (31) Manufacturing (1) ^^
Liquor Licensing Board	Acting Chairperson and all members	Same
Liquor Stores	All liquor stores	Same^^
Northwest Territories Liquor and Cannabis Commission	Director Manager, Finance and Administration Manager, Purchasing and Distribution Staff (4)	Same
NWT Tourism and Tourism Operators	NWT Tourism Board and staff (4) Tourism operators & other participants (12)	Same
Public (English)	1	All NWT residents^^
Public (French)	0	All NWT residents
RCMP	Detachments in small, medium and large communities. 14 members total.	Same^^

^^multiple meetings

⁴ Various wellness groups were invited by the GNWT to submit suggestions by email.





Appendix B

Interpretation of Engagement Results

Because the GNWT used a variety of engagement methods, the results are not easily tallied. Different methods provide different levels of certainty about how participants feel and why. For example:

- Tick-box survey questions yield higher response rates than open-ended questions, yet the data holds less insight because participants are unable to provide their rationale.
- Survey results represent responses by individuals, while meeting results represent responses by groups.
- Generally, group results are considered stronger than individual results.
- Survey respondents and meeting participants did not necessarily answer all questions.

In order to capture results across methods in a meaningful way, the following rating system was created. The ratings are meant to be a visual representation of overall results, not an exact accounting.

Level of Feedback	Interpretation	Specifics
 Strong	Strong agreement among participants about a particular approach	50% or more tick-box survey results, and 40% or more open-ended survey results, and 30% or more other results
 Moderate	Moderate agreement among participants about a particular approach	30%-49% tick-box survey results, and 25%-39% open-ended survey results, and 20%-29% other results
 Some	Some agreement among participants about a particular approach	10%-29% tick-box survey results, and 10%-24% open-ended survey results, and 10%-19% other results
 Mixed	Mixed opinions about a particular approach	Differing levels of agreement across methods or within the same method