



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Mr. Fred Bradshaw, Chair
Carrot River Valley

Ms. Carla Beck, Deputy Chair
Regina Lakeview

Mr. Greg Brkich
Arm River

Mr. Terry Dennis
Canora-Pelly

Mr. Warren Kaeding
Melville-Saltcoats

Mr. Kevin Phillips
Melfort

Ms. Colleen Young
Lloydminster

[The committee met at 08:30.]

The Chair: — Well good morning everyone and welcome to our committee this morning. Everybody's here bright and bushy tailed on a Monday morning. I'm certain that there's going to be tons of people watching this on television this morning. Anyway, I am Fred Bradshaw, who's the Chair. We have Carla Beck who is the Deputy Chair. Greg Brkich, Terry Dennis, Warren Kaeding, Kevin Phillips, and Colleen Young.

We have several documents to table this morning. We have CCA 24-28 by C. Flook submission, CCA 25-28 Saskatchewan Federation of Labour submission, CCA 26-28 M. and W. Buchholz submission, CCA 27-28 Gravelbourg Chamber of Commerce and Town of Gravelbourg submission, and CCA 28-28 Z. Charowsky submission. The documents just tabled will be available on the website shortly at www.legassembly.sk.ca.

Our committee will now need to move into camera to discuss our report. Can I have a member move a motion to move into camera.

Ms. Young: — I so move that we go in camera.

The Chair: — Ms. Young has moved that we move in camera. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We now move in camera.

[The committee continued in camera from 08:32 until 09:00.]

The Chair: — Well we welcome all the viewers back and now we will need a member to move a motion to adopt the draft first report and present it to the Assembly.

Ms. Young: — I'll move:

That the draft first report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly.

The Chair: — Ms. Young moves that report. Does any member wish to speak? Ms. Beck.

Ms. Beck: — Thank you. I guess I want to preface my comments by first of all thanking all of those who presented to us, both in person and with written submissions. I think that we had a fairly wide offering of presentations and some robust discussions. So I think that that is always important. And I want to also preface my remarks today by acknowledging that there was a mandate to privatize these 40 liquor stores through the last provincial election, but I do not believe that there was a clear mandate to remove SLGA [Saskatchewan Liquor and Gaming Authority] entirely from the list of Crown corporations subject to *The Crown Corporations Public Ownership Act*.

One concern that I've noted here in committee is that once the SLGA is removed from this protection it will be easier for further privatization to occur without the oversight and

opportunity for input that this committee has provided on this issue.

Another main point of the election with regard to the privatization of the liquor stores, and we heard this in the Throne Speech as well, was the assertion that this move would be revenue neutral and there have been repeated assurances from Minister McMorris that this change will not come at a net loss to the General Revenue Fund.

During the presentations that we received there were some serious concerns expressed over this claim and I think that it is very important that we monitor the net income to the GFR as a result of this change. The money that flows into the GFR helps fund government initiatives and supports social and economic objectives such as health, education, and infrastructure. And I think that's very important that we do no harm to that revenue.

Another point that I've brought up in committee as a result of the presentations is the status quo of the remaining SLGA stores. There is a need, I believe, to modernize the SLGA stores and ensure that they are able to compete with the private stores and provide the service and selection that we have heard, as was noted in the Throne Speech, that citizens are looking for. Examples of popular features in the new private stores, as we heard from the Sobeys representative, include allowing cold beer, growler stations, and the promotion of local brewers and distillers. And I think that that is important and that these changes could easily be done within the existing SLGA or the remaining SLGA stores.

Another issue is ensuring that there's benefit for all Saskatchewan people. With the passage of this bill there will soon be 40 valuable, profitable liquor stores on the market and 12 new licences and I think it's important to get this right for the people of Saskatchewan and to provide opportunities to Saskatchewan people. With the inclusion of appropriate procurement policies we could ensure that Saskatchewan businesses are prioritized for the private ownership of these stores.

Another area that I'd like to talk about is the potential impacts of this legislation. The most immediate impact of course of this legislative will be the loss of jobs for those currently working in those SLGA stores and I want to express sincere concern for those who will be losing their jobs. This is not a small matter and it will impact them, their families, and their communities.

In communities of less than 2,000 people, as was noted with some of the submissions, new private retailers will be allowed to sell liquor from existing businesses, and this can be done with the staff that they already have. So there's some concern there about the potential for job growth or job losses. We also heard about potential impacts to employment for those under 19 who are currently working in establishments that might opt to sell liquor in the future.

As has also been discussed, I think that it's really important that we ensure that appropriate inspection and training is required of all those who will be selling liquor in the new stores and the new outlets. It would be prudent, I think as with any legislation, to monitor any impacts that these changes would have and of

particular interest are sales to underage or intoxicated people. So I think that's something that should be monitored, as well as any impacts on crime, including violence and drinking and driving or any other alcohol-related offences.

I think it's important to ask what efforts will be made to monitor and mitigate any possible negative effects that these changes might bring about, however unintended. We should also be monitoring for the larger economic impacts, in particular in rural areas. It's been expressed that there's concern that these changes could be a net economic loss for some communities, smaller rural communities in particular, as expressed by the Gravelbourg Chamber of Commerce and others. There have also been concerns expressed about the impacts to price and selection in smaller centres. This is at odds with the Throne Speech assertion that these changes are designed to provide more choice, convenience, and competitive pricing for Saskatchewan people. And again, these impacts should be monitored very closely and taken into account before any further changes are made.

I'm also concerned about the relative ability of small commercial licence holders to negotiate their discount directly and to compete with larger businesses and chains, and that was one of the concerns that we heard from one of the presenters. And I think that that is also something that should be monitored as well as any impacts on small businesses, particularly again in rural areas.

In closing I think as with any decision we should always be looking at who benefits and really looking at both the intended consequences but also unintended consequences. Again, acknowledging the mandate that this government does have with regard to the privatization of 40 stores and the addition of 12 new stores, I would urge that all impacts, be they economic or social or otherwise, be closely monitored, reported upon, and taken into full consideration before any other changes are made to the system. And so those are the nature of my remarks and my concerns as a result of the presentations that we did receive.

The Chair: — Well thank you, Ms. Young. Are there any more comments. Mr. Phillips.

Mr. Phillips: — Mr. Chairman, I would keep my comments very, very short, that this process has been going on for over two years now since we first, I believe it was June 2015, 2014 that the . . . when we first started talking about this. Although there were some excellent presentations I thought none of them brought up anything that had not been looked at and discussed through the consultation process before that. The opposition member this morning, you know, brought out some points but all of which has been looked at before. So I feel confident in accepting this motion that we go ahead without amendment.

The Chair: — Are there any more comments? Okay, it has been moved by Ms. Young:

That the draft first report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly.

I'm asking for a motion for that. I guess we already have the motion. Do we have an agreement on this?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Carried. If there is no other business I would ask a member to move a motion of adjournment.

Mr. Phillips: — So moved.

The Chair: — Mr. Phillips so moves. This meeting is adjourned until Tuesday, June 14th at 7 o'clock, 7 p.m. I should say.

[The committee adjourned at 09:09.]