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**MANITOBA LIQUOR AND LOTTERIES MERGER
WILL SAVE \$36 MILLION: MINISTER LEMIEUX**

**Independent Report Highlights \$26 million in One-time Pension Savings
Added to Administrative Savings, Staffing Efficiencies**

An interim review by consulting firm MNP on the merger of the Manitoba Liquor Control Commission and the Manitoba Lotteries Corporation into a single Crown corporation reports net savings from the government initiative have increased to over \$36 million, Tourism, Culture, Heritage, Sport and Consumer Protection Minister Ron Lemieux, minister responsible for Manitoba Liquor and Lotteries, and Winston Hodgins, president and CEO, Manitoba Liquor and Lotteries, said today.

“In Budget 2012, our government gave direction to begin the merger of Liquor and Lotteries in order to reduce administrative spending, find efficiencies and improve services,” said Minister Lemieux. “The results continue to be overwhelmingly positive. Today, we see the merger resulting in significant savings that will support our investments to create jobs and opportunities for Manitoba families, while protecting the front-line services they rely on.”

Highlights of the report include an estimated \$26 million in pension-adjustment forecast savings resulting from the initiative to combine the two pension funds as a single fully funded pension under Manitoba’s Civil Service Superannuation Board. This will result in greater pension stability and a one-time gain in the settlement of the pension liability of approximately \$26.5 million that will be returned to the province in 2014-15.

The MNP report also finds Manitoba Liquor and Lotteries has achieved \$9.6 million in merger-related savings, \$3.8 million of which will be annually recurrent savings. Savings have been achieved by reducing duplication, consolidating vendor service contracts as well as staffing and administrative efficiencies. Streamlining includes reducing to one board of directors from two, eliminating nine executive and senior management positions, and making 38 positions redundant. All impacted staff have been or will be offered alternative opportunities.

“Staff at Manitoba Liquor and Lotteries continue to work together to find and implement new efficiencies and increase savings as a result of the initiative to merge the two Crown corporations. We feel there are more benefits to come. Staff deserve the highest compliments for their success to date and their ongoing diligence and hard work,” said Hodgins.

Further savings are anticipated as a result of the consolidation of head office, payroll and human resources systems, the minister said, adding a final review by MNP will be conducted to track and document new and ongoing savings, and identify any new opportunities for further efficiencies and savings.

Two new legislative acts were passed on April 1 to officially form the Manitoba Liquor and Lotteries Corporation and create the Liquor and Gaming Authority of Manitoba, which amalgamated the Manitoba Gaming Control Commission and the regulatory arm of the Manitoba Liquor Control Commission under a single roof.

The MNP interim report on the merger is available at www.mbl.ca.