

Will the threat of privatization never end?



Are we ever going to be off the Ontario's privatization auction block?

In 2005, then Minister of Finance, Greg Sobara commissioned a report on the privatization of the LCBO. It was titled: A Strategy for Transforming Ontario's Beverage Alcohol System.

The report was completed and given to the Minister by the study's chair, Mr. John Lacey. He recommended that the government focus on its regulatory role and leave wholesale and retail operations to the private sector.

"We unanimously recommend that the government create a regulated, competitive market that would expand opportunities for producers, improve convenience and selection for consumers, extract the government from commercial risks and increase revenues for the public purse - all while protecting social responsibility".

In short, said Lacey, sell off the LCBO to the private sector. The report also stated that the Ontario government would also receive an additional \$300 million per year, over and above the dividends remitted by LCBO to the purse.

The McGuinty government shelved the report and went on record to state, again, that it was not in the best interest to privatize the LCBO at this time.

In late 2009, there were rumours that the Ontario Government, had hired CIBC World Markets and investment firm Goldman Sachs to examine the value of public holdings. This was confirmed a few months later by Finance Minister Dwight Duncan who said, \$200,000 was paid for this study.

The result was proposed the "Supercorp". The idea behind the SuperCorp was that Ontario would sell of a maximum 20% of each of the so-called "crown jewels". The crown jewels being the LCBO, Hydro One, Ontario Power Generation and Ontario Lottery and Gaming Commission. It was estimated the sale would result in a cash windfall to Queen's Park of anywhere from \$18 billion to \$25 billion.

The response to the idea of a SuperCorp from public interest groups, organized labour, and even from some on Bay Street was largely negative. The Government quickly backed away from the plan and little more has been heard since then. We were off the block: but for how long?

The Oct. 6th Provincial election is quickly approaching and we find ourselves the subject of threats of privatization once again. Tim Hudak, leader of the Progressive Conservatives, has not ruled out studying the issue of privatizing publically-owned assets.

In 2005 the Mike Harris said the LCBO should be privatized. In 2010 Dalton McGuinty Liberals wanted to partially privatize the LCBO.

In 2011 will the Tim Hudak put the LCBO back on the auction block?

What history has demonstrated that both the Liberals and Conservatives actively contemplate LCBO privatization when they're in power. They only back off when the public opposition stops them. Will either party try it again after this October's provincial election? If so, we must be ready to fight back.

Did You Know Between 1995 & 2009

• 138 Agency stores opened and only 7 LCBO Stores

• There are 78 Agency stores in Northern Ontario & 131 in Southern Ontario

• The average Agency store sold \$207,000 in 1995

• The average Agency store sold \$936,000 in 2009

• Southern Ontario Agency Stores represent 87% of total Agency Store sales

• The OPSEU “let’s keep it public” campaign is the first ever endorsed by the LCBO so wear your buttons!!!

A Message from our Chair

Welcome to this special “Anti Privatization” edition of your Echo newsletter for members of OPSEU’s Liquor Board Employees Division (LBED).

It will become very clear after reading through this special issue that the threat of privatizing spirit and wine sales in Ontario never really goes away. In fact – and notwithstanding the success of the LCBO

in generating revenue for the province – we already have a private-public system of liquor and wine sales. Wineries operate their own private kiosks in dozens of grocery stores and the LCBO itself licenses more than 200 “agency stores” which are really privately-owned and operated retail outlets that are allowed to sell beer, wine and liquor.

Why should this matter to us? It matters because the more the private sector eats away at the publicly-owned LCBO, the more our jobs and livelihoods are at risk. The less business the LCBO does, the less employment is required. Already we see how more and more agency stores have effectively put an end to the construction of new LCBO stores in many parts of the province. Without new LCBO outlets our membership growth will stop, or begin to decline altogether.

A new threat to our jobs has emerged from the Ontario Convenience Store Association, which recently published the results of a survey which allegedly shows that 60 per cent of people polled want to see private beer and



wine sales in corner stores. The association wants to make this an election issue and we fear that if Tim Hudak and the Conservatives are elected, they will move forward on this proposal. Again, if they succeed, this would represent a serious threat to our jobs because more the spirit and wine system is privatized, the greater the risk to our jobs.

On behalf of your divisional executive, I pledge we will fight the threat of privatization every step of the way. We’ve defeated privatization of the LCBO before, and we will do it again if we need to.

I would like to thank all members of the anti-privatization committee and the education and communication committee for their work in putting together this issue of Echo. Wishing everyone a safe and pleasant autumn season ahead.

In Solidarity
Denise Davis
Chair

OUR LCBO
LET’S KEEP
IT PUBLIC!

Association vows to make private sales an election issue

The Liquor Board Employees Division of OPSEU is promising to put up a vigorous fight in opposition to plans by the Ontario Convenience Store

Association to make corner store beer and wine sales an issue in the Oct. 6 provincial election.

“The threat of privatization is never completely off the table and this move by the convenience store association is just another example of that,” said Rick Woodall, chair of LBED’s anti-privatization committee.

“We need to be clear about one thing: any move to put beer and wine into corner

stores can only mean a loss of jobs for our members. If they try and make it an election issue then we will fight it every step of the way.”

In a July 27 news release, the president of the convenience store association said his group is looking to make private beer and wine sales an issue in the forthcoming election. “It will be interesting to see what candidates from all parties tell voters. It’s time Ontario’s alcohol retailing system was expanded beyond the LCBO and The Beer Store ...” the news release stated.

When he was asked in a Toronto Star story the following day whether he supported convenience store sales, Premier Dalton McGuinty replied: “This is not something we are looking at.”

But a spokesperson for the Conservative Party left the door open to the possibility. Said Conservative MP Elizabeth Witmer: “I would simply say

to you our plan is to increase access and how that would be accomplished obviously would become more apparent.”

LBED Chair Denise Davis said Witmer’s views are a clear signal that the Conservatives under Leader Tim Hudak are prepared to open the debate on privatized beer and wine sales in corner stores.

“We must be prepared to stop this dangerous proposal in its tracks. On behalf of the division I can say we will put whatever re-

sources are necessary into a campaign to stop the threat of privatized beer and wine sales. We have a strong public system in place now under the LCBO and our work as a union is to defend our current system from outside predators like the convenience store association so that we protect the jobs of our members,” said Davis.



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IT PUBLIC!

LBED Questions and Answers...

- Q. I work in an LCBO store in Toronto and there are no agency stores where I live, why should I care?
- A. Although there are no agency stores in Toronto the program has expanded rapidly since 1995. Currently in Ontario there are 209 agency stores with 131 of these stores located in Southern Ontario. If the current trend continues it is possible to see privately owned agency stores in major urban centers.
- Q. What is an agency store?
- A. Under the program the LCBO signs 5 year contracts with privately owned local grocery stores, general stores and outfitters to sell wine, spirits and beer in their retail establishments. In 1962, the LCBO introduced the Agency store. Program to provide service to small and remote communities in Northern Ontario that did not have a nearby LCBO Store.
- Q. Can I wear my button in all workplaces?
- A. Yes, the buttons have been endorsed for wearing by the LCBO.
- Q. What if a customer wants to discuss our buttons?
- A. We ask you kindly to refer your customers to our Keep it Public website at www.letskeepitpublic.ca
- Q. I need more buttons, how do I get them?
- A. Contact one of your LBED Executive members to get more buttons.
- Q. I work for the LCBO but I don't work in the stores, how would wearing a button help?
- A. Every member regardless of where you work has a vested interest in keeping us public. We're all in this together, so get involved by wearing your button outside of work too, put it on your jacket or knapsack. The more the public sees the message the better.
- Q. I have been working for the LCBO for a number of years, why should I be concerned about an Agency Store or a Convenience store selling beer and wine?
- A. Selling beer and wine through privately owned stores, who are open longer hours will directly affect the sales of your store. This will lead to reduced hours threatening your job and your income.
- Q. I've been working for the company for 22 years and it seems like the threat of privatization comes up every few years. Isn't this the same old story?
- A. The LCBO makes 1.4 billion dollars a year profit that contributes to Ontario's education and Health Care. This profit is very attractive to private business and as such will always be viewed as a major windfall for private investors if we allow the LCBO to be sold entirely or piece by piece. Our opponents may change from year to year, but our battle remains the same and our message is clear.

~~~~~Let's Keep it Public.~~~~~



## LBED Produces Educational Video



The Anti-Privatization Committee has released a short educational video on LBED's position on Agency Stores.

The video takes a hard look at a good idea gone bad. The Agency Store Programme has slowly crept into Southern Ontario eroding sales and incremental profits from publicly owned L.C.B.O. stores. Our video shows the disproportionate distribution of Agency Store locations compared to those located in



northern stores. It also highlights the countless millions of dollars the Ontario Government is losing that could be channelled to education and health care.

We urge you or any member of the public to view our video at [www.letskeepitpublic.ca](http://www.letskeepitpublic.ca)

It's time to change things. It's time the government of Ontario direct the LCBO to replace these high-volume agency stores in southern Ontario with real LCBO stores.

## Keep Wearing those Buttons

In the fall of 2009, your anti-privatization committee rolled out the "Let's Keep It Public" button campaign in response to the McGuinty government's LCBO privatization attempt. Our collective effort paid off when in June 2010 the McGuinty government announced it had abandoned the privatization attempt of the LCBO.

We can congratulate ourselves in a job well done in defeating the Supercorp.

Although the McGuinty government has abandoned the Supercorp, LBED and OPSEU feel privatization will always be on the table.

Today, the Government of Ontario has employed Agency Stores to distribute Spirits and Wine. This is another form of privatization.

The profits generated from Agency Stores do not go to the Government of Ontario to re-invest in our Health Care and Education programs.

The Agency Store concept was developed for Northern Ontario where these stores are literally miles away from a publicly operated LCBO. The program has since spiralled



out of control slowly creeping southward and closer to already existing LCBO stores endangering the ability of our members to earn a respectful living.

- They are open longer hours
- They care little about social responsibility
- Agency stores do not employ bargaining unit members
- Agency stores do not create full

time jobs for our members

Did you know that the "Let's Keep It Public" button campaign is the first campaign ever endorsed by the LCBO. It so important to wear our "Let's Keep It Public" buttons now more than ever before.

We need to convey this message to our customers. Privatization of any kind of the LCBO is not good for the citizens of Ontario.

The message is clear, the people of Ontario want the LCBO to stay public and are against any form of privatization.

**We, the Anti Privatization Committee, ask you to please wear the button that you got with this Echo!!!**

# LBED Fun Zone

Fill out the word search on the next page entitled **“A Good Idea Gone Bad”**. Find the left over 12 letters, unscramble the letters and enter them in the answer box on this page, then simply visit our website

[www.letskeepitpublic.ca](http://www.letskeepitpublic.ca)

and enter the correct answer and a valid secure email for your chance to win either an Ipad 2(1st Prize) or a Nintendo Wii (second Prize). The contest will be open until 12:00pm Oct.1st.

(contest is open to members only)

Answers & contact info can also be mailed to: P.O. Box 486  
Dowling On  
P0M1R0



OUR LCBO  
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IT PUBLIC!

**A: \_\_\_\_\_!**  
The winner will be drawn randomly from the correct winning answers, limit one entry per member.

## GET ON OUR LIST

There are so many reasons why email has become the preferred method of communication in the last few years. It's usually free to create an address, simple to set up and the person receiving it gets the message within seconds. Email is also environmentally friendly by saving trees as well as cutting emissions in the air. Our union has embraced email as a primary form of communication to members for all these reasons. The ability to communicate instantly to members across the province is invaluable to our strength.

A secure email is the only address OPSEU communications will send information. Having a secure email is an address that is not provided to you by your employer, such as johndoe@lcbo.com. Some suggested free email sites are Hotmail, Google and Yahoo. If you do not have an internet connection you may want to ask a friend or relative who has a connection to set up an address for you.

It is important to know that in order to build a strong union we need you. In order to provide strength with information and education we need to be able to contact you. When it is time to rally against privatization we want to invite you.

By updating your name, union membership number and secure e-mail address, you will receive email updates on union activities, as well as important notifications on issues such as bargaining and how you can help build a better future for working people. You will also receive an electronic copy of the LBED newsletter, the Echo. To update your contact info. Either call Opseu at 1-800-268-7376 or go to <http://www.opseu.org/notices/connect-with-opseu.htm> or for more info email [felicia@persona.ca](mailto:felicia@persona.ca)

# A Good Idea Gone Bad

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AGENCY  
ALCOHOL  
ANTI-PRIVATIZATION  
APPEAL  
BAGS  
BEER  
BOOTH  
BUTTONS  
CARDS  
CASH  
CLOSED  
CONTRACT  
CONVENIENCE STORES  
CRIME  
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DEALS

DEPENDANCY  
DIVIDENDS  
DRINK  
EDUCATION  
ELECTION  
ENGAGE  
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**PROUDLY  
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**Editorial Policy**

Content comes from our base of activists, staff, labour sources and divisional executive.

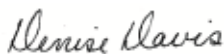
Where an article has a by-line, the views are those of the author and not necessarily the views of OPSEU or LBED.

While we welcome your contributions, we ask that they be constructive. All articles should be signed and include your local number, and should contribute positively to our division and union, and its policies.

We encourage thoughtful discussion of all related issues and reserve the right to edit for libel, length, clarity and to reply to those that seem to reflect a misunderstanding of the union and its policies.

Please send articles to [felicia@persona.ca](mailto:felicia@persona.ca) or mail to P.O. Box 486 Dowling Ontario POM 1R0 c/o Felicia Fahey

The ECHO is authorized for distribution by:  
Denise Davis  
Chair, LBED



Warren (Smokey)  
Thomas  
President, OPSEU

Information for OPSEU members in the Liquor Board Employees Division

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## **Must Have Numbers**

**OPSEU Resource Centre** is a one-stop information centre for members. The centre is staffed during regular office hours, Monday to Friday, 8:00 a.m. to 5:30 p.m. Call OPSEU Resource Centre: **416-443-8888** in Toronto area, **1-800-268-7376** from outside the Greater Toronto area.  
[www.opseu.org](http://www.opseu.org)

**Ministry of Labour** launched a Health & Safety Contact Centre, which allows anyone, anywhere in Ontario to call one number to report a workplace health and safety incident, critical injury, fatality or work refusal. The public can also call that number if they suspect unsafe work practices or for general inquiries. The number operates 24 hours a day, seven days a week.  
**1-877-202-0008** [www.labour.gov.on.ca](http://www.labour.gov.on.ca)

### **OPTrust Pension Services**

Toronto calling area: **(416) 681-6100**, Toll-free within Canada: **1-800-637-0024**  
Fax: (416) 681-6175 [www.optrust.com](http://www.optrust.com)

**Employee Assistance Program (EAP)** provided through Human Solutions is a professional and confidential service for employees of the LCBO in order to help them quickly and efficiently resolve a vast range of problems that impact employee work performance, wellness and behaviour. Call toll-free at **1-800-663-1142**  
[www.humansolutions.ca](http://www.humansolutions.ca)

**Member Savings Credit Union** serving employees and their families of the LCBO, offering a full range of financial products and services. Tel: **416.864.2461**, Toll-free within Ontario: **1.888.560.2218**  
[www.membersavings.ca](http://www.membersavings.ca)



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