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Liquor privatization plan reckless

Saskatchewan people deserve to know how the services their families rely on will be affected by the Sask. Party government's plan to privatize more than half of the province's public liquor stores, says SGEU.

"Profits from public liquor sales help pay for Saskatchewan hospitals, schools, highways, and long-term care homes," says Donna Christianson, chair of SGEU's Saskatchewan Liquor and Gaming Authority (SLGA) bargaining unit. "The government's plan to eliminate 40 public liquor stores will drain millions in revenue from Saskatchewan's public coffers."

The 40 SLGA stores that are slated for closure earned profits of \$32.6 million in 2014. "That money helps fund the public services Saskatchewan families and communities rely on," notes Christianson.

SGEU wants government to commission an independent analysis of the financial impact of further privatization before selling off or closing any more public liquor stores. "How much revenue will Saskatchewan people be losing, and how will it be replaced? Or will families be facing cuts in services to make up for the lost income?" asks Christianson.

"Given the recent financial downturn, government has a responsibility to show the public what any potential changes will cost them," she adds.

Small town Saskatchewan will be particularly hard hit if government carries out its plan. Thirty-five rural communities stand to lose their public liquor stores, and the good, family-supporting jobs that they provide. "Employees in small stores live and work in their communities. They support local businesses, pay local taxes, send their children to local schools. Losing those jobs will hurt towns already struggling to survive," according to Christianson.

In total, 210 jobs will be lost under the Sask. Party plan. Of those, 148 will be jobs in rural Saskatchewan.

A 2014 economic analysis by Alberta-based Parkland Institute found that under an Alberta-style privatized liquor system, Saskatchewan would have lost \$230 million in public revenue from 2009-2013. Even just the four new private stores government has already allowed will mean up to \$7.5 million each year in lost revenue.

www.sgeu.org

1011 Devonshire Drive North,
Regina, SK S4X 2X4
(p) 522.8571
1.800.667.5221
(f) 352.1969

Suite 201,
1114-22nd Street West,
Saskatoon, SK S7M 0S5
(p) 652.1811
1.800.667.9791
(f) 664.7134

33-11th Street West,
Prince Albert, SK S6V 3A8
(p) 764.5201
1.800.667.9355
(f) 763.4763

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“Government’s plan to allow an additional 12 new private stores will further erode public revenue from liquor sales. That’s money that could be going back to support services and benefits for Saskatchewan people,” she adds.

“Where is the business case for privatization? If government believes this will help Saskatchewan families, we need to see an objective, evidence-based review that provides a reasonable rationale to support the plan,” says Christianson.

“It is reckless to push ahead with privatization with no idea of how the millions in lost revenue will be replaced. The stakes are too high for Saskatchewan people, who rely on the benefits and services funded by profits from public liquor stores,” she says. “There is no justification for putting profits for private corporations ahead of the interests of Saskatchewan families and communities.”

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For more information, contact:

Susan Dusel
SGEU Communications
(306) 775.7249
sdusel@sgeu.org