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Our Reference Number: M-2024-8936

October 18, 2024

Dave Forestell
Chair
Alcohol and Gaming Commission of Ontario
dave.forestell@agco.ca

Karin Schnarr
CEO/Registrar
Alcohol and Gaming Commission of Ontario
karin.schnarr@agco.ca

Dear David Forestell and Karin Schnarr:

I am pleased to share our government's 2025-26 priorities for the Alcohol and Gaming Commission of Ontario (AGCO).

Agencies are a part of government and are expected to act in the best interests of the people of Ontario and ensure that they provide value for money to taxpayers. Agencies are also required to adhere to government policies and directives.

Per the requirements of the Agencies and Appointments Directive, agencies are required to align goals, objectives and strategic direction with our government's priorities and direction. As Chair, you must ensure that the AGCO's business plan demonstrates the agency's plans in fulfilling the expectations and government priorities below and that progress and achievements are reported through your annual report. Compliance with these requirements is reported to Treasury Board/Management Board of Cabinet annually.

This letter sets out my expectations for 2025-26 that the AGCO is innovative, sustainable and accountable through the following direction:

Innovative

1. Simplify client/customer interactions.
2. Expand and optimize digital service offerings.
3. Improve client/customer satisfaction.
4. Share data with Supply Ontario, when requested, regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

Sustainable

5. Strengthen public service delivery by optimizing organizational capacity and directing existing resources to priority areas.
6. Use Public Resources efficiently and
 - a) Operate within agency's financial allocations.
 - b) Prudently and responsibly manage workforce size. Where an agency requires a material increase in workforce size, the agency must provide the Minister with an HR plan for approval that provides the rationale based on government priorities and/or agency mandate.

Accountable

7. Develop and report on outcome-focused performance measures to effectively monitor and measure performance.
8. Protect individual, business or organization data by actively managing data and cybersecurity and reporting Artificial Intelligence uses.
9. Report all high risks including effective mitigation plans.
10. Align hybrid work policies with the OPS and identify and assess office optimization opportunities to reduce office realty footprint and find cost reductions
 - a) Collaborate with MOI to identify office space opportunities
 - b) Align with the MBC Realty Directive and the OPS Modern Office Space (OMOS) Standards.
11. Develop and encourage diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.

These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority and the accompanying performance measures that can be utilised if measurements are not currently in place.

I am also sharing several priorities specific to the AGCO:

1. The AGCO is an important partner in supporting businesses in Ontario's hospitality and retail sectors. I ask that the CEO/Registrar and the Board continue to make recommendations to support businesses across AGCO's regulated sectors, including through ongoing modernization initiatives and the reduction of unnecessary regulatory burden, particularly given the continued impacts of global economic uncertainty and high interest rates, which continue to put pressure on these businesses.
2. Our government remains committed to program sustainability. I ask that the CEO/Registrar and the Board continue working to consider the AGCO's licensing fees across all regulated sectors through a cost recovery framework and continue work on the Funding Framework Review project to identify opportunities to make the AGCO more financially self-sufficient.

3. As part of the government's commitment to increasing choice and convenience for consumers in the safe and responsible sale of beverage alcohol in Ontario, I ask the CEO/Registrar and the Board to continue to support the implementation of Ontario's beverage alcohol marketplace. This includes the work required to support the safe and responsible sale, service, delivery, and consumption of alcohol, as well as further policy development activities as may be required.
4. Our government's top priorities with respect to recreational cannabis are to combat the illegal market and keep our youth and communities safe. I ask that the CEO/Registrar and the Board continue to work collaboratively with the Ontario Cannabis Store and government in exploring opportunities to support licensed cannabis retailers in building and maintaining a robust open market retail system that supports these priorities. I also ask that the AGCO provide advice to government, as required, if Health Canada implements any changes that affect the provincial cannabis framework as a result of their review of the federal Cannabis Act. Lastly, I ask that AGCO continue to support the government in its engagement with First Nations, including the potential development and implementation of agreements with communities respecting the regulation of cannabis on reserve.

At our next meeting, I would be pleased to discuss these priorities, and I look forward to hearing how they will be reflected in the agency's upcoming business plan and in ongoing agency operations.

Thank you and your fellow board members for your continued commitment to the AGCO. Your work and ongoing support is invaluable to me and the people of Ontario.

Should you have any questions, please feel free to contact Jane Mallen, Assistant Deputy Attorney General, Policy Division at jane.n.mallen@ontario.ca.

Sincerely,

A handwritten signature in black ink that reads "Doug Downey". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Doug Downey
Attorney General

Enclosure

c: Jane Mallen, Assistant Deputy Attorney General, Policy Division