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Nunavut Liquor Licensing Board  
Nunavunmi Taan'ngaliqinirmut Laisaliqiyit Katimayiit  
Commission des licences d'alcool du Nunavut

# **ANNUAL REPORT**

## **2016 – 17**



June 30, 2017

Submitted to:

THE HONOURABLE KEITH PETERSON

MINISTER OF FINANCE

MINISTER RESPONSIBLE FOR

The Nunavut Liquor Licensing Board

GOVERNMENT OF NUNAVUT

## **Annual Report of the Nunavut Liquor Licensing Board: 2016-17**

On behalf of the Nunavut Liquor Licensing Board, I am pleased to submit the Annual Report for the Nunavut Liquor Licensing Board and the audited financial statements for the Board's operations for the fiscal year ended March 31, 2017.

This report is submitted pursuant to section 9(1) of the Nunavut *Liquor Act*.

JOHN MAURICE, Chairperson

Nunavut Liquor Licensing Board

## **MISSION STATEMENT**

The Mission of the Nunavut Liquor Licensing Board is to foster an environment that guides and regulates the legal and responsible use of alcohol in Nunavut.

## **Duties and Powers of the Nunavut Liquor Licensing Board**

1. All Board decisions must be made and business conducted in a manner consistent with the Nunavut *Liquor Act* and Regulations, other applicable legislation, and the policies of the Board.
2. The Minister is authorized to set out guidelines not inconsistent with the Act, and the Board must act in accordance with those guidelines.
3. The Board shall control:
  - a. the conduct of licence holders;
  - b. the management and equipment of licensed premises;
  - c. the conditions under which liquor may be sold or consumed on licensed premises.
4. The Board may:
  - a. issue, renew and transfer licences;
  - b. after a hearing, cancel or suspend licences;
  - c. generally advise the Minister on all matters of policy, legislation and administration relating to the sale, distribution and consumption of liquor;
  - d. make rules or orders governing its proceedings.

Authority: *Liquor Act*, s.6

## **Members of the Nunavut Liquor Licensing Board: 2016 -17**

Members of the Board are appointed for a two year term.

John Maurice, Chairperson, Iqaluit,

Appointed: September 2011

Reappointed: September 2013

Appointed Chairperson, October 5, 2015

Leesa Sowdluapik, Member, Pond Inlet,

Appointed: December 2007

Reappointed: November 2009

Reappointed: September 2011

Reappointed: September 2013

Reappointed: October 5, 2015

Esau Tatatoapik, Member, Arctic Bay

Appointed: October 2, 2015

Robert Jancke. Member, Cambridge Bay

Appointed: May 18, 2016

Terry Dobbin, Member, Iqaluit

Appointed: May 18, 2016

The two new Board members appointed in this fiscal year were sworn in at the Board's June 2016 meeting.

## **ANNUAL REPORT 2016-2017**

The Nunavut Liquor Licensing Board (NLLB) is a public regulatory body established under the Nunavut *Liquor Act*. The Board's mission, duties and powers are outlined earlier in this report and are set out in Section 6 of the *Liquor Act*. The Board is responsible for the control of the conduct of licence holders, the management and equipment of licensed premises, and the conditions under which liquor may be sold or consumed in licensed premises. In order to carry out these responsibilities, the Act provides the Board with the power to issue, renew and transfer licences, and to hold show cause hearings that might lead to suspension or cancellation of a licence.

The Board reports to the Minister Responsible for the Nunavut Liquor Licensing Board (Finance Minister Keith Peterson) and provides advice to the Minister on all matters of policy, legislation and administration relating to the sale, distribution and consumption of alcohol.

The Board's mission is 'to foster an environment that guides and regulates the legal and responsible use of alcohol' in Nunavut. The Board takes the position that licence holders share the responsibility for this mission, and endeavours to maintain a positive relationship with the businesses and organizations to which it grants licences.

The Board normally holds four regular meetings each fiscal year in order to handle the business, requests, applications and issues that come before it. One meeting is scheduled in March each year to approve licence renewals for the following fiscal year, which is also the licensing year. During 2016 - 17, meetings were held in June and September 2016, and January and March 2017.

Ongoing business such as requests for changes in hours of operations, approval to purchase types of alcohol not stocked by the Government's liquor warehouses, and the approval of special occasion permits are handled by email on a regular basis. The Board also worked on developing a more consistent, transparent and expeditious overall approach to applications for special occasion permits.

The Nunavut Liquor Licensing Board conducted one public hearing in 2016-17 for a Dining Room Licence for The Snack in Iqaluit. At this hearing held by the Board, attendance was very limited. All proceedings were in English and no one made use of the translation/interpretation facilities that were provided. There were no objections stated by any member of the public during this public hearing, and several people spoke in favour of the application.

### **Development of Nunavut Liquor Licensing Board Website**

With the transfer of the Board to the Department of Finance, a completely new website is being developed.

### **Show Cause Hearings**

Periodically, the Board deals with complaints brought to it by Liquor Enforcement through the Department of Justice when infractions of the *Liquor Act* or *Liquor Regulations* by licence holders have been reported. In these cases, pursuant to its obligation under section 6(2)(a) of the

*Liquor Act* which directs the Board to control the conduct of licence holders, the Board requires the licence holder to appear and show cause as to why their licence should not be suspended, cancelled or have conditions and/or fines imposed on it pursuant to sections 35 to 37 of the Nunavut *Liquor Act*.

Over the last several years, the number of violations by licence holders that have been brought before the Board has declined significantly. During fiscal year 2016 -17, however, the Board did have to schedule hearings for violations of the *Liquor Act* or *Liquor Regulations* by four of its licence holders. Those show cause hearings resulted in decisions in which the licence holders were fined with either a monetary penalty or a suspension of operation over several days, or both.

### **The Association of Liquor Licensing Authorities of Canada**

The Association of Liquor Licensing Authorities of Canada (ALAC) is a national association of liquor licensing jurisdictions with representation from each province and territory. The Association meets twice a year and the Chair of the Nunavut Liquor Licensing Board represents Nunavut as the voting delegate on decisions made by the Association. Topics at these meetings include enforcement of the coming decriminalization of marijuana (cannabis), liquor laws and regulations, inspector training and safety, and social responsibility initiatives.

In 2016-2017, the Chairperson, John Maurice, attended the Summer and Winter ALAC Meetings. The major topics at these meetings included the decriminalization of cannabis, the possible involvement of Liquor Licensing Authorities in the sale, distribution and regulation of cannabis, bootlegging, and a review of the modernization of liquor legislation and trends in marketing of liquor products that are currently underway in several provinces, territories and also across North America and the World.

### **Departmental Transition**

On March 31, 2016, the responsibility for the Nunavut Liquor Licensing Board was transferred from the Government of Nunavut Department of Justice to the Department of Finance. This transition has greatly improved the efficient operation and management of the Nunavut Liquor Licensing Board.

Respectfully submitted,



John Maurice, Chairperson,

## Nunavut Liquor Licensing Board

**Liquor Licences Approved for 2016-2017** (The year to which the report relates is the year ending March 31, 2017 and the completion of the renewals for 2017-2018 occurred in the next fiscal year.)

Under subsection 13(1) of the Nunavut *Liquor Act*, the Nunavut Liquor Licensing Board has absolute discretion in the granting of new liquor licences and in the renewal of existing licences.

Although typically licenses are renewed to March 31 each year, in March, 2016, the Board approved interim renewal of the following licences to the end of June 2016, because many applications for renewal were not complete:

Licence #001: Operating As The Granite Dining Room – DINING ROOM - Arctic Resources Ltd., Discovery Lodge Inn

Licence #003: Operating As B.P.O. Elks Lodge – CLUB- B.P.O. Elks Lodge, Branch # 570, Iqaluit

Licence #004: Operating As The Arctic Club & Wolf's Den – SPECIAL- CFS Alert

Licence #008: Operating As The Frobisher Racquet Club –PRIVATE RECREATIONAL FACILITY-Frobisher Racquet Club Ltd.

Licence #009: Operating As The High Arctic Lodge, Victoria Island –SPECIAL- High Arctic Sports Fishing Camps

Licence #011: Operating As The Chartroom Lounge – COCKTAIL- 994459 Nunavut Ltd

Licence #012: Operating As The Captain's Table Dining Room – DINING ROOM - Chan's Family Investments Inc.

Licence #017: Operating As The Frobisher Inn – GUEST ROOM- 902776 NWT Ltd. Frobisher Inn

Licence #018: Operating As The Gallery Dining Room – DINING ROOM - 902776 NWT Ltd. Frobisher Inn

Licence #019: Operating As The Storehouse Bar & Grill – COCKTAIL- 902776 NWT Ltd. Frobisher Inn

Licence #020: Operating As The Arctic Watch, Somerset Island –SPECIAL- Canadian Arctic Holidays Ltd

Licence #021: Operating As The Waters' Edge Seafood and Steakhouse –DINING ROOM - Donna & Kim Waters

Licence #022: Operating As The Waters' Edge Kickin' Caribou Lounge – COCKTAIL LOUNGE- Donna & Kim Waters

Licence #024: Operating As The Granite Dining Room Discovery Inn. –GUEST ROOM – Arctic Resources Ltd.

Licence #026: Operating As The Ikaluktutiak Elks #593- CLUB - B.P.O. Elks Lodge, Branch # 59

Licence #028: Operating As Huit Huit Tours - Cape Dorset Suites Hotel – GUEST ROOM- Kristina Alariaq

### **Licences renewed to March 31, 2017**

Licence #002: Operating As The Bathurst Inlet Lodge – SPECIAL - Bathurst Inlet Development Ltd.

Licence #014: Operating As The Royal Canadian Legion –CLUB - Royal Canadian Legion Branch # 168. Iqaluit

Licence #023: Operating As L' Association des Francophones du Nunavut – CLUB - L' Association des Francophones du Nunavut

Licence #025: Operating As The RCMP Iqaluit Mess – CANTEEN – RCMP

### **Licenses Expired**

Licence #015: Operating As The Siniktarvik Hotel –GUEST ROOM - Kissarvik COOP, Rankin Inlet expired as of March 31, 2017, as no renewal application was received by the Board.

**NUNAVUT LIQUOR LICENSING BOARD**  
**STATEMENT OF EXPENDITURES**  
MARCH 31, 2017

**NUNAVUT LIQUOR LICENSING BOARD**  
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## **Opinion**

In our opinion, the statement of expenditures of the Nunavut Liquor Licensing Board presents fairly, in all material respects the expenses connected with operating the Board in accordance with the Nunavut Liquor Act for the year ended March 31, 2017 in accordance with the basis of accounting disclosed in Note 2 to the statement of expenditures.

## **Report on Other Legal and Regulatory Requirements**

We further report, in accordance with the *Financial Administration Act*, in our opinion, proper books of account have been kept by the Nunavut Liquor Licensing Board, the statement of expenditures is in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Nunavut Liquor Licensing Board.



Iqaluit, Nunavut  
July 31, 2017

Chartered Professional Accountants

**NUNAVUT LIQUOR LICENSING BOARD**  
**STATEMENT OF EXPENDITURES**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	Budget <u>2017</u> (unaudited)	Actual <u>2017</u>	Actual <u>2016</u>
<b>EXPENDITURES</b>			
Advertising and publications	\$ 0	\$ 0	\$ 22,303
Computer hardware and software	0	1,327	0
Conferences and catering	0	5,161	403
Fees and payments	8,000	10,164	9,185
Legal counsel fees	0	6,059	0
Materials and supplies	12,000	913	2,030
Purchased services	10,000	0	0
Salaries and honoraria	70,000	21,803	21,500
Service contracts	80,000	194,202	111,362
Translation services	0	0	3,476
Travel and accommodation	<u>70,000</u>	<u>24,956</u>	<u>40,124</u>
	<u>\$ 250,000</u>	<u>\$ 264,585</u>	<u>\$ 210,383</u>

**NUNAVUT LIQUOR LICENSING BOARD**  
**NOTES TO THE STATEMENT OF EXPENDITURES**  
FOR THE YEAR ENDED MARCH 31, 2017

**1. NATURE OF THE ORGANIZATION**

The Nunavut Liquor Licensing Board operates at arm's length from the Government of Nunavut under the *Nunavut Liquor Act*. The purpose of the Board is to adjudicate over liquor licensing in Nunavut. The Board is a public agency and is exempt from income tax. The Board's continued existence is dependent upon the continuing support from the Government of Nunavut.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed by the Board are in accordance with the Financial Administration Manual of the Government of Nunavut and include the following significant accounting policies:

**(a) Use of Estimates**

The preparation of the statement of expenditures of the Board requires management to make estimates and assumptions based on information available as of the date of the statement of expenditures. Therefore, actual results could differ from those estimates.

**(b) Accrual Basis**

The statement of expenditures has been prepared on the accrual basis of accounting.

**(c) Allocation of Expenditures**

Expenditures which are wholly attributable to the Board are charged directly to the Board. In circumstances where expenditures are not wholly attributable to the Board these expenditures are allocated amongst the Board and other cost centers of the Ministry of Justice based on the Ministry's estimates of the time, effort and resources required to support these activities.