



## News Release

### Changes to liquor permits introduced

**IQALUIT, Nunavut (December 19, 2001)** -- Finance Minister Kelvin Ng and Nunavut Liquor Board Chairman Raymond Kamookak today announced changes to the liquor permit process and changes to special occasion permits under the *Nunavut Liquor Act*. The changes come into effect December 20, 2001.

The Government of Nunavut is changing the period for which liquor import permits are valid to 21-days. This is from three months in all Nunavut communities, except Iqaluit, where current import permits are valid for one year. All current liquor import permits will expire no later than January 10, 2002.

“The new 21-day period to import alcohol into the territory is a realistic time frame for an individual to order, ship and receive their liquor orders,” said Minister Ng.

Effective tomorrow, liquor import permit fees will be reduced dramatically to reflect the fact that all alcohol must be imported into Nunavut from another province or territory.

“Before division of the Northwest Territories, Nunavut residents were able to purchase alcohol products from the Yellowknife or Iqaluit Liquor Warehouse and avoid paying liquor import fees,” added Minister Ng. “For many of our residents, this was not the case after Nunavut was created so these new, reduced import fees are designed to bring the price of liquor closer to what it was before division.”

The Nunavut Liquor Licensing Board also announced changes to the Special Occasion Permit regulations on the request of the Minister.

The new regulations will set a maximum amount of liquor that an organization can receive for a special occasion of two standard drinks per hour for each person attending an event. “This change is necessary to avoid over-serving and over-consumption of alcohol at special events, and to reduce surplus liquor following a special event,” said Mr. Kamookak.

New regulations have also been put in place so that it is now mandatory for surplus liquor to be returned to a liquor warehouse for credit in a community where a liquor warehouse exists. Currently, only the City of Iqaluit has a liquor warehouse.

“Often organizations that receive special occasion permits have surplus alcohol following their functions. These new regulations are an attempt to curb this surplus and require the return of the excess liquor to the Liquor Warehouse,” added Mr. Kamookak.

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## Background – Liquor Import Permits

Section 106 of the *Nunavut Liquor Act* (NLA) regulations specify the expiry dates for import permits issued to eligible consumers to bring liquor into Nunavut. Unlike other communities in the territory, where permits are valid for three months, permits issued for Iqaluit are valid for one year. The one-year expiry date was a problem for the effective enforcement of liquor import permits.

A limit of no more than 21 days is being introduced for all liquor import permits across the territory to remove the distinction between Iqaluit and other communities. To allow for exceptional circumstances, such as delays in delivery due to weather or other conditions unique to Nunavut, extensions to liquor import permits may be granted by the Minister.

All current liquor import permits will expire 21 days after the new regulations take effect December 20, 2001 to be consistent with the revised time limit for new liquor import permits.

### Import Permit Fees

The recent review of the NLA recommended that:

**“... the government consider lowering the current import fees required under the regulations of the *Nunavut Liquor Act* for alcohol that is imported into the territory from another jurisdiction.”**

This recommendation stemmed from the fact Nunavut is unique in Canada in that the customary source of alcohol for certain communities is outside the territory’s boundaries and thus requires that an individual obtain an import permit and pay the import fees to make normal purchases of liquor.

Division from the Northwest Territories (NWT) in some cases disrupted the usual pattern for individuals to access liquor in Nunavut and increased the cost for some consumers by the amount of the import fees.

This caused a nuisance to legitimate consumers while increasing the cost of purchasing liquor for these individuals.

Prior to division all residents had the choice of either importing liquor from outside the NWT, and thus being subject to import fees, or of ordering liquor from either the Iqaluit warehouse or the Yellowknife liquor store. Purchases from the Yellowknife liquor store were not subject to import fees.

Since division, residents must purchase from the Iqaluit warehouse in order to avoid import fees. Iqaluit residents, who are not allowed to purchase from the warehouse, must import all liquor products and thus are subject to import fees.

For the individual consumer who wishes to access liquor products from the Yellowknife store, the cost of the import fees adds a significant extra cost to the purchase price plus transportation.

Changes to the regulations will put in place a new fee structure for imported liquor. A comparison between the old structure and new structure is shown in the Table below.

<b>New Fees</b>	<b>Current Fees</b>	
	<b>Product</b>	<b>Per Litre</b>
Spirits	\$8.77	\$3.75
Wine	\$7.02	\$2.00
Beer	\$0.70	\$0.56
Coolers or ciders	\$1.75	\$0.59

#### **Amendments to the Regulations affecting Special Occasion Permits**

Section 11 of the NLA allows the Nunavut Liquor Licensing Board to make regulations for several matters related to licenced establishments and special occasion permits.

Subsection 11(j) specifically allows the Board to make regulations governing the quantity and use of liquor purchased under a special occasion permit.

The Board considered ways in which it could allow liquor to be accessed for special occasions while limiting potential alcohol abuse that may stem from providing liquor to a community in this manner.

The current regulations do not limit the amount of liquor that may be obtained with a special occasion permit and in some case a permit may be used to obtain excessive quantities of liquor. The current regulations require that excess liquor

be removed from the site of the special occasion and transported to a place where it may legally be consumed.

The Board says that the existing regulations with respect to special occasions permits should continue to be followed.

In addition, mandatory limits on the amounts that any one person and or organization can purchase for a special occasion will be set under the new regulations.

Specifically, the Board will require that a special occasion permit application should state the nature of the special occasion, the maximum number of guests expected, or the maximum number the facility can safely accommodate. The application must also indicate the number of hours of the special occasion.

The Board has set a limit on the amount of liquor that may be obtained for a special occasion. This calculation will be based on an estimate of two drinks per person per hour. A drink was be determined as:

- 341 ml of beer, or
- 43 ml of spirits, or
- 142 ml of wine.

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The Board will now require that the holder of a special occasion permit must return any unopened liquor purchased with the special occasion permit in communities in which a Nunavut Liquor Commission Warehouse exists and receive a refund. At present, only Iqaluit has a warehouse.