

From: [Mario Neumann](#)
To: Committees LEG
Subject: Submission to the Standing Committee on Crowns
Date: Monday, June 06, 2016 3:25:54 PM

Dear Ms. Ursulescu,

As the Standing Committee on Crown and Central Agencies reviews Bill 1 (The Crown Corporations Public Ownership Amendment Act, 2016), I wish to draw the committee's attention to a few concerns about the potential privatization of liquor retailing.

Since the proposal to privatize liquor was first raised, the government has not published an economic impact analysis that examines what the proposed changes might mean for public revenues. The government claims that the plan will be revenue-neutral, but has yet to provide evidence on this claim. This issue warrants further study prior to any steps being taken on privatizing liquor in this province.

An economic impact analysis should also consider the effects that privatization might have on communities due to the loss of living-wage work. In communities of less than 2,000 people (which is 27 of the 39 communities facing privatization), new private retailers will be allowed to sell liquor from an existing business, which can be done by the staff they already have.

Even where jobs are created by private retailers, they are likely to be low-wage work with poor – if any – benefits. This will not benefit Saskatchewan workers, or the province's income tax revenue.

The effect of privatization on consumers and business owners has also not been properly examined. While government has promised greater product selection and "more competitive pricing," previous privatizations of Saskatchewan liquor stores have had the effect of reducing selection. It is also questionable whether profit-driven private retailers – many of whom will be operating in communities with minimal competition – will set prices lower than what public stores currently offer.

Liquor privatization appears set to negatively affect many local businesses. In smaller communities, government will give a huge advantage to existing retail businesses that are awarded the right to sell liquor, with severe consequences for competing businesses.

By removing the Saskatchewan Liquor and Gaming Authority from The Crown Corporations Public Ownership Act, Bill 1 will make all of Saskatchewan's public liquor stores vulnerable to immediate privatization. Therefore, until the effects of liquor privatization have been properly studied and the results made public, I urge you not to pass this legislation. To do so would put Saskatchewan people at risk of suffering the consequences of a major mistake of public policy.

Sincerely,

Mario Neumann

Sent from my iPad