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Building *Nunavut* Together
Nunavut liuqatigiingniq
Bâtir le *Nunavut* ensemble

Iqaluit NULC Store Pilot Project Evaluation Report



Government of Nunavut
Department of Finance

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Introduction

The Nunavut Liquor and Cannabis Commission (NULC)'s Iqaluit store (commonly known as the Beer and Wine Store) opened in September 2017. The store only sells low-alcohol content beverages - beer, wine, cider, coolers, and vermouth. Individuals can purchase a maximum daily quantity of 24 beer/coolers/cider or four bottles of wine, or a combination that trades off six beer for a bottle of wine.

Prior to opening the NULC store, there had not been a physical store for purchasing alcohol in Iqaluit for many decades. Options for obtaining alcohol consisted of ordering from the NULC warehouse in Rankin Inlet (with several days wait and air freight costs), purchasing alcohol from southern Canada using an import permit system (also with several days wait and air freight costs), or purchasing from local bootleggers (immediate but expensive and illegal). All these options were expensive and encouraged people to focus on drinking hard liquor (spirits) with high alcohol content to get more 'bang for the buck'.

Recognizing that restricted access to alcohol did not eliminate its use and instead encouraged harmful behaviors like binge drinking, the Government of Nunavut (GN) decided to try a harm reduction approach and open a physical store that would allow access to limited quantities of lower alcohol content drinks, at lower prices.

The decision to open the store was controversial. A public meeting to discuss the potential of opening a store was dominated by elders with bad experiences related to alcohol and was not supportive of opening a store. However, both the follow up on-line survey and subsequent community referendum were overwhelmingly in favour of opening a store. Reflecting that controversy, Nunavut's politicians were also divided on the potential impacts of liberalizing access to alcohol in Iqaluit.

Given that context, then Minister Keith Peterson with the support of his Ministerial colleagues, made the decision to go ahead with opening a 'beer and wine store' in Iqaluit, but to make it a three-year pilot project. In this way, any potential impacts of the store could be closely monitored and would inform the decision on whether to keep the store open over the longer term.

Since the opening of the Iqaluit store, the NULC and the GN have worked with partners to monitor the store's impacts. To avoid observer bias as much as possible, the report focuses on data rather than anecdotal reports. And while it has not always been possible to identify causal relationships, this report, to the best of our abilities, presents the information gathered regarding impacts that the Iqaluit NULC Store has had on the community.

Taking Steps to Reduce Alcohol-Related Harm in Nunavut

The GN recognizes that alcohol is a major issue in the territory and is committed to helping reduce alcohol related harm in Nunavut and to fostering a culture of responsible alcohol consumption.

In 2010, then Minister Peterson convened a task force to review Nunavut's *Liquor Act* and Nunavut's overall approach to liquor. Over the next two years, the Minister's Liquor Act Review Task Force consulted extensively with all 25 communities. A final report called "Halting the Harm" acknowledged that alcohol is present and a concern in all Nunavut communities. Several recommendations aimed at reducing alcohol-related harm were made.

Key recommendations of the report focussed on targeting bootlegging, strengthening community empowerment, changing the drinking culture, and improving the alcohol control and supply system.

The recommendations included liberalizing access to beer and wine to reduce the harm caused by binge drinking hard liquor. The report also recommended that government, where appropriate and approved by the community, open a government-run beer and wine outlet to disrupt bootlegging. Opening the NULC's Iqaluit store is in part a response to those recommendations.

The Task Force's report also contained many other recommendations focused on prevention and harm reduction. Over the last decade, the GN has implemented many of the report's recommendations and continues to work towards others. Some examples include: the Let's Be Aware/Ujjiqsuqta public awareness campaign (funded with NULC profits); the *Unlawful Property Forfeiture Act* (aimed at bootleggers and others who profit from crime); strengthening the *Motor Vehicles Act* in relation to drunk driving; providing more support to Alcohol Education Committees in restricted communities, strengthening mental health and addictions support in communities; and working with the federal government towards developing a physical addictions and trauma treatment centre in the territory.

For more details on the GN's plans to reduce alcohol related harms in the territory, see <https://www.gov.nu.ca/finance/information/taking-steps-reduce-alcohol-related-harm-nunavut>.

Community Impacts

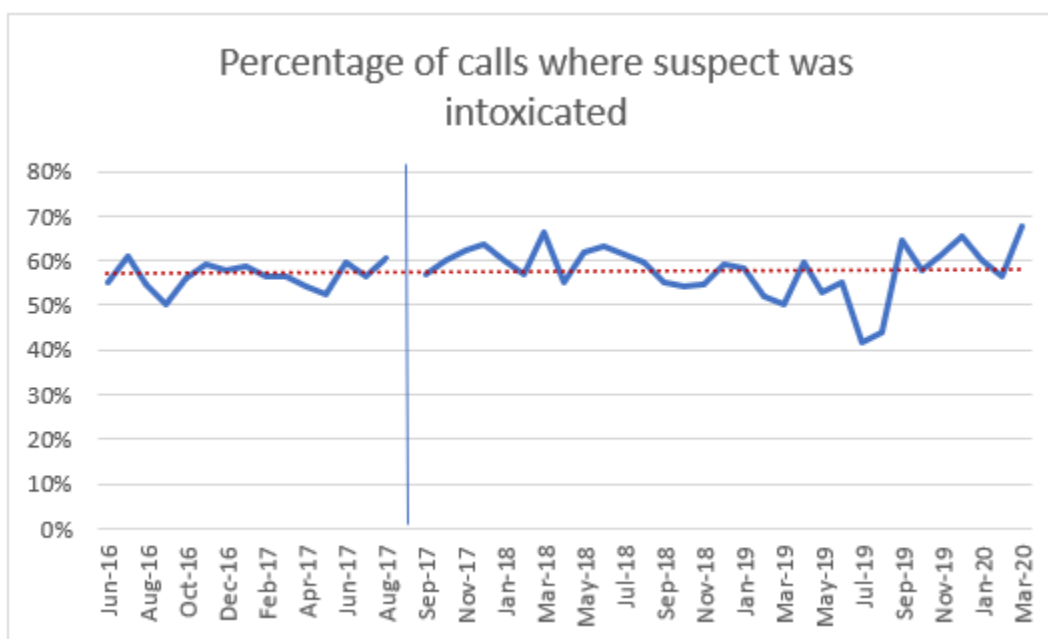
Prior to the store opening, some individuals expressed concerns about the negative impacts that liberalizing access to alcohol could have on their community. The most common concerns that people raised were an increase in crime, family violence, and health impacts.

Throughout the project, the GN and the NULC have worked to monitor impacts on the community that have resulted from the opening of the store. Data and information to monitor impacts was collected through a temporary working group made up of the RCMP, the City of Iqaluit, Nunavut Housing Corporation, the Iqaluit Housing Authority, and the GN Departments of Finance, Justice, Family Services, Health, and Education. Though not always possible, working group members were asked to track baseline data prior to the store opening, and then continue tracking over the course of the pilot program to provide a clear comparison. The NULC also contacted various community stakeholders for input and hosted territory-wide surveys for the general public.

This section is intended to objectively present the information provided by stakeholders and the general public. Any changes, good or bad, are not necessarily linked to the operations of the store. The information presented needs to be viewed in context of all changes in Iqaluit over this period.

Crime/RCMP Calls

A major concern in the public when the NULC opened this store was that there would be an increase in alcohol-fueled criminal activity. The RCMP tracks the frequency of calls that they receive in Iqaluit which involve alcohol. They reported to the NULC that there has been a marginal rise in alcohol-related police files since 2017, but that the increase does not reflect a significant change. The monthly average percentage of calls where either the complainant or the suspect (or both) is intoxicated has increased from 67% before the store to 72%. However, the total percentage of calls where the suspect is intoxicated has remained relatively stable since before the store opened, increasing slightly from 57% to 59% on average. The RCMP has also reported that there has been no change in the rates of intoxicated youth since the store opened.



Family Violence

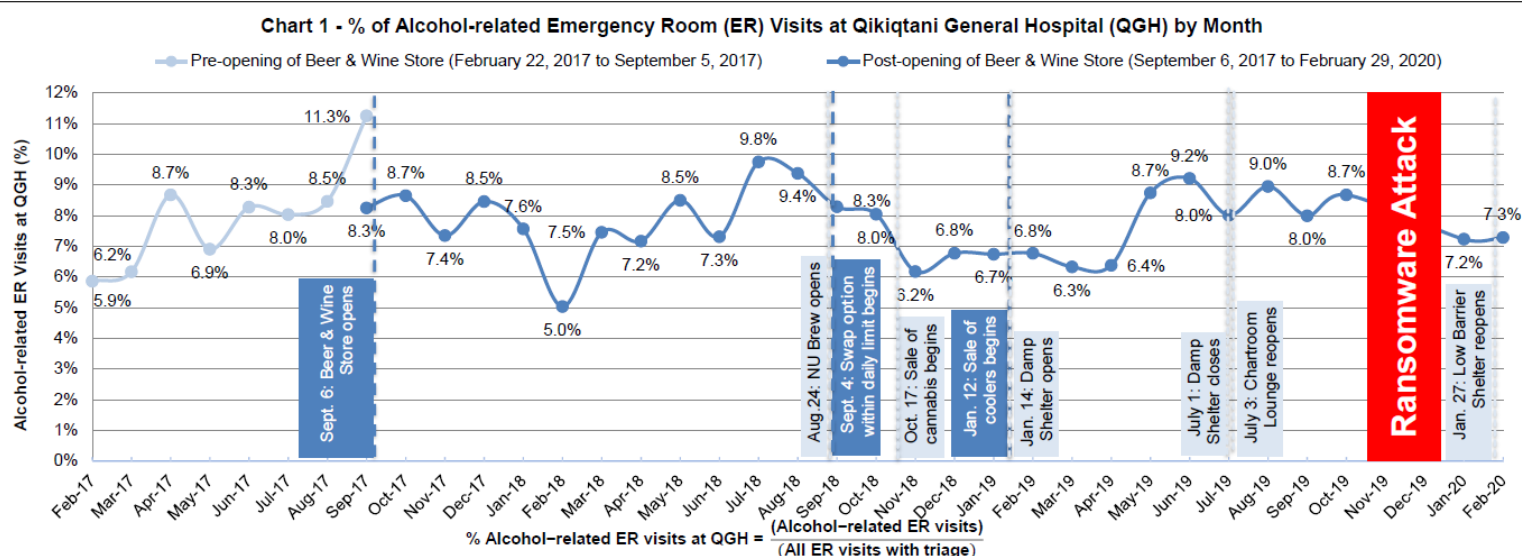
The GN's Department of Justice has confirmed that there has been no increase in incidents under the *Family Abuse Intervention Act* attributable to the opening of the store. In the years following the opening of the NULC Store, applications for emergency protection orders in Iqaluit were lower than they were prior to the opening.

Data collected by the GN's Department of Family Services after the opening of the store indicated that there was no significant change in the percentage of family violence screens that involved alcohol compared to before the store had opened.

Responses from the Agvik Women's shelter indicate a connection between alcohol consumption in general and some abusers, but no particular link to the NULC store.

Emergency Room Visits

Another public concern with more convenient access to alcohol was that the hospital would see an increase in the amount of people who would seek emergency medical help. The Department of Health tracks the number of emergency room visits at the Qikiqtani General Hospital (QGH) where alcohol is a contributing factor. While visits go up and down monthly, their data shows no significant change in the percentage of visits involving alcohol since the store has opened. The staff at QGH have also noted that the changes to daily limits in Fall 2018 and the introduction of coolers and cider in early 2019 did not impact the number of visits to the emergency room.



Youth

The City of Iqaluit's recreation staff have front-line contact with Iqaluit youth through their programs and through the Makkuttukkuvik Youth Centre. The staff reported that they have seen no noticeable impacts resulting from the opening of the store. While they do see alcohol in their facilities, it is generally hard alcohol (spirits) which is not sold through the store. It is their belief that most of the alcohol they confiscate from youth was sourced from bootleggers.

Inuksuk High School staff noted that alcohol use continues to be an issue for some students, but it is not clear whether there has been a change in consumption patterns since opening of the store. They echo City staff in not attributing youth consumption to legal sales from the store.

Both City staff and High School staff believe that increased in-home consumption of alcohol by family members could be an issue for some youth.

Impaired Driving

Statistics Canada reports impaired driving convictions for Nunavut as a whole and does not report by community. In 2018, the year after the NULC Store opened – the latest available data – the number of impaired driving charges in Nunavut was lower than the average for the previous four years.

Alcohol-Related Deaths

The Coroner has listed one death in Iqaluit in 2019, and no deaths in 2018, where alcohol was a factor. The only alcohol-related death in 2017 – the year the store opened – was attributed to long-term misuse of alcohol. This is consistent with the trend in prior years.

Tenant Damages

While alcohol-related tenant damage continues to be an issue for the Nunavut Housing Corporation (NHC) and the Iqaluit Housing Association (IHA), it is not clear whether there has been a change in the amount of tenant damage since the opening of the store. To date, the impacts attributable to the store's opening are unknown. The Department of Finance will continue to work with NHC and the IHA to understand their concerns.

Homelessness/Poverty

The Department of Family Services has several points of contact with Nunavut's most vulnerable individuals through their front-line staff in Income Assistance, Child and Family Services, Poverty Reduction and through their partnerships with local shelters. While there does not appear to be any significant change in the number of new referrals since the opening of the NULC store, any links between the NULC's store and Family Services' programs are anecdotal.

The Uquutaq Society operates the Men's Emergency Shelter in Iqaluit. Liquor has a large impact on Uquutaq's organization as many of their clientele struggle with addictions, including alcoholism, impacting their stability in the workplace, in the housing, and in their family situations. The Men's Emergency Shelter does not allow drugs or alcohol into the facility.

To support individuals who are intoxicated, Uquutaq opened a low-barrier shelter ('damp shelter'). Many of the clients who use this facility have purchased their alcohol at the NULC's store. Uquutaq believes that the easier access to alcohol has increased the number of individuals who are turned away from the Men's Emergency Shelter and rely on the low-barrier shelter. This has led to an increase in the number of incidents in their shelter.

Although there is no data provided prior to the store opening for comparison, the number of clients turned away from Uquutaq's Emergency Shelter has increased substantially in the past few years. In 2018, there were 90 people turned away for intoxication and in 2019, there were 254 people turned away for intoxication.

Spirits sales and imports

A key goal of liberalizing access to low-alcohol content beverages was to encourage Nunavummiut to choose these options over hard alcohol which is usually 'free poured' (not measured) and leads to higher incidents of harmful binge-drinking. A measure to determine if the store was successful in causing this shift is to compare the sales of import permits in Iqaluit before and after the store opened.

In 2017-18, the fiscal year in which the store opened, the Iqaluit permit office sold permits for 30% less spirits (by volume) than in 2016-17, a decrease of 20,000 litres. Because the store was only open for 7 months of 2017-18 (September 2017 to March 2018), comparing only the months following the store to the same period in the year before provides a more accurate representation of how significant the drop in imported spirits which resulted from the store's opening was. In the seven months after the store opened, the volume of spirits imported into Iqaluit dropped by 53% compared to the same period in previous year.

The trend of less spirits being imported continued into the 2018-19 fiscal year, the first full year after the opening of the store. The Iqaluit permit office sold import permits for 51% less spirits (by volume) compared to 2016-17, the last full year before the store opened.

Unsurprisingly, import permits for wine and beer also dropped significantly following the opening of the store. The volume of beer imported was 88% lower following the store's opening and the volume of wine imported was 77% lower. As a result, more money goes to the NULC, and ultimately the GN, rather than to southern retailers.

There are some amounts of liquor which are imported without a permit, either legally or illegally. These figures do not capture imported alcohol for which no permit was purchased.

City of Iqaluit

On May 12, 2020, the City of Iqaluit officially passed a motion to urge the Government of Nunavut to keep the store open once the three-year pilot project is finished.

City staff consulted believe that most alcohol-related problems in Iqaluit stem from hard liquor (spirits) and illegal bootlegging. The City mayor believes that closing the store “would make people revert back to bootlegging which would have terrible implications for all of Iqaluit and Nunavut as a whole”.

Anecdotally, staff note that there seems to be an increase in the incidents of public drinking, but individuals are not as intoxicated in public. In discussions with the NULC, the City has pointed out that there are more beer cans on the ground since the opening of the store.

The City would like to see better promotion of the NULC’s can recycling program to help address the increased amount of beer cans littered around the City, and a mental health facility in Iqaluit to help address some of the wider issues related to alcohol.

Public Opinion

Public opinion has been measured a number of times relating to the NULC store, beginning with an on-line survey about potentially opening the store, followed by a non-binding plebiscite in 2015. The NULC also undertook two public opinion surveys, one midway through the pilot project in the Fall of 2018 and most recently in March of 2020.

The initial plebiscite on whether to open the store resulted in a 77% “yes” vote. In the 2020 survey, roughly the same percentage (75% of total responses, or 77% when “no opinion” responses were removed) support keeping the store open past the three-year pilot-project.

March 2020 Survey results

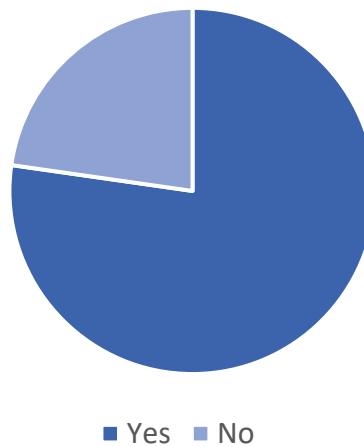
The NULC launched a survey in February 2020 to measure the public’s opinion of the Iqaluit NULC Store. Specifically, the survey asked the public’s opinion about the store’s operations and about perceived impacts that the store has on themselves and on their community. The survey was available in all official languages and could be completed online or in hard copy.

Although the NULC received over 800 responses to the survey, there may be some self-selection bias. Those who wanted to provide their opinion did, and those who did not want to provide their opinion did not. To be a truly statistically significant survey, a random sample of people would need to be surveyed. Instead, the NULC decided to allow everyone the opportunity to provide input if they wanted to.

The highlights of the approximately 800 surveys that we received is presented below. Full results are attached to this report as an appendix.

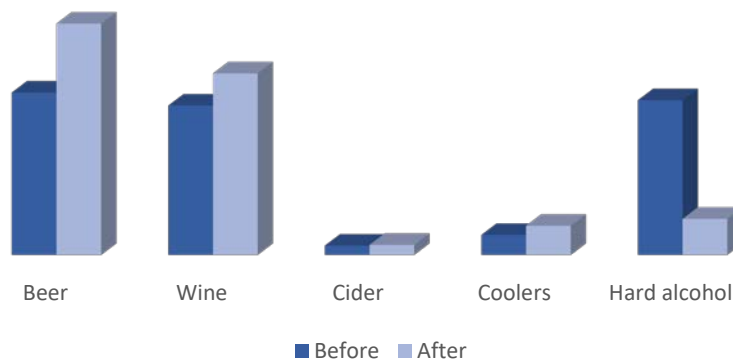
March 2020 Survey highlights

Do you want the store to remain open?



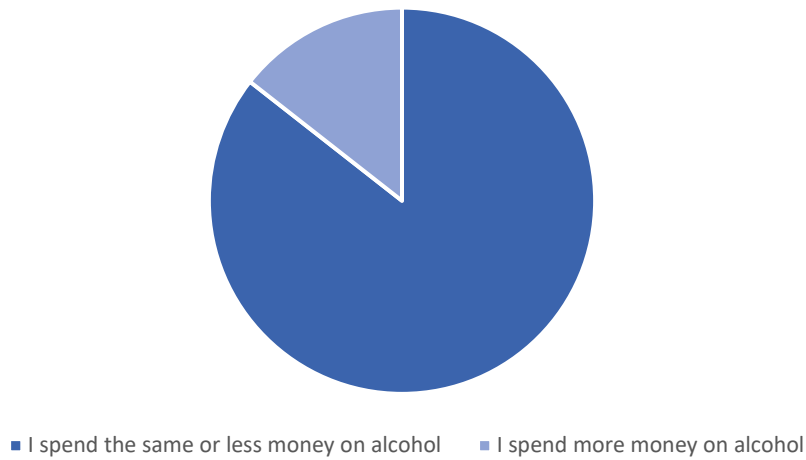
75% of respondents want the Iqaluit store to remain open after the end of the three-year pilot project.

Most frequently consumed alcoholic beverage
before the store opened vs. now



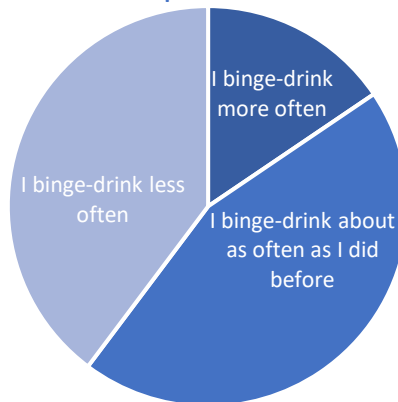
One of the goals of opening the store was to shift consumption patterns away from spirits (hard alcohol) toward lower-alcohol beverages like wine, beer, coolers and cider. The survey results indicate that the number of people who chose hard alcohol most frequently before the store opened has dropped dramatically (from 31% to 7%).

Spending habits on alcohol compared to before the store opened



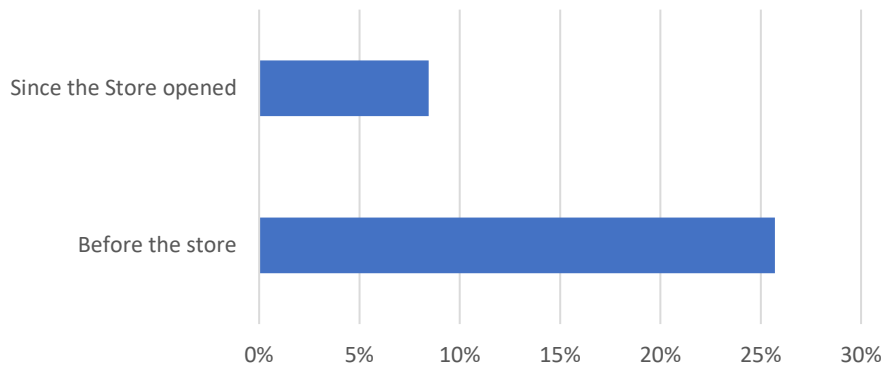
In consultations before the store opened, there were some public concerns that opening a store would cause some people to spend more money on alcohol than they did before the store opened. The respondents in our survey have reported that the majority (68%) spend the same or less on alcohol than they did before the store opened.

Binge-drinking habits compared to before the store opened



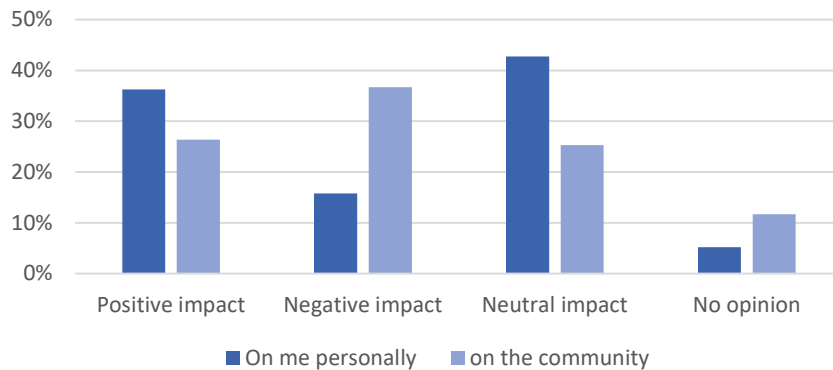
Following the Canadian Centre on Substance Use and Addictions' advice, the NULC has adopted Canada's low-risk alcohol drinking guidelines. The guidelines provide information about what constitutes a standard drink and safer consumption habits. To measure, we asked respondents who binge drink, how often they binge drink now, compared to before the store opened. Only 15% of survey respondents stated that they binge drink more often now than they did before the store opened. 79% stated they binge drink the same or less since the store opened.

% of people who say they have purchased alcohol from a bootlegger



A part of the logic presented by the *Liquor Act* Review Task Force when they recommended opening a low-alcohol content store was to combat the illicit market and disrupt bootlegging by providing a safer, controlled, and more convenient outlet for people to purchase alcohol. The survey results show that the store is helping to accomplish these goals. 26% said they purchased from a bootlegger before the store opened. Only 8% say they have purchased from a bootlegger since the store opened. 1% said they buy from a bootlegger more often now than they did before the store opened.

Perceived impacts of the NULC store



We asked people about their perceived impacts of the store on both themselves and on their community. There are more people who feel the store affects them in a positive way than there are who feel the store affects them in a negative way. However, when asked about the impacts on the community, the perceptions were reversed. About 37% of respondents believe the store impacts the community in a negative way. Still, just over half (51%) felt the store is a neutral or positive addition to the community.

Inuit Respondents

To determine whether perceptions of the store were different between Inuit respondents and non-Inuit respondents, we isolated responses from those who identified as Nunavut Inuit for the three most important perception questions in the survey:

- Do you want the Iqaluit store to remain open?
- Do you think the opening of the store has had a positive, negative, or neutral impact on you personally?
- Do you think the opening of the store has had a positive, negative, or neutral impact on your community?

The responses from Inuit respondents were quite similar to the responses of the survey as a whole. Of the responses from Inuit only, 71% want the store to remain open, 75% believe the store has a positive or neutral impact on them personally, and 52% believe the store has had a positive or neutral impact on their community.

About the NULC Store

The NULC handles about 200,000 separate transactions a year, most of which occur at the storefront in Iqaluit. Through the store, the NULC sold 1.2 million litres of low-alcohol content alcohol in 2019-20, most of which was beer (1.03 million litres). These sales accounted for about \$11.6 million in revenue, not including non-liquor items that the store sells like bags, beer carriers, and import permits. Because the NULC's business lines are all integrated and share many resources and expenses, it is difficult to easily separate the store's contribution to the NULC's bottom line. However, a close estimate is that the Iqaluit store adds about \$3 million in profits to the Commission annually.

The NULC spends about \$500,000 annually funding the Let's Be Aware/Ujjiqsuqta campaign educating people on the socially responsible use of alcohol and cannabis. Year-end profits are given to the GN and used to support government priorities and operations. Last year, the NULC transferred \$4.3 million in profits to the GN.

As a result of opening the store, the NULC employs an additional nine employees than before the store opened – seven in the store, and two in supporting or administrative roles. All seven employees who operate the store are Nunavut Inuit.

The staff at the store recognize the potential harms associated with alcohol and are committed to responsible service. The staff are empowered (and required) to refuse service to individuals who appear intoxicated. The NULC takes this responsibility seriously and has heard many compliments about the staff's polite but firm approach when turning individuals away. Further, staff may also refuse service to individuals who become agitated or otherwise harass store staff or other customers.

The NULC store provides an opportunity for the NULC to interact face-to-face with our customers in a way that our remote sales do not. We regularly use this opportunity to distribute educational material about the responsible use of alcohol.

Next Steps

Using the information provided, the Minister of Finance (who is also the Minister responsible for the NULC) will, in discussion with his colleagues, make the decision whether or not to allow the NULC to continue to operate its Iqaluit store.

Notwithstanding that decision, the GN will continue to implement a prevention and harm reduction approach to alcohol consumption in the territory.

The Department of Finance is undertaking a detailed review of the *Liquor Act* with the intention of revising it in line with the harm reduction approach recommended by the Nunavut *Liquor Act* Review Task Force in their Halting the Harm report.

Appendix A: 2020 NULC Store Survey Results

	Received			Consent Provided			Usable Surveys *		
	Online	Hard Copy	Total	Online	Hard Copy	Total	Online	Hard Copy	Total
English	809	7	816	801	6	807	743	6	749
French	11	0	11	11	0	11	9	0	9
Inuktitut	4	1	5	2	1	3	1	1	2
Inuinnaqtun	0	0	0	0	0	0	0	0	0
	824	8	832	814	7	821	753	7	760

*Results are pulled from surveys where consent is provided and the respondent did not indicate that they have already filled out the survey.

Have you ever purchased alcohol at the Iqaluit Store?

	Responses	%
Yes	653	86%
No	90	12%
No Opinion	15	2%
	758	100%

The store is open Tuesday to Saturday from noon to 7:00pm. How satisfied are you with these opening hours?

	Responses	%
Very satisfied	225	30%
Somewhat satisfied	186	25%
Neutral	168	22%
Somewhat unsatisfied	83	11%
Very unsatisfied	42	6%
No opinion	55	7%
	759	100%

How satisfied are you with customer service at the store?

	Responses	%
Very satisfied	447	59%
Somewhat satisfied	135	18%
Neutral	67	9%
Somewhat unsatisfied	19	3%
Very unsatisfied	18	2%
No opinion	71	9%
	757	100%

The GN limits the amounts of product a customer can purchase from the store each day. Do you agree with keeping these limits?

	Responses	%
Yes, keep the limits as they are	335	45%
No, the limits should be removed	115	16%
The limits should be increased	97	13%
The limits should be decreased	152	21%
No opinion	39	5%
	738	100%

What kind of alcoholic beverage did you drink most frequently before the store opened?

What kind of alcoholic beverage do you drink most frequently now (since the store opened)?

	Before	%	After	%
Beer	211	33%	301	47%
Wine	194	30%	236	37%
Cider	12	2%	13	2%
Coolers	26	4%	38	6%
Hard alcohol	201	31%	47	7%
	644	100%	635	100%

Do you spend more, less, or about the same amount of money per week on alcoholic beverages since the store opened?

Spending on alcohol:	Responses	%
I spend more money	102	13%
I spend less money	244	32%
I spend about the same amount of money	271	36%
I do not spend any money	90	12%
No opinion/Don't know/Prefer not to disclose	50	7%
	757	100%

Do you ever binge-drink?

	Responses	%
Yes	171	23%
No	545	72%
No opinion / Prefer not to disclose	42	6%
	758	100%

If you answered "Yes" to question 10: do you binge-drink more often, about as often as you did before, or less often since the store opened? If you answered "No" or "No opinion/Don't know/Prefer not to disclose" to question 10, please do not answer this question.

	Responses	%
I binge-drink more often	25	15%
I binge-drink about as often as I did before	72	42%
I binge-drink less often	64	37%
No opinion/ Prefer not to disclose	10	6%
	171	100%

Did you ever buy alcohol from a bootlegger?

	Before the store		Since the store opened	
	Responses	%	Responses	%
Yes	193	26%	64	8%
No	526	70%	657	87%
No opinion / Prefer not to disclose	32	4%	36	5%
	751	100%	757	100%

Do you buy alcoholic beverages from bootleggers more often, about as often as you did before, or less often since the store opened?

	Responses	%
I buy from bootleggers more often	7	1%
I buy from bootleggers about as often as I did before	14	2%
I buy alcoholic beverages from bootleggers less often	125	17%
I have never bought alcoholic beverages from bootleggers	495	67%
No opinion/Don't know/Prefer not to disclose	102	14%
	743	100%

Overall, do you think the opening of the store has had a positive, negative, or neutral impact on you personally?

	Responses	%
The store has had a positive impact on me	273	36%
The store has had a negative impact on me	119	16%
The store has had a neutral impact on me	322	43%
No opinion/Don't know/Prefer not to disclose	39	5%
	753	100%

Overall, do you think the opening of the store has had a positive, negative, or neutral impact on your community?

	Responses	%
The store has had a positive impact on my community	199	26%
The store has had a negative impact on my community	277	37%
The store has had a neutral impact on my community	191	25%
No opinion/Don't know/Prefer not to disclose	88	12%
	755	100%

The NULC opened the Iqaluit Store in September 2017 as a three-year pilot project. Do you want the Iqaluit store to remain open after the end of the three-year period?

	Responses	%
Yes	564	75%
No	166	22%
No opinion/Don't know/Prefer not to disclose	24	3%
	754	100%

Demographics

What community do you live in?

	Responses	%
Iqaluit	662	88%
Arctic Bay	7	1%
Arviat	5	1%
Cambridge Bay	6	1%
Cape Dorset	6	1%
Chesterfield Inlet	2	0%
Clyde River	1	0%
Gjoa Haven	1	0%
Hall Beach	3	0%
Igloolik	7	1%
Kimmirut	2	0%
Kugluktuk	3	0%
Pangnirtung	5	1%
Pond Inlet	10	1%
Qikiqtarjuaq	1	0%
Rankin Inlet	19	3%
Resolute Bay	2	0%
Taloyoak	1	0%
Whale Cove	1	0%
I do not live in Nunavut	5	1%
Prefer not to disclose	7	1%
	756	100%

Are you Nunavut Inuit?

	Responses	%
Yes	271	36%
No	437	59%
Prefer not to disclose	38	5%
	746	100%

What is your age?

	Responses	%
Under 16	0	0%
16-18	7	1%
19-24	60	8%
25-34	212	28%
35-44	207	27%
45-54	142	19%
55-64	89	12%
65 or older	28	4%
Prefer not to disclose	10	1%
	755	1

What is your gender?

	Responses	%
Male	337	46%
Female	382	52%
Other	2	0%
Prefer not to disclose	19	3%
	740	100%

What is your individual annual income?

	Responses	%
Less than \$10,000	13	2%
\$10,000-\$29,999	24	3%
\$30,000-\$49,999	25	3%
\$50,000-\$69,999	54	7%
\$70,000-\$90,000	132	18%
More than \$90,000	375	50%
Prefer not to disclose	125	17%
	748	100%