

Good Evening Committee Chairperson and Committee Members. My name is Laurie Leigh and I am the Co-Owner of The Rockin' Horse Cookhouse & Bar in Maple Creek. I was born and raised here in Saskatchewan and have been an entrepreneur for the last 30 years. I began that journey in 1983 when I established a wholesale beauty supply company. Twenty years later, I had 8 employees, two storefronts and a warehouse. I sold that business and moved to Maple Creek and opened up The Rockin' Horse Cookhouse & Bar. This brought me into the arena of liquor sales for the past 8 years. I employ 8 local people and am a very productive participant in the fundraising events for local groups, helping raise over \$30,000 in the last four years with steak nights. The Rockin' Horse won the Community Business Of The Year in 2014 for our business acumen and community involvement.

I also sat on the Board of Directors for the Canada-wide Allied Beauty Association for 9 years, representing Saskatchewan. After moving to Maple Creek, I was elected to sit on the newly developed Enterprise Saskatchewan Board of Directors for the Southwest Region. We were tasked with bringing new business to our corner of the province. We were working towards building a solid baseline for developing projects, when the entire department was axed due to budget cuts. That was very disheartening to say the least. I then joined the Board of Directors for the Cypress Hills Destination Area, a destination marketing organization that is actively promoting the Southwest corner as a Tourism Destination. We collect a Destination Marketing Fee from our members and are having great success with raising the standards of the Tourism Experience in our area.

I have basically spent 30 years in business for myself and 15 years as a Board Member with organizations all tasked with building and sustaining business. I have also been a Conservative voter all my life and have an anti-union stance in business involvement.

It is with a heavy entrepreneurial heart that I stand before you this evening. I have spent 8 years working closely with the SLGA store in my little town of 2,500 people. The 4 employees that work there are an integral part of my business. I visit that store, sometimes up to 4 times a week, picking up liquor supplies for my restaurant and bar. They have all raised their families in Maple Creek and call it home. It is very sad to see the turmoil they are going through as this process unfolds. This rural liquor store provides an integral, neutral hub in our small town. It services a number of different customers, both consumers and businesses. The most apparent one is the consumer walking in off the street to buy a case of beer or a bottle of wine. But most consumers do not realize the business activity that goes on behind the scenes. This liquor store also provides an outlet for 5 off sale vendors, 4 restaurants, 3 outlying small towns that do not have a liquor store as well as 330,000 tourists that pass through our town every summer. It carries approximately \$300,000 in inventory and provides a selection of approximately 500 SKUs. All of the businesses who deal with retailing liquor draw their inventory from this stock. The 5 off sale vendors can easily visit the store to restock their shelves daily if needed. The 4 restaurants can replenish their inventory after exceptionally busy nights. This neutral hub is responsible for the “level playing field” in our town. The off sale vendors currently get a discount of 15% at the till. My restaurant/bar gets a discount of 10% at this till. We turn around and charge a 10%

liquor consumption fee on every ounce and bottle of beer and submit it to the government monthly. The system works well. It also helps control the drink pricing in town, as we are all working with a similar margin.

The government now proposes to take away this neutral hub. They say that, in doing so, there will be more choices, more convenience and more competitive pricing. They propose to give the off sale vendors an additional discount of 10%, totaling 25%. They say that the restaurants and bars with commercial permits will now have to negotiate their discount with the new private store or off sale vendors, like this is a good thing! They say the private store will provide more choices than the 500 SKUs currently available. They say that the private store will provide more convenience by being open the same hours as the already existing 5 off sale vendors, for a town with a population of 2,500 people. They say that this will, magically, provide more competitive pricing. As a restaurant/bar owner, I am now being asked to negotiate a discount with my competition! We are all competing for the same food and drink sales, as the off sale vendors also own restaurants and bars. They will now have a 25% discount to work with, while I have lost my 10% discount. That means they will be earning 10% more on every drink they sell in their own venues. It basically puts my restaurant/bar in a very precarious situation! I will not have that kind of margin to work with! And now, I have to go to my competitors and ASK them for a discount as well as give them, on average, over \$65,000 a year in purchases, on which they will potentially have a 25% discount! I ask, how does this, in any way, level the playing field??

Sure, I could choose to drive an hour to Swift Current's existing SLGA store and purchase my liquor inventory. I'd even receive my 10% discount without having to beg

my competitor for it. But that's 3 hours out of my rare day off. And I will have to tie up already scarce dollars out of my cash flow to stock more inventory.

Let's talk about convenience for a moment. The current liquor store has a loading dock to receive large shipments. We can easily return our empty domestic beer bottles to this loading dock. It also has automatic opening doors. This allows me to easily get through them with a trolley loaded with liquor. Our current off sale vendors do not provide this type of setup. None of them have a loading dock to receive big shipments or bottle returns. None of them have automatic doors. In fact, two of them exist in buildings that are over 100 years old. How many private store owners are going to build a new building with a loading dock and automatic doors? And, after this is all over, there will sit an empty, well-designed building, probably for years, as is the case in Langenburg, Ituna, Kerrobert and Ponteix. Their liquor stores were closed in 2014 and turned over to franchises. Two years later, these 4 buildings are still sitting empty. As well, smaller businesses that relied on the foot traffic of the liquor stores have closed. In Ituna, the local residents asked the owner of a local hotel to GET an off sale license following the SLGA closure, as they were willing to pay him a higher price, rather than stand in line behind a loaded grocery cart and accept poor service at the grocery store who won the franchise. The other family-owned grocery store in Ituna that did not receive the franchise had to lay off staff and experienced an estimated 30% drop in profits. The owner described the 2014-15 years as the worst of his 30 years in business.

I do not need to stand here and tell you about the profits that these 40 stores on the chopping block bring in. It's all documented already in the government handout "The Future of Liquor Retailing in Saskatchewan" and the Canadian Center for Policy

Alternatives document titled “Down the Drain: The Saskatchewan Government’s Costly Proposal for Liquor Retailing.” I’ve read all the documentation I could find on this issue.

But what I have not been able to find is any documentation by the government proving, from a financially responsible point-of-view, just how these store closures are going to be revenue neutral. From a business point-of-view, I cannot wrap my head around how it makes sense to close 40 stores that are all profitable, with the lowest of operating costs. What business owner wouldn’t want operating costs of 14%? Nor can I wrap my head around a Government plan to put almost 180 small town employees out of work!

What is missing here is the human element! What is missing here is the compassion for 200 jobs that will be lost. What is missing here is the compassion for small town Commercial permit holders who work long hours and struggle to stay afloat. What is missing here is the complete lack of vision for what will happen to the 38 rural towns when their neutral hub is closed. For a government that has been handed a majority because of rural Saskatchewan, I must say that I am completely bewildered that it would turn its back so readily on these very same rural towns that put them in such a position of power.

The crazy thing is... we already have a level playing field. You can go into any liquor store in Saskatchewan and know that the prices are the same. Or you can choose to go to an off sale vendor and pay a little more. We already HAVE more choices. Our local store stocks over \$300,000 in inventory with a choice of 500 SKUs. Our store is conveniently located with easy access and parking. More competitive pricing? Giving the off sale vendors a discount of 25% gives them a very unfair advantage over the commercial permit holders. How is this leveling the playing field? I can totally

understand allowing more private stores in the bigger, populated areas. But to close the small town, profitable liquor stores makes no business sense to me.

I stand here before you tonight, as a hard working Saskatchewan entrepreneur, to tell you that pitting my business against the other liquor retailers in my small town is unacceptable. I stand here tonight to tell you that I will not beg my competitors for a piece of their discount. Nor will I give them \$65,000 in liquor purchases a year to make money off of me. I stand here tonight to tell you that, after 8 years collecting liquor taxes for the government off of every drink I pour, I am voting with my feet. This decision is like a punch in my entrepreneurial gut. I have listed my business for sale. And if it doesn't sell before our neutral hub is closed, I will close my own doors, putting 8 local people out of work and the community will lose their choice, convenience and competitive pricing of where to go for a drink, a great meal and great service. That is what is going to happen in 38 small towns in Saskatchewan. Restaurants and bars with commercial permits will close their doors. Because our operating costs, unlike the 14% enjoyed by these 40 stores, are *much* higher. And I will not participate in a drink pricing war! You are essentially taking away our level playing field.

Thank you for your time.