



June 3, 2016

An Open Letter to Saskatchewan's Commercial Permittees

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As you are aware, the provincial government is pushing ahead with regulatory changes to Saskatchewan's liquor retailing system, which the government has described as creating a level playing field. However, these changes will do the opposite. Restaurants, bars and taverns that have an integrated retail store will benefit significantly from these changes, while commercial permittees that don't have an integrated retail store, such as your establishment, will be put at a disadvantage.

Under the new regulatory changes, off-sales will no longer exist. Instead all locations that sell retail liquor will be categorized as private liquor stores, and they will operate under identical rules.

At the same time, the new regulations will remove the requirement that commercial permittees must buy their liquor from Saskatchewan Liquor and Gaming Authority stores. In other words, as a commercial permittee, you will be allowed to buy liquor from any retailer, and retailers will be able to set the prices at which they sell to you.

Under the new regulations, private retailers will receive a 25% discount on wholesale liquor, and they may choose to pass some of that discount along to permittees. But here's the catch: many licensed establishments have attached retail off-sales that are under the same ownership, so once the changes take place, these establishments will be able to give their retail stores the full 25% wholesale discount. Meanwhile, in order to create a competitive advantage, these establishments can choose not to give the 25% discount to their competitors.

This will be a tremendous advantage over establishments that don't have an integrated retail store, such as yours. It's highly unlikely that a retailer will pass along their full 25% discount to a commercial permittee that is not under the same ownership. As a result, **you will be forced to buy your liquor at higher prices, and therefore be forced to charge your customers higher prices,** compared to establishments receiving the 25% discount.

By giving no indication that it will prevent retailers from selling to permittees under the same ownership, the provincial government has obviously overlooked the unfair environment they are creating for local businesses in Saskatchewan.

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The provincial legislature's Crown and Central Agencies Committee is holding public hearings on the first steps in government's plan to rewrite Saskatchewan's liquor retailing regulations. I encourage you to raise this issue at those hearings, with your MLA, and with other commercial permittees. More information about the hearings [can be found here](#).

Please do not hesitate to contact me directly with any questions, comments or concerns.

Sincerely,

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