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Building *Nunavut* Together  
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Bâtir le *Nunavut* ensemble

# **Government of Nunavut's Response to the Recommendations of the Minister's Task Force to Review the *Nunavut Liquor Act***

## **Introduction**

The Nunavut Liquor Act Review Task Force was formed by the Minister of Finance in April 2010 and held meetings in every Nunavut community. It was tasked with providing the Minister responsible with recommendations on how to change the *Nunavut Liquor Act*. Community members shared valuable local insight on how the use of alcohol affects Nunavummiut. Based on the Task Force's consultations two reports were produced: the "What We Heard Report" on the community consultations; and "Halting the Harm," the final report with recommendations.

Generally, the Task Force recommends liberalizing access to alcohol, particularly of beer and wine, and moving away from the current control systems as the drinking culture shifts from binge drinking to more responsible drinking.

This document lists the recommendations as provided in "Halting the Harm" followed by the Government of Nunavut (GN)'s response. The GN agrees that it can take further steps to reduce harm that the inappropriate use of alcohol causes in the territory. However, the GN disagrees with the Task Force's recommendation to change the current control system quickly: some of the recommendations may have unintended consequences and should be implemented in a measured manner if at all.

## 1. Replace the existing Act:

### Key Recommendations

#### The Task Force recommends that the GN:

- a) Replace the current *Nunavut Liquor Act* with one that is not misleading and is easily understood by all;
- b) Ensure the Act has a focus on harm reduction;
- c) Ensure any changes to the Act are made quickly reflecting the integrated and interdependent nature of the recommendations; and,
- d) Develop a layperson's guide to the Act.

pp. 105-106

### GN Response

- The GN agrees that it is important for individuals to be able to understand their rights and the rules surrounding liquor in the territory. However, legislation must be written in legal language that avoids misinterpretation and provides clarity for the courts.
- The GN agrees that more can be done for harm reduction, including a more robust social responsibility program undertaken by the Nunavut Liquor Commission: options will be investigated to identify Commission revenues for use in responsible drinking campaigns.
- Changes to the current liquor control system should not be made quickly. They must be made in a measured manner and many of the recommendations, if adopted, can only be implemented using a phased approach or by first testing a new system in one community or region prior to rolling it out across the territory in order to measure any unintended consequences.
- The recommendation to make a “layman’s guide” of the Act is appropriate: plain language documents are developed regularly for initiatives related to liquor.

## 2. Interfere with bootlegger's market:

Key Recommendations
<p><b>The Task Force recommends that the GN:</b></p> <ul style="list-style-type: none"><li>a) Where approved by the community, open a government run or licensed beer and wine outlet;</li><li>b) Liberalize access to beer and wine and restrict the access to hard liquor; and,</li><li>c) Standardize shipping costs for all communities.</li></ul>

pp. 109-111

### GN Response

- Additional liquor control systems could be added to the Act to include the opening of a beer and wine store and opening a liquor store as systems available to communities. A strong argument exists that opening any kind of liquor store in one community can mean more access in neighboring communities: it may not be appropriate to use plebiscites to make this decision because communities are not isolated entities.
- The GN agrees that access to beer and wine should be liberalized. In order to liberalize access, the Act could be amended to allow a pilot project that opens one of the two warehouses to local purchases of beer and wine.
- The decision to standardize shipping costs for all communities must be made after reviewing the possible business models, and may not be practical. Standardizing shipping costs may be viewed as subsidizing the cost of liquor in some communities and could increase the number of residents smuggling liquor because of the cost difference. For example, if the cost of liquor in Iqaluit is increased to effectively subsidize the cost in more remote communities, the incentive to smuggle liquor into Iqaluit may increase.

### 3. Shut down bootleggers supplies:

#### Key Recommendations

**The Task Force recommends that:**

- a) The GN establishes a monopoly over the importation, sale, and distribution of alcohol in the Territory;
- b) Under the new *Liquor Act*, alcohol is prohibited throughout Nunavut unless designated otherwise—current community designations will apply;
- c) The GN establish a Territory wide maximum on the amount of alcohol that can be purchased by an individual within a specified period;
- d) The GN establish a maximum possession limit for alcohol, and that anyone in possession of alcohol over the allowed maximum be deemed to be in possession of alcohol for the purpose of bootlegging;
- e) The new Act contains mandatory disclosure of information to the RCMP of the amount of alcohol purchased and by whom; and,
- f) Special identification tags should be used to identify alcohol legally acquired through the GN sale and distribution system.

pp. 113-117

#### GN Response

- The GN agrees with the recommendation to create a GN monopoly over the sale and distribution of alcohol. However, it will be important to allow for a phased approach and flexibility in the interpretation of the monopoly for some situations, such as possibly allowing for a legal annual “beer-lift.” With a system in place for special orders and purchasing allowed from the local warehouses, the cancellation of import permits could be achieved. At the same time, rules around personal importation should be reexamined to increase the maximum amounts that are allowed to better reflect the current Canadian allowances.
- The GN understands the Task Force concerns around alcohol use on the land. However, there is very little to be gained by creating legislation that cannot be enforced. Current rules around transportation of liquor between communities will be reviewed and the existing rules can be better communicated to residents.
- As access to liquor is liberalized, it will be important to ensure that the continuum from prohibited to unrestricted has enough systems to allow communities to smoothly transition along that continuum. An important step will include restricted quantities. Communities

will need to be provided with the tools and necessary time to adjust to the new systems as they move along the continuum. A maximum amount of liquor per order could be set in restricted communities to allow them to transition from an Alcohol Education Committee (AEC) system to a more open, yet still controlled, system.

- The GN understands the benefits of a maximum possession amount with respect to law enforcement. The recommended amounts found in the Task Force report are far too low, and would encourage any binge drinking behavior that exists. Consumers would need to drink what they buy before being able to legally possess something new. In addition, the recommended maximum possession limits would only create criminals where there are currently responsible users of liquor: wine connoisseurs, those with a properly stocked liquor cabinet, or people who use liquor as ingredients for preparing meals. The GN will work closely with RCMP to develop a maximum possession amount that will facilitate enforcement without unduly encroaching on the freedoms necessary for responsible liquor use.
- Close cooperation between the GN and the RCMP already exists and will continue: the GN will continue to disclose alcohol purchases that are deemed excessive and frequent in nature to the RCMP.
- The GN supports the introduction of special identification tags to clearly identify alcohol purchased legally through the GN sale and distribution system.

#### 4. Strengthen enforcement and penalties:

##### Key Recommendations

**The Task Force recommends that the new *Liquor Act*:**

- a) Strengthen search and seizure provisions under the Act and introduce strong civil forfeiture legislation to deter illegal sales of alcohol.
- b) Significantly increase fines and penalties for bootlegging and redirect revenues to harm reduction programs.

**Supplementary Recommendation:**

- c) Facilitate collaboration and information sharing and data collection on alcohol purchasing between licensing, sales and distribution, and law enforcement agencies.

pp. 119-120

#### GN Response

- The search and seizure provisions of the Act will be reviewed with a view to increasing these powers under the Act: at the same time, the GN has a responsibility to respect the Charter's protection against unreasonable search and seizure.
- The GN acknowledges that in order to end bootlegging the proceeds and the property used in the commission of crime must be confiscated, and the GN will continue exploring the possibility of introducing civil forfeiture legislation that will further deter bootleggers.
- Bootlegging is a recognized problem in the territory and the GN agrees with the recommendation to increase penalties.
- The GN supports the recommendation to facilitate collaboration and information sharing and data collection between the various stakeholders in a new Nunavut liquor regime where appropriate and in compliance with the *Access to Information and Protection of Privacy Act*.

## 5. Improve the plebiscite process:

### Key Recommendations

#### The Task Force recommends that:

- a) Plebiscites should remain the main tool of control for communities;
- b) There should be no changes to the prescribed duties of the Minister however the process of petitioning the Minister should be clarified;
- c) Voter eligibility should remain the same;
- d) There should be an increase in the threshold of signatures required to trigger a plebiscite;
- e) The frequency and term of plebiscites should not be changed;
- f) The plebiscite questions and processes should be standardized; and,
- g) All communities should be required to adopt a local alcohol strategy.

#### Supplementary Recommendations:

- a) More resources, including education and information material, should be provided to residents prior to a plebiscite vote; and,
- b) Prior to a plebiscite, sufficient time should be given to allow for community engagement and discussion.

pp. 123-126

### GN Response

- The GN agrees with the recommendation that communities should have the ability to request plebiscites to make decisions on local alcohol regulations. Any changes to legislation should be made to assist communities in moving along the continuum toward self-reliance and away from liquor control over individual orders.
- The GN agrees with the recommendations that the prescribed duties of the Minister and voter eligibility should remain unchanged.
- The recommendation to increase the threshold for signatures needed in a petition is sound: the threshold will be amended to better reflect the size of the community.
- The GN supports the recommendation that frequency and term of plebiscites should not be changed.
- The GN already works closely with Elections Nunavut when developing plebiscite questions. A new Act will include a schedule of questions that petitioners will choose from when



creating a petition for a plebiscite. These standard questions will be developed in partnership with Elections Nunavut.

- The GN agrees with the recommendation that all communities adopt a local alcohol strategy as part of their planning. Where they have been formed, Community Health and Wellness Committees (CHWC) can develop, in partnership with local health and education professionals, local alcohol strategies. However, CHWCs are self-determining and the GN can only provide them with materials and notify them of possible funding opportunities for programming. The GN does not set the agenda for CHWCs.
- The GN agrees with the recommendation to make better resources and information material available prior to a local plebiscite vote. Finance and Liquor Management will continue working with Elections Nunavut to improve the information that is available in communities that are holding plebiscites.
- The GN agrees that sufficient time should be given for community engagement and discussion prior to a plebiscite. However, this requirement needs to be balanced with community decisions on the timing of plebiscites.

## 6. Alcohol bans:

Key Recommendation
<p><b>The Task Force recommends that under the new <i>Liquor Act</i>:</b></p> <p>a) Communities be allowed to institute special 48 hour prohibition bans.</p>

pp. 127-128

## GN Response

- There are challenges involved in including a provision that will allow communities to institute 48 hour liquor bans. Any liquor that would enter a community during that time period would be en route already and the airlines cannot be compelled to hold legal orders. Any periodic, short term ban on liquor sales fuels bootlegging and is not a preferred method of alcohol control.

## 7. Support Alcohol Education Committees:

### Key Recommendations

#### **The Task Force recommends that under a new *Liquor Act*:**

- a) An AEC should be established in each community, with an appropriate mandate and uniform regulations;
- b) The responsibility for approving individual liquor orders be removed from the AECs to make it less onerous for AEC members;
- c) Alcohol Education Committees be given adequate resources and support through a secretariat;
- d) AEC membership be extended to include ex-officio members;
- e) Elected AEC members should be recognized for their commitment and be offered an honorarium; and,
- f) There should be no changes to the election process for AEC members, or changes to terms of office for AEC members.

pp. 131-133

### **GN Response**

- The GN understands that the Task Force is recommending a future role with AECs. However, that role is outside of what was imagined for them: AECs should be disbanded altogether in favour of other control systems, and responsible GN departments should carry out alcohol education initiatives.
- Each existing AEC was formed after a plebiscite was held in the community choosing a restricted system with an AEC where the AEC would approve liquor purchases by people in the community. The primary role of AECs is one of alcohol control: applications are made to the committees for approval to import or purchase liquor, and the committee reviews each application and either approves, denies or varies each one. Each AEC has its own procedures and criteria to determine whether or not an application will be approved. The GN understands that this is a difficult role for community members to take. Given the recommendation that AECs no longer have responsibility for the control function, it would be most appropriate to disband AECs in favour of a restricted quantities system.
- The GN is responsible for alcohol education. The Department of Education supports the creation of new K-12 curriculum for education of youth in addition to the health curriculum currently in use in our schools. The Department of Health and Social Services is responsible for education on the health-impacts of liquor use and has undertaken active campaigns

regarding Fetal Alcohol Spectrum Disorder (FASD) and its causes. The Department of Finance, through the Nunavut Liquor Commission is responsible for Responsible Drinking Campaigns that provide education on responsible use and the hazards of irresponsible use.

- The GN agrees that the Liquor Commission is well situated in a monopoly to undertake alcohol control over individual purchases. Transition systems will be investigated that will allow communities that are restricted with an AEC to move to a restricted quantities system. Many AECs currently restrict the quantities that are approved in each order: in those cases it will be easy to establish the restriction quantity for the transition.

### 8. Alcohol Education:

Key Recommendations
<p><b>The Task Force recommends that:</b></p> <ul style="list-style-type: none"><li>• A new and well-resourced Social Responsibility Function should be incorporated into the mandate of the proposed Nunavut Liquor Corporation.</li></ul> <p><b>Supplementary Recommendations:</b></p> <ul style="list-style-type: none"><li>• The GN should provide support to communities to establish grass root initiatives for alcohol education and prevention programs targeted at vulnerable populations through the proposed Nunavut Liquor Corporation, and health and education agencies.</li></ul>

pp. 135-136

### GN Response

- The GN agrees that a more robust Social Responsibility Function can be developed and incorporated into the new Nunavut liquor regime as part of the Nunavut Liquor Commission. There are several possible ways of creating revenue, including a per bottle markup, for related initiatives and the Commission will investigate its options.
- The GN will share its responsible use campaign materials with communities in order to support grass root initiatives.

## 9. Protecting the vulnerable:

Key Recommendations
<p><b>The Task Force recommends that the new <i>Liquor Act</i> should:</b></p> <ul style="list-style-type: none"><li>a) Maintain the legal drinking age at 19;</li><li>b) Strengthen interdiction outcomes; and,</li><li>c) Place health warning labels on all alcohol containers sold in Nunavut.</li></ul> <p><b>Supplementary Recommendations:</b></p> <ul style="list-style-type: none"><li>d) Mandatory reporting requirements for signs of alcohol abuse in the home and alcohol abuse by underage students should be strengthened; and,</li><li>e) Interagency protocols for reporting alcohol abuse should be established where appropriate.</li></ul>

pp. 138-139

### GN Response

- The GN agrees that the legal drinking age should remain 19.
- The GN will investigate options for interdiction lists in the territory. It is reasonable that where a person is on a community interdiction list, they will not be able to purchase liquor from the Nunavut Liquor Commission.
- The GN supports the recommendation to have health warning labels on all alcohol sold in Nunavut. These labels could also be used to identify product from the Nunavut Liquor Commission.
- The GN is governed by the *Access to Information and Protection of Privacy Act*, the GN will continue to share information where appropriate or required by law.

## 10. Develop and deliver effective treatment programs:

### Key Recommendations

#### Supplementary Recommendations:

- a) Make available sufficient effective prevention, treatment, and support programs at the community and regional levels;
- b) Provide assistance for private sector and non-profit employers to establish Employee Assistance Programs to address alcohol issues in the workplace; and,
- c) Address confidentiality issues in order to allow elders, and family members to assist in addiction treatments.

pp. 141-142

#### GN Response

- The GN supports the recommendation to make local prevention and treatment options available. The Department of Health and Social Services is piloting a mobile addictions treatment project to evaluate the feasibility of in-Territory residential addictions treatment.
- Employee Assistance Programs provided by private sector and non-profit organizations are an important part of community wellness and are the responsibility of each individual organization. The GN's current employee assistance program is extended to immediate family members and provides coverage for employees and their families. Urgent immediate and emergency assistance will continue to be provided by regional and community health centres.
- The GN is governed by the *Access to Information and Protection of Privacy Act*. Persons in treatment can volunteer to disclose information to family or select elders as a part of their treatment plan.

## 11. Influence consumer behavior:

### Key Recommendations

**The Task Force recommends that the new *Liquor Act* should:**

- a) Clarify the circumstances under which parents can supply alcohol to youths;
- b) Make it mandatory for licensees and liquor stores to require proof of age;
- c) Make server training mandatory for all individuals working in licensed establishments and at functions held under Special Occasion Permits;
- d) Reduce the number of classes of licences;
- e) Clarify the conditions for the issuance and use of Special Occasion Permits;
- f) Specify hours of operations for licensed establishments and clarify the Policy for Tolerance;
- g) Increase licence application and renewal fees to offset the GN's administrative and program costs;
- h) Significantly increase fines and penalties for violations of *Liquor Act*; and,
- i) Standardize the size of a single measure of alcohol.

pp. 145-151

### GN Response

- The GN supports the recommendation that circumstances in which parents supply alcohol to youth be clarified.
- The GN fully supports the recommendation to make it mandatory for all liquor stores to require proof of age.
- The GN currently offers server training to licenced establishments and to applicants for Special Occasion Permits. While this training is not mandatory, the majority of servers in the territory have taken the training.
- The recommendation to reduce the number of classes of licenses is also supported by the GN. Any changes to the number of licenses will be developed in partnership with the Liquor Licensing Board.
- The GN supports decisions made by the Liquor Licensing Board with regards to Special Occasion Permits and licensing.
- The GN supports decisions and rulings made by the Liquor Licensing Board and believes the Board is best situated to determine appropriate hours of operation.

- The GN will review License Fees across Canadian jurisdictions and investigate the appropriateness of a fee increase.
- The GN will also review the cost of fines and penalties for breaches of the *Nunavut Liquor Act*.
- The GN believes that operational decisions such as standardizing the size of a single measure of alcohol are best left out of legislation and better belong in regulation.

## 12. Improve the alcohol control and supply system:

### Key Recommendation

#### The Task Force recommends that:

- a) A Crown Corporation, to be called the Nunavut Liquor Corporation, be established amalgamating the Nunavut Liquor Licensing Board, the Nunavut Liquor Commission, and the Liquor Enforcement Division.

pp. 153-154

### GN Response

- In the long-term the GN agrees with the benefits of creating a territorial corporation. However, as the GN intends to implement changes to the liquor regime in a phased approach, the entities involved with the licensing, control and distribution of alcohol in the territory at the present will continue serving their functions as our territory matures and implements changes to our current liquor regime.