



17th Legislative Assembly of the Northwest Territories

Standing Committee on Government Operations

Report on the Review of Bill 24:
An Act to Amend the Liquor Act

Chair: Mr. Michael M. Nadli

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**STANDING COMMITTEE ON
GOVERNMENT OPERATIONS**

**REPORT ON THE REVIEW OF BILL 24:
*AN ACT TO AMEND THE LIQUOR ACT***

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*AN ACT TO AMEND THE LIQUOR ACT***

INTRODUCTION

Bill 24, *An Act to Amend the Liquor Act*, is a Private Member's Bill introduced by Norman Yakeleya, the MLA for the Sahtu.

Although Mr. Yakeleya is a member of the Standing Committee on Government Operations, he declared a conflict of interest with respect to all Committee discussions related to Bill 24, and did not attend the meetings or portions of the meetings where such discussion took place. Mr. Yakeleya, in his role as the sponsor of the Bill, did attend all public hearings related to Bill 24.

The Bill was referred to the Standing Committee on Government Operations for review on June 6, 2013.

Passage of the Bill would allow Sahtu communities to ask the Minister of Finance to hold a regional vote on limiting sales to individuals at a liquor store in the region. Currently, the only liquor store in the Sahtu region is in Norman Wells.

The Bill provides the Minister with the option to order a vote if resolutions are received within a six-month period from councils representing at least three of the five Sahtu communities, provided they represent more than half the region's population. The communities would have to agree on the proposal to be voted on.

Although the Norman Wells liquor store supplies all five Sahtu communities, the *Liquor Act* currently allows only Norman Wells residents to have a say on restrictions on sales to individuals.

On December 5, 2011, the people of Norman Wells voted by a narrow margin to lift liquor restrictions in their community. The restrictions had been in place since the 1970s. At that time, the following daily limits were set on sales at the liquor stores in Norman Wells and Fort Simpson:

- 1140 ml of spirits and 12 beer; or
- 1140 ml of spirits and 2 litres of wine; or

- 2 litres of wine and 12 beer; or
- 24 beer and 1 litre of wine.

The liquor rationing system in Norman Wells was removed on February 1, 2012. However, Deline, Fort Good Hope and Tulita have restrictions on the amount of alcohol a person can bring into the community, similar to the maximum sales that were allowed at the liquor store in Norman Wells. The other Sahtu community, Colville Lake, has no restrictions.

Sales at the Norman Wells liquor outlet have increased since the lifting of restrictions. However, the change in restrictions appears to be only one of several factors that could account for rising sales.

In light of significant public interest, and the fact that Bill 24 represents the first request for a region to have a role in a liquor plebiscite, the Standing Committee decided to hold public hearings in Norman Wells, Deline, Tulita, and Fort Good Hope.

The hearings took place between September 9 and 26, 2013. The turnout was strong in every community, resulting in total attendance of approximately 160 people. The Committee received submissions from a range of individuals and organizations, both orally and in writing. Every community participated in the hearings, as a delegation from Colville Lake was present at the Norman Wells event.

FEEDBACK FROM THE PUBLIC AND THE GNWT

The overwhelming majority of submissions supported Bill 24, and indeed, a return to restricted sales at the Norman Wells liquor outlet. Of course, the latter is not the issue at hand, which is solely how a plebiscite may be requested.

In all the small communities, people pointed out that bootlegging has increased since restrictions on sales were lifted in Norman Wells. Bootlegging is predominantly in hard liquor, much of it in small “mickey” bottles, which reportedly sell for \$85 each in Tulita. Two RCMP officers attended the hearing in that community. One confirmed that calls for service were up since restrictions were lifted in Norman Wells.

Bootlegging is against the law but difficult to control. Police are not able to intercept it all: alcohol is smuggled into communities by plane, boat, road, and snowmobile. Bootlegging was cited as a serious problem in every community, including Norman Wells.

Changes proposed in Bill 24 are not considered to be “the solution” that will stop bootlegging in any community. Rather, there was consistent opinion that the provisions of Bill 24 would help reduce bootlegging.

People in every community spoke passionately about the impact of alcohol abuse, which include many deaths and hair-raising close calls. People spoke of living in fear; of police being unable to respond quickly to complaints; and of the tactics bootleggers use to avoid being caught.

In Fort Good Hope, elder Gabriel Kochon spoke of the deaths of his son and nephew. “Today,” he said, “there are children 8 years old [who are] drinking.”

The committee heard time and again that children and elders are suffering the most.

Opinion on Bill 24 was more divided in Norman Wells, but the majority of speakers supported it, including several young people.

Nevertheless, Bill 24 was strongly opposed by the Norman Wells Chamber of Commerce, the contractor who runs the liquor outlet on behalf of the NWT Liquor Commission, and several other individuals.

Opponents of the Bill consider that it interferes in a business, sets up a regime unique to the Sahtu region, and that involvement in plebiscites by other communities is unfair to residents of Norman Wells and will not stop rampant alcohol abuse. The Chamber of Commerce labeled the bill “unconstitutional.”

The Committee considered this objection but does not accept its validity. The Committee carefully considered applicable human rights legislation in the Northwest Territories as well as the Canadian Charter of Rights and Freedoms. The Committee does not believe that the Bill denies residents any good, service or accommodation on the basis of prohibited grounds of discrimination, or that it otherwise constitutes unlawful discrimination without a bona fide and reasonable justification. Further, the Committee notes that the *Northwest Territories Act* grants the Legislative Assembly the authority to legislate intoxicants in the Northwest Territories.

Some of the arguments against the Bill were echoed by the Minister of Finance. In a letter to the Committee on September 26th, he stated that he and his Cabinet colleagues will not support the Bill. The Minister cited his desire for consistency of plebiscite policy across the Northwest Territories.

For clarity, the *Liquor Act* mandates the Finance Minister to regulate sales of alcohol. The NWT Liquor Commission, which contracts and supplies all liquor stores in the territory, also operates under the authority of the Minister of Finance.

Standing Committee members were impressed by the submissions they received in every community, and found considerable merit in the arguments both for and against Bill 24.

The Committee agrees that fundamental democratic principles must be upheld. In this case, that means a request for a plebiscite should come from communities comprising more than half the population of the Sahtu. An amendment to this effect was made during the public hearing in Yellowknife on October 16, 2013, with the consent of MLA Yakeleya, Bill 24's sponsor.

However, the will of the people, as expressed in four lengthy public hearings, was loud and clear in support of Bill 24. What Committee members heard was in fact a cry for help – which brings us to some important matters well beyond the scope of the Bill.

OTHER MATTERS

The Committee reviewed dozens of police reports from every community in the region. These monthly summaries from the RCMP are further testament to the carnage wrought by alcohol abuse, the suffering endured in every community, and the burden on police and other government services.

In a year, calls for service to RCMP in the Sahtu are approximately equal to the population of the region: 2,750 calls in 2012. Alcohol is a factor in most crimes and complaints.

Far more alarming is the number of assaults. In 2012, RCMP recorded 255 assaults in Sahtu communities. This is almost one assault for every ten residents of the region.

In the first five months of 2013, RCMP recorded 120 offenses under the *Liquor Act* in Sahtu communities.

In Deline alone, a community of about 550 people, there were 43 recorded occurrences of bootlegging in this same period.

In every community, the Committee heard pleas for programs to help deal with the impact of alcohol abuse. As one man succinctly put it in Norman Wells, "You need help, where do you get it?" There must be effective ways to escape violence, and to get well.

People eloquently described the need for safe houses, residential and on-the-land addictions treatment, and more education about alcohol and addictions.

In addition, people want better control of bootlegging. This includes more severe penalties for bootleggers.

It is abundantly clear that alcohol abuse is a societal issue that can only be reduced through a coordinated approach by individuals, families, schools, communities and various government departments. Ultimately, community leaders must lead the way in dealing with addictions issues and helping police deal with bootlegging.

The Committee was persuaded that its recommendations must go beyond the limited scope of Bill 24. The integrity of the government is at stake. The same is true for community leadership. There will be no success in dealing with alcohol abuse without local ownership of the problem, local solutions, and local action.

COMMITTEE RECOMMENDATIONS

The Standing Committee on Government Operations therefore recommends:

- 1) That the Department of Health and Social Services, the Department of Education, and the NWT Liquor Commission increase awareness and prevention programs related to alcohol consumption and abuse. The NWT Liquor Commission must live up to its mandate to “promote the development of a healthy and responsible drinking culture,” and to “encourage and support the responsible use of alcohol”;
- 2) That the Department of Health and Social Services make on-the-land addictions treatment available in every community in the Northwest Territories;
- 3) That the Department of Health and Social Services reestablish a residential treatment facility in the Northwest Territories;
- 4) That the Department of Health and Social Services provide detox programs for any resident who is referred;
- 5) That the Department of Health and Social Services deliver coordinated aftercare support in every community for those who complete addictions treatment programs;

- 6) That the Department of Justice include identification of, and support for, safe houses as part of community safety plans;
- 7) That the Department of Justice consider legislating stiffer penalties for bootleggers, and apply for forfeiture of vehicles and equipment used in appropriate cases;
- 8) That the Department of Justice deliver an information campaign to raise awareness of potential penalties to bootleggers;
- 9) That the Department of Justice strengthen the ability of RCMP detachments to identify and intercept bootleggers, and provide appropriate tools to detect criminal activity related to alcohol and drugs (such as infrared heat sensors and dogs);
- 10) That the Department of Justice and the Department of Municipal and Community Affairs assist communities that wish to establish and operate community alcohol committees to help control access to alcohol;
- 11) That the Department of Justice establish an effective mechanism for anonymous reporting of bootleggers and bootlegging;
- 12) That the Department of Finance and NWT Liquor Commission ensure that liquor stores accepting orders from residents of other communities abide by local restrictions on importing alcohol;
- 13) That the Department of Transportation establish thorough screening methods for passengers and cargo at all airports in the NWT, specifically related to assist detection of bootlegging;
- 14) That the Department of Finance, through the NWT Liquor Commission, consider restrictions on sales of large quantities of spirits that are not supported by ongoing or special licenses; and that individuals purchasing large quantities of spirits be required to identify themselves and sign for their purchases; and finally,
- 15) That a fixed percentage of the government's profit from liquor sales be allocated to augment addictions awareness and treatment programs.

CONCLUSION

It is significant that Bill 24 provides the finance Minister may hold a plebiscite if certain conditions are met; it does not require the Minister to do so.

Following the amendment mentioned earlier, members of the Standing Committee on Government Operations support Bill 24 as presented and recommend it as ready for consideration in Committee of the Whole.

The Committee understands the Finance Minister's decision that under circumstances specific to this Bill, Cabinet will not support it. The Committee therefore respectfully requests that Cabinet abstain, or allow a free vote of its members.

APPENDICES

- Appendix 1:** Norman Wells and District Chamber of Commerce – Submission of Comments on Bill 24 to the Standing Committee on Government Operations
- Appendix 2:** Mr. Norman Yakeleya, MLA Sahtu – Letter dated September 23, 2013, Response to Questions on Bill 24 – *An Act to Amend the Liquor Act*
- Appendix 3:** Honourable J. Michael Miltenberger, Minister of Finance – Letter dated September 26, 2013, regarding Bill 24, *An Act to Amend the Liquor Act*