

ANNUAL REPORT

NUNAVUT LIQUOR LICENSING BOARD

2015 – 16

June 15, 2016

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: 2015 - 16

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, 2015.

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: Nunavut *Liquor Act*, s.6

Members of the Nunavut Liquor Licensing Board: 2015 -16

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

David Wilman, Former Chairperson

Appointment expired: September 10, 2015

We requested a call for members for Board appointment –this has been completed and two new Board members have been appointed and will be sworn in at our June 2016 meeting.

ANNUAL REPORT 2015-2016

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 on page 2 of this report and are set out in Section 6 of the *Liquor Act*. The Board is responsible for the control of the conduct of licensees, 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 licensees 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 2015 - 16, meetings were held in June and September 2015, and January and March 2016. 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.

Application for Brewery Permit

During 2014, the NLLB received an application for a Brewery Permit from a group expressing interest in opening and operating a brewery in Iqaluit. The *Liquor Act* deals with the establishment of breweries in some detail, and allows for them to be permitted by the Board. Under Section 16.4(1) of the Act, a very significant condition for licence approval is that the proponents must seek and have the approval of the Council of the municipality in which they propose to operate. Without this Council approval, the Board cannot approve a Brewery Permit.

The Board provided the proponents with information about the relevant legislation and the requirements set out in the Act. Anticipating that a formal application might soon be submitted and that any such application could become a highly controversial issue, the Board also decided to inform the Council of each community in Nunavut about the legislation pertaining to the establishment of breweries so that they have the information they require in order to make informed decisions, if applications should come to the Board from other communities.

Subsequently, the Board approved the Brewery Permit for the Iqaluit group wishing to establish a brewery when all requirements were met.

Development of Nunavut Liquor Licensing Board Website

While it is still under development with new information being added regularly, the Nunavut Liquor Licensing Board's new website is up and running at www.nllb.ca. The website contains a wide range of information about the Board's members, duties and responsibilities, copies of the Nunavut *Liquor Act* and Regulations, all of the Board's interpretive directive and decision papers, and all of the forms and documents individuals or businesses might need to use in making applications to the Board. Ultimately, these forms will be in fillable PDF format and also submitted electronically from the website.

The Board's website will provide links to reports, documents and news articles on alcohol related issues in Nunavut and to the Government of Nunavut's website, and will soon be linked to the Association of Canadian Liquor Licensing Authorities' website, thereby providing a link to all other licensing jurisdictions in Canada.

Show Cause Hearings

From time to time the Board deals with complaints brought to it by Liquor Enforcement through the Department of Justice when infractions of the Act or Regulations by licensees 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 licensees that have been brought before the Board has declined significantly. During fiscal year 2015 -16, the Board did have to schedule a hearing for violations of the Liquor Act or Liquor Regulations by one of its licensees. That Show Cause hearing resulted in a decision that was appealed to the Nunavut Court of Justice. That decision is still pending. The Board believes that this significant improvement is a direct result of the positive working relationship that it has fostered with licence holders over the last several years.

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 the meeting in June 2015 included enforcement of the coming decriminalization of marijuana, liquor laws and regulations, inspector training and safety, and social responsibility initiatives.

In February 2016, the Chairperson, John Maurice, attended the annual meeting of the Winter ALAC Meeting in Montreal. The major topics at this meeting were once again the coming decriminalization of marijuana, the possible involvement of Liquor Licensing Authorities in the

sale, distribution and regulation of marijuana, in the future, bootlegging, and a review of the modernization of liquor legislation that is currently underway in several provinces.

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.

Respectfully submitted,

John Maurice, Chairperson,

Nunavut Liquor Licensing Board

Liquor Licences Approved for 2015 - 16

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 #015: Operating As The Siniktarvik Hotel –GUEST ROOM - Kissarvik COOP, Rankin Inlet

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 # 593, Cambridge Bay

Licence #027: Operating As The Royal Canadian Legion – CLUB- Royal Canadian Legion Branch # 169. Rankin Inlet

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

The following licences were 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

Contact Information for Members of the Nunavut Liquor Licensing Board: 2015 -16
(at March 31, 2016)

John Maurice, Chairperson, P.O. Box 761, Iqaluit, Nunavut, X0A 0H0, telephone: 867-979-1226, email: jtmaurice@northwestel.net

Leesa Sowdluapik, Member, P.O. Box 11175, Iqaluit, Nunavut, X0A 0H0, telephone: 867-979-2572, email: lsowdluapik77@hotmail.com

Esau Tatatoapik, Member, P.O. Box 106. Arctic Bay, Nunavut, X0A 0A0, telephone: 867-439-8643, email: etatatoapik@qiniq.com,

David Wilman, Former Chairperson, P.O. Box 475, Iqaluit, Nunavut, X0A 0H0, telephone: 867-979-1578, email: dwilman@xplornet.ca

Joseph Kaviok, Former Member, P.O. Box 102, General Delivery, Arviat, Nunavut, X0C 0E0,
telephone: 867-857-4510, email: josephkaviok@gmail.com

NUNAVUT LIQUOR LICENSING BOARD
STATEMENT OF EXPENDITURES
MARCH 31, 2016

NUNAVUT LIQUOR LICENSING BOARD
INDEX
MARCH 31, 2016

	<u>Page</u>
Independent Auditors' Report	1 - 2
Statement of Expenditures	3
Notes to the Statement of Expenditures	4

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, 2016 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
August 28, 2016

CHARTERED ACCOUNTANTS

NUNAVUT LIQUOR LICENSING BOARD
STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2016

	Budget <u>2016</u> (unaudited)	Actual <u>2016</u>	Actual <u>2015</u>
EXPENDITURES			
Advertising and publications	\$ 0	\$ 22,303	\$ 0
Computer hardware and software	0	0	1,375
Conferences and catering	0	403	0
Fees and payments	8,000	9,185	47,303
Materials and supplies	12,000	2,030	3,910
Purchased services	10,000	0	0
Salaries and honoraria	70,000	21,500	13,225
Service contracts	80,000	111,362	19,079
Translation services	0	3,476	0
Travel and accommodation	<u>70,000</u>	<u>40,124</u>	<u>20,216</u>
	<u>\$ 250,000</u>	<u>\$ 210,383</u>	<u>\$ 105,108</u>

NUNAVUT LIQUOR LICENSING BOARD
NOTES TO THE STATEMENT OF EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2016

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.