



**WORKING
TOGETHER FOR
SASKATCHEWAN**

For immediate release

March 16, 2016

Evidence points to high cost of liquor privatization, despite Sask Party claims

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

Where is the evidence to back up the Sask Party claim that privatizing 40 of the province's public liquor stores will not drain millions in revenue that helps pay for schools, hospitals and highways?

Brad Wall defended his party's privatization plan yesterday, saying that the sell-off of profitable public liquor stores would not mean lost funding for Saskatchewan families.

Where are the facts to support the claim that our province will not lose millions? asks Donna Christianson, SGEU's SLGA negotiating committee chair.

Wall's suggestion that the plan is revenue neutral because government will continue to be the wholesaler is simply misleading. The reality is that the wholesale mark-up will be slashed by 25 per cent, effectively giving private operators a huge subsidy to sell liquor.

Government has already lost \$8 million in the past year just by allowing four private stores to operate in the province. Net annual revenue from liquor sales dropped from \$252 million in 2013 -14 to \$244 million in 2014 -15.

Imagine how much more Saskatchewan people will lose when 40 of the province's stores are privatized and 12 new private stores are added, says Christianson.

SGEU called on government to conduct an independent review of the financial implications of its privatization plan. But to date, government has not released evidence to back up its claim that there will be no loss of revenue.

An independent analysis of the privatization plan by the Canadian Centre for Policy Alternatives (CCPA) did, however, reveal that Saskatchewan families and communities stand to lose \$115 million in the first five years of privatization alone.

Evidence points to high cost of liquor privatization, despite Sask Party claims

March 16, 2016

Page 2 of 2

The CCPA analysis took into account any savings to government as a result of not operating its own stores, as well as corporate tax revenue from private stores. It also considered the fact that under the current system, private retailers already receive 15 to 16 per cent discounts. Even taking those savings into consideration, the privatization plan will cost millions in funding that helps pay for valued public services.

At a time when Saskatchewan's revenues are shrinking because of low resource prices, we need to ensure that we keep profits from public liquor sales in our province, working for Saskatchewan people, says Christianson.

-30-

For additional information, contact:

Susan Dusel
SGEU, Communications Officer
306.775.7249
306.520.4930

Donna Christianson
Negotiating Committee Chair
306.527.4768