

Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest

RECOMMENDATIONS

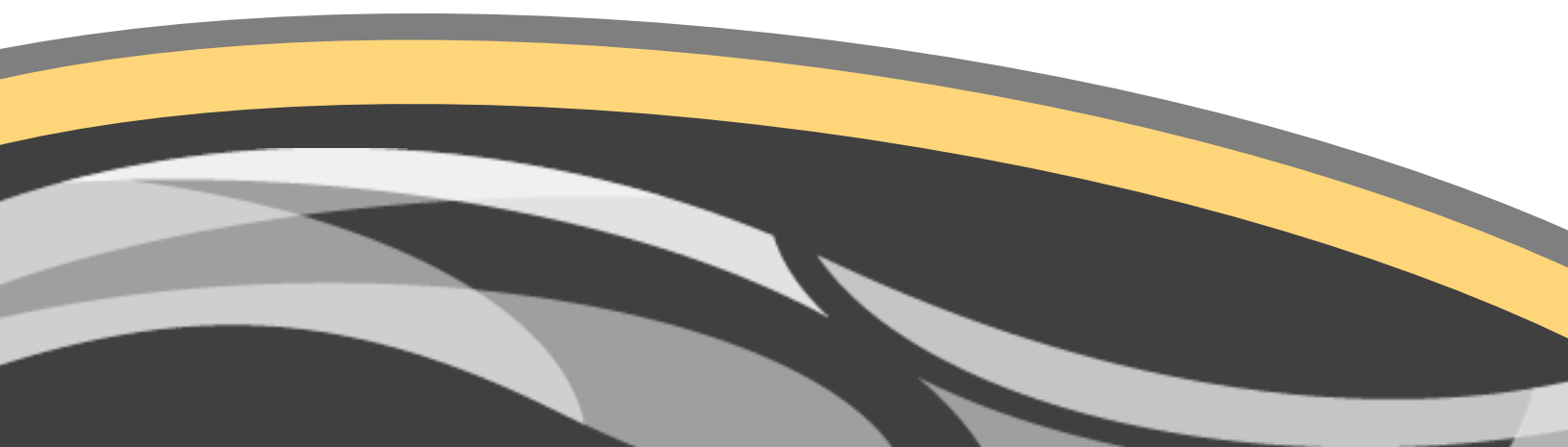
NWT LIQUOR LEGISLATION REVIEW

RECOMMANDATIONS

EXAMEN DE LA LÉGISLATION SUR LES
BOISSONS ALCOOLISÉES DES TNO

September | Septembre 2022

Le présent document contient la
traduction française du sommaire.



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English

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French

Kīspin ki nitawihtīn ē nīhīyawihk ōma ācimōwin, tipwāsinān.

Cree

Tłıchq yatı k'èè. Dı wegodı newq dè, gots'o gonede.

Tłıchq

ʔerıht'ıs Dēne Sųłıné yatı t'a huts'elkēr xa beyáyatı theʔą ʔat'e, nuwe ts'ēn yó ftı.

Chipewyan

Edı gondı dehgháh got'ıe zhatıé k'èè edat'éh enahddhę nıde naxets'é edahfı.

South Slavey

K'áhshó got'ıne xədə k'é hederı ʔedjhtl'é yerııwę nıde dú le.

North Slavey

Jii gwandak izhii ginjik vat'atr'ıjāhch'uu zhit yınohthan jı', diıts'at ginohkhıı.

Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqluta.

Inuvialuktun

Ċ'bd< n n^{sb}Δ^c ΛϱLJΔ^rc Δ^ob^ın^ıɔ^c ϱ^ıL^ın^b, >ϱ^cn^ıϱ^c >ı^bı^cϱ^ıϱ^ıϱ^c.

Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.

Inuinnaqtun

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Executive Summary

In 2020, the Government of the Northwest Territories (GNWT) Department of Finance began the Liquor Legislation Review (Review). The Review is a multi-year, comprehensive look at liquor legislation in the Northwest Territories (NWT). The aim of the Review is to identify how liquor laws can be modernized, streamlined and responsive to the needs of NWT residents.

The purpose of this document is to present the Review's findings in the form of recommendations.

General Recommendations

Liquor Administration

1. Recognize that public safety is the primary, but not only, objective of liquor legislation.
2. Change the mandate of the Liquor Licensing Board to an appeals board.
3. Make licensing and the issuance of penalties functions of the Registrar.
4. Create an administrative sanction system with the ability to appeal.

Community Control

5. Remove the committee system of liquor restriction as an option for a plebiscite.
6. Seek community input before each new retail procurement process.
7. Extend maximum days for temporary prohibition orders but prohibit sequential orders.
8. Allow special purpose permits in prohibited communities.

Bootlegging

9. Increase access to liquor sold by authorized sellers.
10. Maintain current penalties for convicted bootleggers.
11. Give the Liquor and Cannabis Commission discretion to restrict sales on product types/sizes.
12. Strengthen search provisions for peace officers.

Public Places

13. Continue to prohibit liquor consumption in public but be flexible for the future.

Advertising

14. Extend federal advertising rules to all types of media.
15. Create minimum prices per standard drink and increase them with inflation.
16. Prohibit promotions that encourage consumption based on price.
17. Allow for mandatory social responsibility messaging,
18. Create a sponsorship policy for liquor manufacturers.
19. Create an advertising-specific monitoring program.

Local Liquor Delivery

20. Create a liquor delivery licence for local liquor deliveries.
21. Create safety protocols and training for liquor deliveries.
22. Create a delivery-specific monitoring program.
23. Require a community plebiscite to issue liquor delivery licences.

Recommendations - RETAIL

Sales Model

24. Keep the retail sales model outside legislation.

Numbers and Types of Outlets

25. Continue to require community consultation on numbers and types of retail outlets.
26. Continue to support communities interested in having a retail outlet.

Types of Vendors

27. Continue to require retailers to be designated by the Minister.
28. Create different classes of designated retail vendors.
29. Create a vendor designation for licensed NWT manufacturers.
30. Create a vendor designation for Class A and Class B licence holders.

Retail Hours/Days

31. Maintain maximum daily retail hours and maintain existing hours in each outlet.
32. Continue to require community consultation if proposing extension of retail hours.
33. Allow retail outlets to be open on Sundays and holidays.
34. Remove the restriction on election days, recognizing this remains in other legislation.

Price

35. Defer to the recommendations of the Liquor and Cannabis Commission's pricing review.

Added Services

36. Consider including services related to social responsibility in retail contracts.

Recommendations - LICENCES

Eligibility

37. Streamline requirements if an applicant or a premises is already licensed.
38. Allow for bundling of applications.

Types of Licences

39. Retain Class A (liquor-primary) and Class B (food-primary) licences.
40. Remove Class C (mobile) licence and accommodate eligible businesses elsewhere.
41. Expand the types of businesses eligible for a Class D (liquor-incidental) licence.

Extensions

42. Maintain existing licence extensions, with minor adjustments.
43. Create new extensions to provide flexibility for licence holders.

Licensed Days/Hours

44. Maintain maximum licensed hours at 10am-2am daily.
45. Allow for a "consumption only" period after licensed sale/service ends.
46. Remove restrictions related to Sundays, Christmas Day and Good Friday.
47. Remove the restriction on election days, recognizing this remains in other legislation.

Recommendations - MANUFACTURING

Commercial Manufacturing

48. Maintain a generic manufacturing licence and allow for future classifications.
49. Clarify that manufacturing facilities may operate 24 hours a day and employ minors.
50. Allow for hospitality rooms in licensed manufacturing facilities.
51. Accommodate manufacturers who hold premises licences without need for an extension.

Ferment on Premises

52. Create a Ferment-on-Premises licence.

Recommendations - PERMITS

Special Purpose Permits

53. Continue to allow permits for medical, scientific, research purposes.
54. Allow permits for eligible organizations that provide services related to addictions.

Special Occasion Permits

55. Streamline the process to obtain a special occasion permit (SOP).
56. Allow SOPs for “whole site” consumption under specific circumstances.
57. Require a minimum price per standard drink for relevant SOPs.
58. Provide for annual SOPs under certain circumstances.

Recommendations - OTHER

Distribution

59. Consider the distribution recommendations related to the NTLCC pricing review.

Importation

60. Maintain existing importation rules.
61. Create an online portal for obtaining an importation certificate and promote it.

Recommendations – EDUCATION + ENFORCEMENT

Enforcement Program

62. Create an “education and enforcement” approach to liquor enforcement.

Industry Training

63. Make server training mandatory for the liquor industry.
64. Provide the industry with resources on security matters.
65. Provide permit holders with information about creating safe event conditions.

Social Responsibility

66. Create and fund a more robust and comprehensive social responsibility program.

Sommaire

En 2020, le ministère des Finances du gouvernement des Territoires du Nord-Ouest (GTNO) a commencé l'examen de la législation sur les boissons alcoolisées (l'examen). Il s'agit d'un examen approfondi et pluriannuel des lois et règlements sur les boissons alcoolisées des Territoires du Nord-Ouest (TNO). L'objectif de l'examen est de déterminer comment ces derniers peuvent être modernisés, simplifiés et adaptés aux besoins des Ténos.

Ce document vise à présenter les résultats de l'examen sous la forme de recommandations.

Recommandations générales

Administration des boissons alcoolisées

1. Reconnaître que la sécurité du public est l'objectif principal de la législation sur les boissons alcoolisées, sans toutefois en être le seul.
2. Changer le mandat de la Commission des licences d'alcool pour que celle-ci devienne une commission d'appel.
3. Rendre le registraire responsable de l'émission de licences et de sanctions.
4. Créer un système de sanctions administratives avec la possibilité de porter une décision en appel.

Contrôle par la collectivité

5. Retirer le régime de comité pour les restrictions liées aux boissons alcoolisées des objets possibles de référendum.
6. Recueillir les commentaires de la collectivité avant chaque nouvelle amorce de processus d'approvisionnement pour les magasins.
7. Augmenter le nombre de jours maximal des arrêtés de prohibition temporaire, mais interdire les arrêtés consécutifs.
8. Autoriser les permis pour usage déterminé dans les collectivités visées par une prohibition.

Contrebande

9. Améliorer l'accès aux boissons alcoolisées offertes par des vendeurs autorisés.
10. Maintenir les sanctions actuelles contre les contrebandiers reconnus coupables.
11. Donner à la Société des alcools et du cannabis des Territoires du Nord-Ouest (SACTNO) le pouvoir de limiter les ventes de certains types ou formats de produits.
12. Renforcer les dispositions en matière de fouille pour les agents de la paix.

Lieux publics

13. Continuer à interdire la consommation de boissons alcoolisées dans les lieux publics, mais faire preuve de flexibilité à l'avenir.

Publicité

14. Modifier les règles fédérales en matière de publicité pour qu'elles s'appliquent à tous les types de médias.
15. Fixer des prix minimaux pour les consommations standards et les augmenter selon l'inflation.

16. Interdire les publicités qui encouragent la consommation fondée sur le prix.
17. Autoriser le partage obligatoire de messages sur la responsabilité sociale.
18. Concevoir une politique de commandite pour les fabricants de boissons alcoolisées.
19. Mettre sur pied un programme de surveillance de la publicité.

Livraison locale de boissons alcoolisées

20. Créer une licence de livraison de boissons alcoolisées pour les livraisons locales.
21. Mettre sur pied des protocoles de sécurité et de la formation axée sur la livraison de boissons alcoolisées.
22. Concevoir un programme de surveillance de la livraison.
23. Exiger que la collectivité effectue un référendum pour la délivrance de licences de livraison de boissons alcoolisées.

Recommandations – VENTE AU DÉTAIL

Modèle de vente

24. Ne pas intégrer le modèle de vente au détail à la législation.

Nombre et types de magasins

25. Continuer à exiger que les collectivités soient consultées en ce qui a trait au nombre et aux types de points de vente au détail.
26. Continuer à soutenir les collectivités souhaitant avoir un point de vente au détail.

Types de fournisseurs

27. Continuer à demander que les détaillants soient désignés par le ministre.
28. Établir différentes catégories de détaillants désignés.
29. Créer une désignation de vendeur pour les fabricants des TNO titulaires d'une licence.
30. Créer une désignation de vendeur pour les titulaires de licences de catégorie A et de catégorie B.

Jours et horaires de vente au détail

31. Maintenir le maximum d'heures quotidiennes de vente au détail et les horaires existants à chaque point de vente.
32. Continuer à exiger la consultation de la collectivité en cas de proposition de prolongation de l'horaire de vente au détail.
33. Permettre aux magasins de détail d'être ouverts le dimanche et les jours fériés.
34. Annuler la restriction de vente lors des jours de scrutin, tout en reconnaissant que celle-ci demeure présente dans d'autres lois.

Prix

35. S'en remettre aux recommandations de l'examen des prix de la SACTNO.

Services ajoutés

36. Penser à ajouter des services liés à la responsabilité sociale dans les contrats de vente au détail.

Recommandations – LICENCES

Admissibilité

37. Simplifier les exigences si un demandeur ou un local est déjà visé par une licence.
38. Autoriser le regroupement des demandes.

Types de licences

39. Conserver les licences de catégorie A (boissons alcoolisées) et de catégorie B (restauration).
40. Retirer les licences de catégorie C (mobile) et relocaliser les entreprises admissibles ailleurs.
41. Élargir les types d'entreprises admissibles à l'obtention d'une licence de catégorie D (accessoire aux boissons alcoolisées).

Extensions

42. Conserver les extensions de licence actuelles et leur apporter des changements mineurs.
43. Créer de nouvelles extensions pour fournir une certaine flexibilité aux titulaires de licence.

Jours ou heures d'ouverture de l'établissement visé par une licence

44. Garder les heures d'ouverture quotidiennes de 10 h à 2 h pour l'établissement visé par une licence.
45. Autoriser une période de « consommation seulement » à la suite de celle de vente ou de service de l'établissement visé par une licence.
46. Supprimer les restrictions liées au dimanche, à la journée de Noël et au Vendredi saint.
47. Annuler la restriction de vente lors des jours de scrutin, tout en reconnaissant que celle-ci demeure présente dans d'autres lois.

Recommandations – FABRICATION

Fabrication commerciale

48. Conserver une licence de fabrication générale et permettre l'ajout de catégories à l'avenir.
49. Clarifier que les installations de production peuvent exercer leurs activités 24 heures par jour et embaucher des personnes mineures.
50. Permettre aux installations de production titulaires de licences d'avoir des salons d'accueil.
51. Répondre aux besoins des fabricants titulaires d'une licence visant leur établissement, mais qui ne nécessitent pas d'extension.

Fermentation libre-service

52. Créer une nouvelle catégorie de licence pour la fermentation libre-service.

Recommandations – PERMIS

Permis pour usage déterminé

53. Continuer à délivrer des permis à des fins médicales, scientifiques et de recherche.
54. Autoriser la délivrance de permis aux organisations admissibles fournissant des services en lien avec la dépendance.

Permis de circonstance

55. Simplifier le processus d'obtention d'un permis de circonstance.

56. Autoriser les permis de circonstance pour la consommation partout sur le site, et ce, dans le cadre de situations particulières.
57. Exiger un prix minimal pour les consommations standards, le cas échéant.
58. Fournir des permis de circonstance annuels pour certaines situations.

Recommandations – AUTRES

Répartition géographique

59. Tenir compte des recommandations de répartition géographique liées à l'examen des prix de la SACTNO.

Importation

60. Maintenir en place les règlements actuels en matière d'importation.
61. Créer un portail numérique pour l'obtention d'un certificat d'importation et sa promotion.

Recommandations – ÉDUCATION ET APPLICATION DE LA LOI

Programme d'application de la loi

62. Mettre au point une approche axée sur « l'éducation et l'application de la loi » pour l'application de la loi sur les boissons alcoolisées.

Éducation de l'industrie

63. Rendre la formation de serveur obligatoire dans l'industrie des boissons alcoolisées.
64. Fournir à l'industrie des ressources sur des questions de sécurité.
65. Fournir aux titulaires de licences des renseignements sur l'organisation d'événements sécuritaires.

Responsabilité sociale

66. Créer et financer un programme de responsabilité sociale plus solide et complet.

Introduction

Background

In 2020, the Government of the Northwest Territories (GNWT) Department of Finance began the Liquor Legislation Review (Review). The Review is a multi-year, comprehensive look at liquor legislation in the Northwest Territories (NWT). The aim of the Review is to identify how liquor laws can be modernized, streamlined and responsive to the needs of NWT residents.

Purpose of this Document

The purpose of this document is to present the findings of the Review in the form of recommendations. The recommendations are based on the combined results of the Review's multiple methods of inquiry, which are outlined in the next section. Together, the methods provided valuable insight into how to improve the liquor laws.

Methods

The Liquor Legislation Review is built on six streams of inquiry. The streams are:

1. Historical Document Review – a review of internal GNWT documents
2. Administrative Engagement – interviews with those who administer the legislation
3. Jurisdiction Review – review of laws and practices across Canada
4. Literature Review – review of existing research and reports on liquor policy
5. Interdepartmental Engagement – interviews with selected GNWT departments
6. External Engagement – online survey and virtual meetings with various groups (Appendix B).

The first five streams occurred over a 9-month period ending in March 2021. A [Discussion Guide](#), based on the results of those streams, was created for the sixth stream called external engagement. External engagement involved virtual events and an online survey. Input was received from the public, industry, Indigenous and community governments, and other groups. The results of this sixth stream were released in March 2022 in a [What We Heard Report](#).

Recommendations in this report are based on the cumulative results of all six streams.

Limitations

The recommendations in this report are limited by the following factors:

1. Virtual public events during the external engagement were poorly attended, however public participation in the online survey was strong at 80% of total participants.
2. The Review does not include an assessment of legislative policy related to cannabis or gaming. Similarly, the Review is not an assessment of the performance of the Liquor Licensing Board, the Northwest Territories Liquor and Cannabis Commission (NTLCC), or the Liquor Enforcement Program.
3. The literature review found reports about liquor policy in mostly urban and international settings. Where the evidence was transferable to the NWT, this was taken into consideration. However, many of the studies pertained to factors that are not realities in the NWT such as retail competition, high density of bars, late night liquor stores and urban infrastructure. Conversely, the literature was lacking in content about bootlegging and illegal importation, both of which are problems in the NWT.

A Note About Problematic Substance Use and Liquor Laws

There are no recommendations in this report about how to reduce problematic substance use, addiction, or other harmful behaviours. The purpose of liquor legislation is to create safe access to liquor for moderate consumption. When people have a complex relationship with liquor and consumption moves beyond moderate to problematic, the law is rarely the place for people to find help and support.

Problematic substance use requires a network of support and services from government and from others. For this reason, the GNWT is developing a Territorial Alcohol Strategy which will focus on how the policies, programs and services of the GNWT can support people with problematic substance use of all types. Liquor legislation will play a part in this interdepartmental approach, but it is not the main component.

Rationale for Recommendations

The results of the Liquor Legislation Review support the premise that *liquor legislation should provide NWT residents with safe access to liquor for moderate consumption*. To achieve this – and to satisfy the Review’s objectives of more modern, streamlined and responsive liquor legislation – the following strategies form the collective rationale for each recommendation in this report.

1. **Safe Conditions:** Recommendations in this report consider how to create safe conditions for the sale, service, manufacture, distribution and importation of liquor. Safe conditions mean that the industry is regulated to minimize foreseeable risk. In some cases, the recommendations loosen existing rules if they were based on outdated models, went beyond basic safety or could be causing people to take bigger risks. In other cases, the recommendations tighten existing rules if there were loopholes. All recommendations are based on regulating the liquor system, not the customers.
2. **Social Responsibility:** Recommendations in this report support consumers to make responsible choices. This is a system-wide responsibility that goes beyond safety to providing customers with information and support to make their own decisions about consumption. Social responsibility can include such things as promoting Canada’s low-risk drinking guidelines, depicting responsible liquor consumption in advertising, and providing warnings about high-risk behaviour. Social responsibility is not part of liquor legislation, but it is an essential accompaniment to legislation.
3. **Enhanced Enforcement:** Recommendations in this report support the enhancement of liquor enforcement. To be clear, this does not mean taking a more punitive approach, but a more robust one. First, the enforcement program should work in partnership with the industry to provide support, education, promotion of voluntary compliance, and recognition of premises that are well managed. Second, the findings support enhanced monitoring and inspection where there is highest risk. A well supported, well monitored industry is a safe industry.

In addition to satisfying at least one of the above three strategies, recommendations in this report are practiced elsewhere in Canada, are supported by engagement participants, and are consistent with applicable literature. Where there was disagreement in the findings, the recommendations focus on the approach that was most supported by the results and that seemed most relevant in an NWT context.

General Recommendations

Legislative Objectives

Current

The most important objective of any legislation that regulates a substance is public safety. Public safety means creating laws that protect the public from foreseeable harm. It means recognizing that youth and intoxicated individuals are particularly vulnerable and establishing safeguards for them. These have always been the primary objectives of liquor legislation.

Recommended

NWT liquor legislation should recognize secondary objectives. These are outcomes the legislation can achieve in addition to public safety. In the past, liquor legislation neither articulated nor implied support for secondary objectives. This should change.

Examples of secondary objectives are providing safe access to liquor for consumers, supporting tourism, economic growth, and responsible revenue growth for the GNWT's public programs. The Review's findings and several engagement participants recognize that a well-regulated liquor system can be both safe and successful. The fulcrum for balancing those two objectives is education. Primary and secondary objectives work together.

Liquor Administration

Current

Liquor administration refers to the administrative bodies that implement liquor legislation. Currently, NWT liquor legislation is the responsibility of the Minister of Finance. Under the Minister's authority, the legislation is administered by:

1. *NWT Liquor and Cannabis Commission (NTLCC)*: Ensures NWT residents have safe and legal access to liquor by controlling the distribution and sale of these products in retail outlets¹.
2. *NWT Liquor Licensing Board*: An independent body that issues liquor licences and permits, and holds hearings if there has been an alleged violation of the legislation. Appeals of board decisions must be made to the Supreme Court.
3. *NWT Liquor Enforcement*: Educates people who legally sell and serve liquor; provides communities with information about plebiscites and similar topics; and operates the liquor inspector program.

The GNWT Department of Finance and the Department of Justice also provide support.

¹ "Retail outlet" means a place where liquor is legally sold for consumption at another place.

Recommended

In many Canadian jurisdictions, licensing and the issuance of penalties are bureaucratic functions. There is rarely a need for an arm's length tribunal for these matters. Instead, administrative tribunals are often used for appeals. The NWT Liquor Licensing Board should therefore become an appeals board and be renamed accordingly.

The Board's existing functions of licensing/permitting and issuing of penalties should become the responsibilities of the Registrar. This GNWT position currently handles most licensing/permitting functions on the Board's behalf. For penalties, legislation should transition from compliance hearings to a new system of administrative sanctions. Hearings require deliberation and decision-making about what level of penalty (or none) is appropriate, based on the evidence. Conversely, administrative sanctions require no deliberation because they are based on a pre-determined schedule. The schedule identifies sanctions for each type of violation. Sanctions could be a warning, a fine, a temporary closure or licence suspension, and there are different sanctions for first and subsequent violations. Non-compliance with any administrative sanction sends the matter to the appeals board, which then holds a hearing. The recipient of an administrative sanction could accept the sanction or appeal it to the appeals board.

With these changes, there may be merit in considering how the administrative entities – Registrar, NTLCC and Liquor Enforcement - could operate under an umbrella structure in the future. The legislation should establish the authorities in such a way that structural decisions could be made at a later time. Any organizational realignment, however, must separate the functions of enforcement and of penalty issuance to prevent perceived conflicts of interest.

Community Control

Current

NWT liquor legislation allows communities to make decisions about certain matters. For example, communities may vote for their preferred type of liquor system (unrestricted, restricted, committee, prohibited). Communities may also choose a period of temporary prohibition, have a say before the first licence or retail outlet is established, and create bylaws related to licensed premises. Communities cannot hold a plebiscite to restrict or prohibit liquor if there is a retail outlet or licensed premises operating in the community. Similarly, a community with a retail outlet cannot request any increase to restrictions of quantities sold from that outlet.

Recommended

Existing areas of community control should remain, with one exception. The "committee system" has rarely (if ever) been used. This option could be removed so liquor restrictions are the decision of the entire community, not of a committee.

Communities with a liquor retail outlet should continue to have input on aspects of retail sales

prior to the issuance of each multi-year retail contract in that community. Examples are hours, types or numbers of outlets. Also prior to the issuance of each contract, communities with a retail outlet that 1) wish to restrict the quantity of sales from that outlet or 2) wish to close retail outlets entirely, should be provided a means to do so, which may require a plebiscite. Once contracts are signed, no further changes could be made until the next contract period.

Temporary prohibition orders (TPOs) should be expanded from a maximum of 10 days to 30 days, but sequential TPOs should not be permitted. Sequential TPOs challenge the temporary nature of the TPO. Longer term prohibition is already an option via plebiscite. Current rules that prohibit a TPO where there is a retail outlet or licensed premises should remain.

Recognizing that prohibition places a burden on people with addictions, permits issued for programs, such as managed alcohol programs, should not be prohibited.

There should not be legislative rules about the location of retail outlets or the proximity of retail outlets to parts of the community, as this is a community zoning responsibility. However, the Minister may require applicants to demonstrate that they comply with zoning.

Bootlegging

Current

Often the customers of bootleggers are people who cannot access liquor legally because – liquor is restricted or prohibited in their community; they are minors; they are intoxicated; or because legal sales options are closed.

Currently, liquor legislation contains high maximum fines and jail time for convicted bootleggers. Penalties increase for repeated offences or offences involving sales to a minor. There are also provisions for peace officers to search places and vehicles where there are grounds to believe there is unlawful liquor. Over time, legislation has periodically set rules about the sale of 375ml bottles of spirits and over-proof liquor. At one time, legislation also limited retail sales to \$200 per person per day, but this limitation was removed.

Recommended

Increasing access to liquor – sold from an authorized seller – can help to curb bootlegging, unless the community has specifically restricted or prohibited liquor. This means designated retail outlets and licensed premises should not be required to close on Sundays or holidays (discussed elsewhere in this report). It also means creating a policy to assist any community that wishes to have some type of retail outlet to work towards this objective. These recommendations are based on the premise that safe access to legal liquor reduces illicit sales.

No changes to penalties are recommended since the current maximums are rarely issued.

Anecdotal evidence suggests that the limit on 375ml bottles of spirits may be forcing bootleggers to take bigger risks and is not deterring illegal sales. However, some NWT residents believe this product size should be limited. To strike a balance, legislation could give the NTLCC discretion to restrict sales on product types/sizes.

Finally, search provisions for peace officers should be updated to clarify where and how legal searches can be made, as well as when a search warrant is required.

Public Places

Current

People are not permitted to consume liquor in a public place unless specifically authorized, such as under a special occasion permit. In some jurisdictions, liquor consumption is allowed in local parks and picnic areas, for example. In the NWT, this is not permitted.

Recommended

Engagement participants said that public liquor consumption made them uneasy. They liked the convenience of open liquor at a picnic site, for example, but they worried about safety for vulnerable people. They also believe that enforcement could be challenging. Some Canadian jurisdictions allow liquor consumption in specific public spaces, but many do not. For these reasons, this report recommends that liquor consumption continue to be prohibited in public places, but that legislation be flexible enough to allow for future regulations related to this.

Advertising

Current

The Canadian Radio-television and Telecommunications Commission (CRTC) has a *Code for Broadcast Advertising of Alcoholic Beverages*. This code prohibits liquor advertising from being attractive to youth or from suggesting illegal activity, and similar rules. In addition, NWT law prohibits anyone from advertising free or discounted liquor.

There are also sponsorship rules for liquor manufacturers. These include such things as prohibiting sponsorship of events primarily for minors or providing incentives to licence holders.

Recommended

This report recommends that NWT liquor legislation continue to adopt the CRTC rules but to extend the application of these rules to all types of advertising, including social media.

Existing limitations on advertising related to price should be removed but only if the GNWT implements a minimum price per standard drink, authorized by legislation. Minimum prices should clearly indicate the lowest price per standard drink. Standard drink sizes are defined by

Canada's low risk drinking guidelines. There should be different minimum prices depending on whether sales occur in a retail environment or a licensed/permitted environment. Minimum prices would increase with inflation. The GNWT should provide licence/permit holders with resources to calculate minimum prices for drinks that are not standard size.

Licence/permit holders should be prohibited from offering or advertising promotions that encourage consumption based on price (e.g. volume discounts).

Industry advertising should not be pre-approved by government, as this would create red tape. However, legislation should give the GNWT the authority to make government-prepared social responsibility messages mandatory on all advertising or in regulated premises.

The GNWT should develop a sponsorship policy outlining the specifics of allowable sponsorship activities for licensed manufacturers. Also, the GNWT should develop an advertising-specific monitoring program to regularly monitor liquor advertising and sponsorship activity in the NWT.

Local Liquor Delivery

Current

In this report, local liquor delivery means delivering liquor to a customer located in the same community as the retail outlet or licensed premises that sold the liquor.

Local liquor delivery occurs in most jurisdictions, but this was not always the case. Until recently there were concerns that increased convenience brought increased risk, particularly to minors and intoxicated people. Early loopholes in delivery practices were a recognized problem but, over time, protocols have adapted to address gaps.

In the NWT, local liquor delivery was not permitted until the COVID-19 pandemic, when increasing numbers of residents were required to isolate. In 2020, certain classes of liquor licences were authorized to deliver small amounts of liquor with restrictions. This provision is still active. In 2021, local liquor delivery was temporarily allowed from retail outlets using common carriers such as taxis. This type of delivery is no longer available.

Recommended

This report recommends a new liquor delivery licence. Businesses that meet eligibility requirements could apply, including common carriers, designated retail vendors, holders of Class A and B liquor licences, and delivery businesses. Liquor delivery licence holders would be subject to the licensing and compliance systems set out in legislation. Other restrictions would apply.

A delivery licence will require the creation of delivery protocols such as mandatory identification checks, recipient signatures and SafeServe training for delivery personnel, to name a few. As well, Liquor Enforcement should develop additional, mandatory training related to the delivery

protocols. Liquor Enforcement should also develop a delivery-specific monitoring program to regularly audit delivery receipts.

Liquor delivery licences should be prohibited unless the community first holds a plebiscite to allow this particular type of licence. This is already the process for some types of liquor licenses.

General Recommendations

Liquor Administration

1. Recognize that public safety is the primary, but not only, objective of liquor legislation.
2. Change the mandate of the Liquor Licensing Board to an appeals board.
3. Make licensing and the issuance of penalties functions of the Registrar.
4. Create an administrative sanction system with the ability to appeal.

Community Control

5. Remove the committee system of liquor restriction as an option for a plebiscite.
6. Seek community input before each new retail procurement process.
7. Extend maximum days for temporary prohibition orders but prohibit sequential orders.
8. Allow special purpose permits in prohibited communities.

Bootlegging

9. Increase access to liquor sold by authorized sellers.
10. Maintain current penalties for convicted bootleggers.
11. Give the NTLCC discretion to restrict sales on product types/sizes.
12. Strengthen search provisions for peace officers.

Public Places

13. Continue to prohibit liquor consumption in public but be flexible for the future.

Advertising

14. Extend federal advertising rules to all types of media.
15. Create minimum prices per standard drink and increase them with inflation.
16. Prohibit promotions that encourage consumption based on price.
17. Allow for mandatory social responsibility messaging.
18. Create a sponsorship policy for liquor manufacturers.
19. Create an advertising-specific monitoring program

Local Liquor Delivery

20. Create a liquor delivery licence for local liquor deliveries.
21. Create safety protocols and training for liquor deliveries.
22. Create a delivery -specific monitoring program.
23. Require a community plebiscite to issue liquor delivery licences.

Recommendations - Retail²

Sales Model

Current

The retail sales model is not in legislation. It is set by the NTLCC and approved by the Minister. There are several types of models that the NTLCC could choose such as government-run, private-run, consignment (vendor leases/owns building), consignment (GNWT leases/owns building), etc. The NTLCC understands how these models affect factors such as price, public safety, customer experience and distribution. For example, a private-run model, which many people think introduces lower prices, had the opposite effect when introduced briefly in the NWT. Currently, all NWT retail outlets operate under the consignment model, although there is variation about whether the vendor or the GNWT leases/owns the building.

The NWT retail model is updated every five to ten years, as contracts approach renewal.

Recommended

The retail model should continue to rest outside of legislation. This will give the NTLCC and the Minister maximum flexibility to make retail decisions based on economic and other changing factors. Engagement participants were less concerned about which model was selected and more concerned about price, access, and a welcoming customer experience. These factors can be addressed regardless of sales model.

Numbers and Types of Outlets

Current

In theory, retail outlets can have different physical configurations, sell different types of liquor, and be accessed in different ways. Examples are stand-alone buildings, outlets within another business, and specialty outlets.

If there is no retail outlet in a community, the Minister cannot designate an outlet of any type until the community first requests it.

Where there are retail outlets, the type of outlet is not set out in legislation. Instead, the NTLCC considers outlet types at the time of the public procurement process. The NTLCC recommends types based on factors such as demand, community support, economic viability, and public safety. In the NWT, the preferred type has been a retail outlet selling a range of liquor products with its

² "Retail" means the legal sale of liquor to customers at a retail outlet.

own entrance/exit to outside. If a new type of outlet were to be recommended, the NTLCC would first consult the community.

The NTLCC also makes recommendations about the number of outlets in each community based on several factors, including community support. There are two retail outlets in Yellowknife and one each in Fort Simpson, Fort Smith, Hay River, Inuvik and Norman Wells. Any recommended changes to these numbers would require community consultation.

Recommended

The types and numbers of permissible retail outlets should remain at the discretion of the Minister and not be set out in legislation. However, legislation should continue to require the Minister to consult with the community if changes are proposed.

The NTLCC should continue to assess the operating environment in each community that has a retail outlet and to propose changes to types and numbers of outlets at the time of the procurement process.

As well, the NTLCC should continue to support local governments that wish to inquire about how a retail outlet might be opened in their community. Legislation should allow for temporary retail sales in communities that wish to trial this.

Types of Vendors

Current

In the NWT, retail vendors are businesses that successfully bid on multi-year contracts to operate full-service retail outlets. The legislation requires that vendors be formally designated by the Minister of Finance and enter into service contracts.

NWT manufacturers are not retail vendors but, if they have a manufacturer's retail outlet licence, they may sell their products directly to the public from the manufacturing facility.

Class A (liquor primary) and Class B (food primary) licence holders may sell liquor for off-premises consumption. In the past this involved the sale of small quantities of beer only. Since 2020, as part of the government's response to the COVID-19 pandemic, off-premises sales were expanded to include wine and spirits and other allowances. Several licence holders have become interested in expanding off-premises sales further, but there is currently no avenue for this.

Recommended

Legislation should continue to authorize the Minister to designate retail vendors and enter into service agreements with them. Regulations could provide for different classifications or types of vendors so that retail sales can occur by different types of businesses, under different models.

The existing designation should continue for businesses that qualify to operate full-service outlets and who successfully bid to operate them on behalf of the NTLCC.

A type of retail vendor designation should be created for NWT liquor manufacturers who qualify to operate retail outlets from their facilities. This would replace the existing manufacturer's retail outlet licence. Further, the manufacturer's retail vendor designation should be eligible for a temporary extension to allow retail sales of sealed containers at venues such as farmers' markets and trade shows.

A type of retail vendor designation should be created for Class A and Class B licence holders who qualify to operate small outlets. Restrictions may be applied by the NTLCC.

Regulations should be flexible enough to allow new designations over time.

Retail Days/Hours

Current

Retail days/hours of operation are not in legislation. They are set in the contracts between the Minister and the vendors. NWT retail outlets operate on different schedules. The maximum hours that any retail outlet may be open are 11am to 10pm daily. Outlets in Yellowknife operate with these hours, but all other outlets have shorter operating hours.

NWT retail outlets are closed on Sundays, holidays and election days during polling hours.

Recommended

Retail hours and days of operation should remain outside legislation.

The NTLCC should maintain maximum NWT retail hours at 11am to 10pm daily, and should maintain existing hours in all retail outlets. Any proposed extension of hours (within the NWT maximum) must have the support of the community.

This report recommends that the NTLCC remove the requirement for retail outlets to be closed on Sundays and statutory holidays, although vendors could choose to be closed on those days.

Finally, liquor legislation should remove the limitation on election days. This requirement will remain in the *Elections and Plebiscites Act*.

Price

Current

Retail prices are not in legislation. The NTLCC sets prices based on a formula that considers cost plus a mark-up. Costs are adjusted regularly based on inflation, and the mark-up is approved by

the Financial Management Board. Prices vary across the NWT depending on the cost of freight and other factors. Retail vendors must sell liquor to customers at the price set by the NTLCC. Vendors are paid by the NTLCC based on sales volume. NWT liquor prices are some of the highest in Canada.

Recommended

Recommendations about product prices were outside the scope of the Liquor Legislation Review. The NTLCC recently completed a pricing review that will address price. Nevertheless, there were two findings related to price:

1. Engagement participants said high prices are not a deterrent to over-consumption. Instead, they believe many NWT residents are purchasing liquor in Alberta and, because of the low prices there, they are purchasing and consuming more than they might do otherwise. If participants are correct, this practice is taking needed revenue from the NWT.
2. Some studies suggest that there are public health benefits when low-alcohol volume products, such as beer and wine, are priced lower than high-alcohol volume products.

Added Services

Current

Services such as wine-food pairing advice and cooking classes are up to the retail vendor. Few vendors provide these types of services, although the NTLCC has guidelines for them to do so. Added services are more prevalent in competitive retail environments.

Recommended

Legislation should not mention retail services other than the sale of liquor. However, in the interest of social responsibility, the NTLCC could consider how best to encourage added services in retail outlets. The Review's findings indicate that when these services are provided, they help educate customers about pacing and low-risk consumption, and they can enhance customer decision-making. These benefits, plus providing a welcoming experience, are socially responsible.

Recommendations - RETAIL

Sales Model

24. Keep the retail sales model outside legislation.

Numbers and Types of Outlets

25. Continue to require community consultation on numbers and types of retail outlets.

26. Continue to support communities interested in having a retail outlet.

Types of Vendors

27. Continue to require retailers to be designated by the Minister.

28. Create different classes of designated retail vendors.

29. Create a vendor designation for licensed NWT manufacturers.

30. Create a vendor designation for Class A and Class B licence holders.

Retail Hours/Days

31. Maintain maximum daily retail hours and maintain existing hours in each outlet.

32. Continue to require community consultation if proposing extension of retail hours.

33. Allow retail outlets to be open on Sundays and holidays.

34. Remove the restriction on election days, recognizing this remains in other legislation.

Price

35. Defer to the recommendations of the NTLCC's pricing review.

Added Services

36. Consider including services related to social responsibility in retail contracts.

Recommendations – Licences³

Eligibility

Current

NWT liquor licences cannot be issued unless the owners and the premises meet eligibility criteria. Any change of ownership triggers an entirely new licence application process, and both the new owners and existing premises must be screened for eligibility. Similarly, any new premise obtained by a licensee for a different location requires that the same owner and the new premises be screened for eligibility.

Owners are required, by law, to notify the Liquor Licensing Board of any changes in their eligibility status or the eligibility status of the premises. A licence may be suspended or cancelled if either become ineligible or if a licence holder provides false information.

Recommended

To streamline the application process, this report recommends maintaining the requirements for both owners and premises, but to unlink them. This means that an owner, once licensed and remaining eligible, does not need to go be screened again to obtain a second premises, though the premises would need to be screened. Similarly, once a premises operates under a valid licence and that place has not become ineligible, that premises may be licensed under new ownership as long as the new owners met eligibility criteria. For safety purposes, it may be necessary to conduct a periodic eligibility audit.

Legislation should allow for the bundling of applications where an applicant is seeking more than one type of licence at the same time.

Types of Licences

Current

In the NWT, premises licences are classified as follows:

- Class A (liquor-primary): Businesses that generate revenue primarily from the sale and service of liquor, such as bars.
- Class B (food-primary): Businesses that generate revenue primarily from the sale and service of meals, such as restaurants.

³ “Licences” allow a business or organization to legally sell liquor on an ongoing basis at the same place where consumption will occur.

- Class C (mobile): Businesses that generate revenue primarily from catering, tours on ships, or entertainment events where the location of the liquor sales/service varies.
- Class D (liquor-incidental): Businesses and organizations where the sale of liquor is incidental or secondary to their primary services which must be one of the following: bed and breakfast; remote lodge; service club (e.g. Legion); canteen (e.g. military); community, recreational, cultural activities (e.g. curling club); and personal service businesses (e.g. hair salon).

There is also a manufacturing licence, which is discussed elsewhere in this report.

Recommended

Class A (liquor-primary) and B (food-primary) licences should continue, with a modification to allow Class B licence holders to serve limited amounts of liquor without a meal.

The Class C (mobile) licence should cease, and eligible businesses accommodated elsewhere.

The Class D (liquor-incidental) licence should be expanded. This would accommodate businesses for which liquor sales/service would be complementary to their business model yet would not create foreseeable risks to public safety, minors or vulnerable people. Types of businesses and organizations currently eligible for a Class D licence would continue. New business types could be those with a valid NWT tourism operator licence and those that provide entertainment or hospitality services. Businesses would be required to demonstrate that customers are normally at the premises for sufficient time to safely consume a standard drink in a defined consumption area.

Opening the eligibility for a Class D licence may require additional safeguards since licence holders would have different business models and premises. Legislation should provide general structure, and then require the GNWT to specify the types of businesses eligible and the conditions for each.

Extensions

Current

NWT legislation allows licence holders to apply for extensions. An extension gives the licence holder permission to add certain services to their licence. Current extensions are:

- banquet room extension
- bring-your-own-wine extension
- manufacturer's extension
- off-premises extension
- mini-bar extension
- room service extension

Recommended

This report recommends that existing extensions continue with these changes:

- Banquet room extensions should be available to manufacturers for hospitality rooms within the manufacturing facility.
- Manufacturer's extensions should cease (details are elsewhere in this report).

- Off-premises extensions, currently on hold, should be reinstated. Eligible licence holders wanting broader off-premises sales could seek a retail vendor designation.

The following new extensions should be considered, with restrictions:

- An extension to allow licensed golf courses to sell beer from a mobile cart
- An extension to allow licensed hours to begin at 9am on weekends and holidays for brunch
- An extension to allow for the sale/service of liquor at off-site catered events
- An extension to allow certain Class A premises to allow minors in limited circumstances, without needing to switch to a Class B licence.
- An extension to allow for the sale/service of liquor in defined outdoor areas

Licensed Days/ Hours

Current

Licensed hours are the times when liquor may be sold, served and consumed in licensed premises. For Class A (liquor-primary) premises, licensed hours and business hours must be the same. For other classes, business hours could exceed licensed hours. The maximum allowable licensed hours are between 10am and 2am.

Class A licences must stop selling/serving liquor during the last 30 minutes of their licensed hours. This allows customers to finish their drinks and disperse in an orderly manner. All other classes may sell/serve liquor until the end of licensed hours. Because of this, legislation allows Class A to stay open until 2:30am to make up for the 30-minutes of lost sales.

Licence holders may operate any day, with some exceptions. Class A licence holders and some Class D licence holders may only operate 10 Sundays per year, unless the municipality creates a bylaw loosening this rule. Class A licences may not sell/serve liquor on Good Friday or Christmas Day. No licence holder may sell liquor on election days during polling hours. This is a requirement of liquor legislation and the *Elections and Plebiscites Act*.

Recommended

Maximum licensed hours should stay the same, with one exception. Some licence classes could apply for a brunch extension (mentioned previously) for a 9am start on weekends and holidays.

Class A premises should be able to apply for up to 60 minutes of “consumption only” time at the end of licensed hours. Other licence classes should also be able to apply for a consumption window at the end of licensed hours. Specifics should be determined by the nature of the business.

This report recommends that the restriction on Sundays, Christmas Day and Good Friday be removed. References to closure on election days should be removed from liquor legislation, recognizing the restriction remains in the *Elections and Plebiscites Act*.

Recommendations - LICENCES

Eligibility

- 37. Streamline requirements if an applicant or a premises is already licensed.
- 38. Allow for bundling of applications.

Types of Licences

- 39. Retain Class A (liquor-primary) and Class B (food-primary) licences.
- 40. Remove Class C (mobile) licence and accommodate eligible businesses elsewhere.
- 41. Expand the types of businesses eligible for a Class D (liquor-incidental) licence.

Extensions

- 42. Maintain existing licence extensions, with minor adjustments.
- 43. Create new extensions to provide flexibility for licence holders.

Licensed Days/Hours

- 44. Maintain maximum licensed hours at 10am-2am daily.
- 45. Allow for a “consumption only” period after licensed sale/service ends.
- 46. Remove restrictions related to Sundays, Christmas Day and Good Friday.
- 47. Remove the restriction on election days, recognizing this remains in other legislation.

Recommendations - Manufacturing⁴

Commercial Manufacturing

Current

A manufacturing licence allows for the commercial manufacturing of liquor and the flavouring of liquor for commercial purposes. Although legislation allows for different classes of manufacturing licence, there is currently only one general licence.

Applicants for manufacturing licences must meet the same criteria as other licence applicants plus additional requirements, some of them federal. A commercial manufacturer must produce at least 800L of product annually. A licensed manufacturer that wishes to sell its liquor directly to the public must first obtain a Manufacturer's Retail Outlet Licence. If the manufacturer also wishes to operate a bar or restaurant, and sell its liquor for consumption at those premises, the manufacturer must obtain a Class A or B licence with a manufacturer's extension.

Recommended

The general manufacturing licence should continue. Legislation could also allow for the creation of manufacturing classes, but these classes should not be created at this time. Processes, technologies, federal quality assurance and excise rules and other factors can change, and classifications, if necessary, should be created as interest emerges to ensure they are current.

Legislation should be clear that a manufacturing facility may operate 24 hours per day and that minors may be employed in non-manufacturing roles.

Similarly, this report recommends that provisions be made for manufacturers to apply for a banquet room extension (or similar) that would allow the sale/service of their products in a room located within the facility for occasional events. This would allow manufacturers to showcase their manufacturing process while providing the ability for them to host hospitality and special events. The room should also be an eligible space for a special occasion permit obtained by an eligible person who is not the manufacturer.

Manufacturers should be authorized to hold a premises licence and to sell their products exclusively, without the need for a manufacturer's extension.

Recommendations related to the retail sale of liquor by manufacturers were covered in the section titled "Types of Vendors" earlier in this report.

⁴ "Manufacturing" means the legal brewing, fermenting or distilling of liquor or the flavouring of liquor.

Ferment on Premises

Current

In the NWT, people who want to make homemade beer or wine may do so in a personal residence, but at no other place. Only beer and wine may be made, and it may not be sold. Homemade liquor may be part of a contest with a special occasion permit, but only the judges may taste the homemade liquor.

Recommended

Several jurisdictions have a licence for businesses that provide the ingredients, equipment and facilities for people to make their own beer or wine. Customers must participate in the initiating of fermentation and in the bottling of the liquor. The business itself cannot pre-make liquor nor sell it. The business makes revenue by charging a fee for the ingredients and the fermentation equipment. Liquor may not be served in the premises.

For the NWT, this report recommends that ferment-on-premises businesses be authorized. In addition to meeting licence eligibility criteria, these businesses would also be required to register under federal excise legislation. These businesses would not be eligible for a premises licence because liquor could not be consumed there. Also, the businesses would not qualify for a retail vendor designation because they are not authorized to sell pre-made or commercial liquor.

Recommendations - MANUFACTURING

Commercial Manufacturing

48. Maintain a generic manufacturing licence and allow for future classifications.
49. Clarify that manufacturing facilities may operate 24 hours a day and employ minors.
50. Allow for hospitality rooms in licensed manufacturing facilities.
51. Accommodate manufacturers who hold premises licences without need for an extension.

Ferment on Premises

52. Create a Ferment-on-Premises licence.

Recommendations - Permits⁵

Special Purpose Permits

Current

Special purpose permits allow the holder to use and administer liquor for medical, scientific, research and other health-related purposes. Currently, these permits are issued to specific practitioners, to persons who operate facilities that provide health services, and to persons who operate nursing homes. The purpose of this type of permit is to recognize that there are health and scientific uses for liquor that are not related to industry or special events.

Recommended

Existing provisions should continue. Legislation should also recognize that the medicinal uses of liquor have expanded to include programs of various types that assist people with addictions. Legislation provisions, therefore, should allow organizations to provide liquor for bona fide health-related purposes, so long as the program's protocols are approved (and compliance is overseen) by a licensed healthcare professional or body authorized by legislation to provide health services.

Special Occasion Permits

Current

Special occasion permits (SOPs) allow people to sell and/or serve liquor at a one-time event. Because the permit holder is not selling on a regular basis or for commercial profit, eligibility requirements are less strict than for a licence. Types of permits:

Class 1: Allows a person to serve liquor at a single event but not to sell it.

Class 2: Allows a person to sell and serve liquor at a single event but not make a profit.

Class 3: Allows an organization to sell and serve liquor to raise money for charitable purposes.

SOP holders may not use liquor that has been donated or which the holder already possesses. SOP applicants must demonstrate that the event can be held safely.

Recommended

Engagement participants said that the time between applying for and then obtaining an SOP is excessive. This report recommends that the GNWT undertake a review of its operational processes

⁵ "Permits" are issued to people to use, sell or serve liquor for a specific purpose or special occasion.

related to SOPs – particularly in the obtaining of occupancy certificates – and streamline the approach wherever possible. This includes placing as much of the application process online as is possible. It also means that supervisors’ names could be submitted after the initial application.

As well, legislation should allow for “whole site” permitting under specific circumstances. Events with a whole-site authority would not have beverage gardens. Instead, attendees over the age of 19 would be allowed to consume liquor they purchase from the permit holder throughout the enclosed site. This approach provides safer conditions for more paced and responsible consumption. Eligibility and security restrictions would apply.

As with licences, permit holders with a Class 2 or Class 3 SOP should be required to price their drinks above a specified minimum price. For Class 2 permit holders prices would continue to be set by the GNWT, taking minimum price into consideration.

An option should be available to non-profit organizations to apply for a Class 2 or 3 SOP on an annual basis, if the applicant expects to have multiple, similar events in the same location. Restrictions would apply.

Recommendations - PERMITS

Special Purpose Permits

- 53. Continue to allow permits for medical, scientific, research purposes.
- 54. Allow permits for eligible organizations that provide services related to addictions.

Special Occasion Permits

- 55. Streamline the process to obtain a special occasion permit (SOP).
- 56. Allow SOPs for “whole site” consumption under specific circumstances.
- 57. Require a minimum price per standard drink for relevant SOPs.
- 58. Provide for annual SOPs under certain circumstances.

Recommendations – Other

Distribution

Current

Liquor distribution is an operational matter outside legislation. Nevertheless, licence holders say the present means of distribution is problematic. They say they receive orders with items missing and there is confusion by having distribution occur where the public accesses retail liquor.

Recommended

An examination of distribution methods was outside the scope of the Liquor Legislation Review. The NTLCC recently completed a pricing review that included a review of distribution methods.

Importation

Current

A person may bring a small amount⁶ of liquor into the NWT with them, without an importation certificate. A person wanting to bring more than the specified amount or wanting to import liquor that will not accompany them, must first obtain an importation certificate. An importation certificate is required before a person orders liquor from outside the NWT for mail order.

Recommended

Current importation rules should continue. Specific importation quantities could be placed in policy to allow for changes as there are developments nationally and internationally.

The process to obtain an importation certificate should be placed online and be accompanied by a communications campaign to improve public understanding.

Recommendations - OTHER

Distribution

59. Consider the distribution recommendations in the NTLCC pricing review.

Importation

60. Maintain existing importation rules.

61. Create an online portal for obtaining an importation certificate and promote it.

⁶ The amount of liquor a person can bring into the NWT without a certificate will increase in 2022.

Recommendations – Education and Enforcement

Enforcement Program

Current

Liquor Enforcement includes the Manager and up to nine contracted liquor inspectors. Liquor inspectors conduct inspections to verify that the liquor legislation, terms and conditions on licences or in contracts, and policy rules are being met.

If a liquor inspector observes a violation, they document the observation. Observed violations and the results of investigations are sent either to the Liquor Licensing Board or to the NTLCC, depending on whether a licence holder or a retail vendor is involved. Currently, inspections are more compliance-focused than education-focused. Inspections tend to occur mostly at licensed premises, although they can occur in retail outlets and at events under a special occasion permit.

Recommended

In keeping with the principle that enhanced enforcement is a key element for a safe liquor system, the Liquor Enforcement program should adopt an “education and enforcement” approach. This includes industry training (outlined in the next section), frequent one-to-one or issue-specific education, and a process to encourage voluntary compliance. This educational focus should be complemented by a more robust inspection and monitoring program based on matters of risk and past compliance. A transparent process for how any violations will be handled should also be readily available for industry.

As mentioned previously, an advertising-specific monitoring program and a delivery-specific monitoring program should be added to enforcement activities. These programs would counter the loosening of restrictions in these areas.

This report also recommends the introduction of a program to recognize outstanding, socially responsible practices in the industry.

Industry Training

Current

Liquor Enforcement oversees the server training program, SafeServe. Prior to 2022, server training was provided at in-person sessions by liquor inspectors. In March 2022, an updated and online version of the training was launched. Licence holders are required to complete server

training to renew their licences. Designated retail vendors are encouraged, but not required, to complete the training.

Recommended

Server training should be identified in legislation as a mandatory requirement for the liquor industry. The GNWT should also develop policy about whether supervisors associated with a special occasion permit require server training, and under what circumstances. Details about the training should remain outside legislation for flexibility as the program is updated.

The Liquor Enforcement program should provide resources to regulated premises on how to de-escalate volatile situations, as well as information about the legalities of using force and other security-related matters. Though a program of this nature should not be mandatory, Liquor Enforcement should be prepared to provide this type of information as required.

The Liquor Enforcement program should provide special occasion permit holders with information about how to safely sell and serve liquor at occasional events. This would supplement the SafeServe training for event supervisors.

Social Responsibility

Current

The NTLCC is the GNWT's mandated authority for social responsibility messaging related to liquor. With limited social responsibility resources, the NTLCC currently provides a topic-focused, piecemeal approach. Services include warning labels on beverage containers and posters/pamphlets on topics such as impaired driving prevention, prevention of fetal alcohol spectrum disorder, and promoting Canada's Low-Risk Drinking Guidelines. The NTLCC also promotes Check 25 to encourage the liquor industry to check identification of anyone appearing to be under 25 years of age.

Recommended

All Canadian jurisdictions – except the NWT – provide comprehensive social responsibility strategies. These strategies address jurisdiction-specific risks with the aim of countering myths, providing evidence-based information, and encouraging responsible decision-making. Activities include labels, posters and identification checks – as in the NWT – but these comprise just part of a larger approach. Social marketing campaigns, educational programs, online resources, and youth-specific activities are broader examples.

If social responsibility is to be a key part of the NWT liquor system alongside safe conditions and enhanced enforcement, a coordinated, more robust program is required. To this end, this report recommends that the NTLCC undertake a full social responsibility strategy for the NWT and be sufficiently resourced to do so.

Recommendations – EDUCATION + ENFORCEMENT

Enforcement Program

62. Create an “education and enforcement” approach to liquor enforcement.

Industry Training

63. Make server training mandatory for the liquor industry.

64. Provide the industry with resources on security matters.

65. Provide permit holders with information about creating safe event conditions.

Social Responsibility

66. Create and fund a more robust and comprehensive social responsibility program.

Conclusion

Liquor legislation provides NWT residents with safe access to liquor for moderate consumption. This can be achieved when legislation creates safe conditions and is accompanied by system-wide social responsibility and a well-rounded enforcement program.

The recommendations provided in this report strive to achieve this vision.

Appendix A

Documents Reviewed

Legislation

- Alcohol and Gaming Regulations Act, 1997, Statutes of Saskatchewan 1997. Chapter A-18.011.
Alcohol Control Regulations, 2016, A-18.011 Reg 7.
- Bill No. 5. Liquor Act. 2019. Thirty-fourth Legislative Assembly. Third Session. Yukon.
- Liquor Act. Revised Statutes of Northwest Territories. Amended Nunavut Statutes. 1988. C. L-9.
Beer and Wine Store Regulations. R-043-2021
- Liquor Control Act. Revised Statutes of New Brunswick. 1973. Chapter L-10.
- Liquor Control Act. Revised Statutes of Newfoundland and Labrador 1990. Chapter L-18.
Liquor Licensing Regulations CNLR 1162/96
- Liquor Control Act. Revised Statutes of Nova Scotia. Chapter 260.
Ferment-on-Premises Regulations. NSR. 164/2014
Importing Wine for Personal Use Regulations. NSR. 267/2015
Liquor Licensing Regulations. NSR. 365/2007 amended to 85/2021
Public Education about Fetal Alcohol Syndrome Regulations. NSR. 181/2005
- Liquor Control Act. Revised Statutes of Prince Edward Island. 1988. Chapter L-14.
Liquor Control Act Regulations.
- Liquor Control and Licensing Act. Statutes of British Columbia. 2015, Chapter 19.
Liquor Control and Licensing Regulation – 241/2016
- Liquor Distribution Act. Revised Statutes of British Columbia. 1996, Chapter 268.
Liquor Distribution Regulation – 611/76
Liquor Possession Regulation – 130/2 012
- Liquor Licence and Control Act, 2019, Statutes of Ontario. 2019, C. 15, Sched. 22.
Minimum Pricing of Liquor and Other Pricing Matters – O. Reg. 750/21
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Licensing – O. Reg. 746/21
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Appendix B

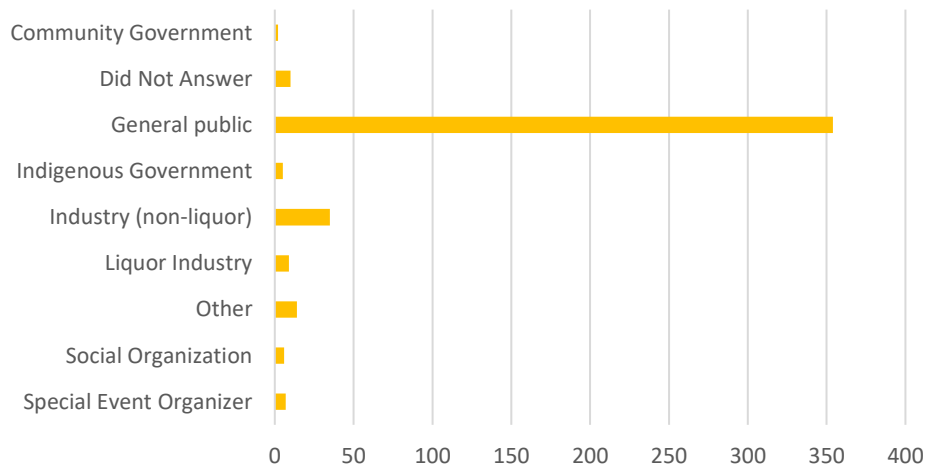
Engagement Details

Overall

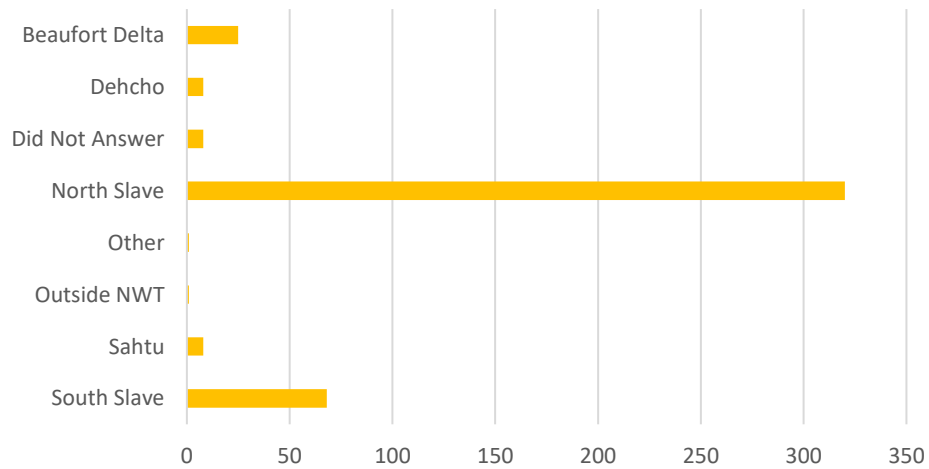
- 442 Survey Responses
- 32 Virtual Meetings
- 54 Hours of Dialogue
- 10 Email submissions
- Four Virtual Public Events

Survey

Survey Participant Type



Survey Participant Location



Virtual Meetings

Government, Group, Organization ⁷	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^^
Designated Retail Vendors (liquor stores)	All vendors	Same^^
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
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

⁷ Various wellness groups were invited by the GNWT to submit suggestions by email.