



Saskatchewan Liquor and Gaming Authority

Annual Report Highlights from 2010-11

Message from the Minister



*The Honourable Tim McMillan
Minister Responsible for the
Saskatchewan Liquor and Gaming Authority*

I am pleased to present the 2010-11 Highlights for the Saskatchewan Liquor and Gaming Authority (SLGA) focusing on SLGA's most notable accomplishments in support of Government's vision and goals.

SLGA's Annual Report and Highlights also demonstrate how SLGA has contributed to the progress of our *Government's Direction for 2010-11: Balanced. Forward-Looking. Responsible.*

SLGA's progress towards government's commitments includes the development of strategies in support of long-term economic growth in the liquor and gaming sectors and identifying opportunities to increase efficiencies through Lean business process reviews. In addition, SLGA demonstrated its continued commitment to managing expenditures responsibly.

For more information, please see SLGA's 2010-11 Annual Report or visit www.slga.gov.sk.ca.

SLGA Overview

SLGA is a Treasury Board Crown Corporation responsible for the distribution, regulation, management and operation of liquor and gaming across the province.

It achieves its mandate through socially responsible, fair and cost-effective services and programs delivered by employees at offices in Regina and Saskatoon, a liquor distribution centre in Regina and 79 liquor stores in 64 communities throughout the province.

SLGA partners with 190 small businesses in rural Saskatchewan to sell beverage alcohol on its behalf as well as two specialty wine store franchises, one in each of Regina and Saskatoon.

SLGA owns and manages all video lottery terminals (VLTs) and the slot machines at casinos operated by the Saskatchewan Indian Gaming Authority. SLGA also licenses and regulates most other forms of gaming including: bingo, breakopen tickets, raffles, horse racing, Texas Hold'em poker and Monte Carlo events.

VISION

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Our 2010-11 Significant Achievements

Sustaining Economic Growth....

- In consultation with the Saskatchewan Hotel and Hospitality Association (SHHA), SLGA developed a revised beer discount structure to improve the viability of commercial permittees with off-sale endorsements.
- Key changes in a revised cottage winery policy include the removal of requirements regarding the origin of raw inputs and farmland ownership and a reduction in the production levy and mark-up. In addition, cottage wineries are now allowed to sell product at qualifying farmers' markets.
- The maximum space allocation for beer and spirits in Specialty Wine Store Franchises (SWSFs) was increased and the minimum retail price for spirits was reduced to allow for a greater selection of specialty beer and spirits. In addition, the commission on special order wine products was increased to provide incentive for growth in this market segment and improve the viability of the SWSFs.

Securing Saskatchewan...

- The Report Impaired Driving (RID) program was expanded to Regina, Moose Jaw and Prince Albert. The program encourages people to call 911 if they suspect an impaired driver.

- A new responsible gambling brochure that provides information on chance, luck and other issues that may impact VLT play was distributed to all VLT sites.

Keeping Promises...

- In 2010-11, SLGA used Lean methodology to review its business processes to identify opportunities to streamline operations and increase efficiencies:
 - ~ New processes relating to issuing liquor permits and VLT contracts will result in a reduction of site visits by an average of 50 per cent. Once the continuous improvement plan is fully implemented, the turnaround time on new permit applications will be reduced by more than 60 per cent.
 - ~ Revisions to the beer ordering process resulted in a significant reduction in beer order reconciliation issues. Monitoring of this process will continue to ensure further improvements are realized.
 - ~ Short-term recommendations stemming from the liquor special order process review have been implemented and long-term recommendations are under review.

SLGA's Performance Results

- VLT site contractors received \$33.9 million in VLT site commissions.
- Approximately \$5.7 million in grant payments were made under the charitable gaming grant program.
- \$1.5 million in horse racing grants was paid to three tracks in support of purses, racing operations, breeding incentives and facility improvements.
- SLGA issued:
 - 17 U-brew/U-vin permits and 11 home delivery permits.
 - 1,684 commercial liquor permits.
 - 16,464 special occasion permits.
 - 3,606 charitable gaming licences.
- SLGA registered 3,582 gaming employees and 87 gaming suppliers.
- SLGA imposed 453 sanctions in 2010-11: 156 liquor-related sanctions, 244 charitable gaming-related sanctions and 53 horse racing sanctions.
- SLGA conducted 322 educational workshops, meetings and consultations with community stakeholders and clients.
- As of March 31, 2011, SLGA had 2,172 product listings and 1,361 special order products were available through the two SWSFs.
- SLGA's distribution centre, processed 19,543 orders in 2010-11.



Financial Summary

	2010-11 Budget (000s)	2010-11 Actual (000s)	2010-11 Variance (000s)
Revenue	\$1,033,844	\$1,012,873	(\$20,971)
Net Income	\$445,585	\$442,502	(\$3,083)