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October 6, 2023

Dave Forestell  
Chair  
Alcohol and Gaming Commission of Ontario  
Email: [dave.forestell@agco.ca](mailto:dave.forestell@agco.ca)

Karin Schnarr  
CEO/Registrar  
Alcohol and Gaming Commission of Ontario  
Email: [karin.schnarr@agco.ca](mailto:karin.schnarr@agco.ca)

Dear Dave Forestell and Karin Schnarr:

I am pleased to share our government's 2024-25 priorities for the Alcohol and Gaming Commission of Ontario (AGCO).

In your capacities as Chair and CEO/Registrar, you play a vital role in helping AGCO achieve its mandate. It is important that your agency's goals, objectives, and strategic direction continue to align with our government's priorities and direction. As part of the government of Ontario, agencies 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, this letter sets out my expectations for AGCO for 2024-25. These priorities include:

**1. Competitiveness, Sustainability and Expenditure Management**

- Operating within the agency's financial allocations.
- Identifying and pursuing opportunities for revenue generation, efficiencies and savings through innovative practices, and/or improved program sustainability.
- Complying with applicable direction related to accounting practices and supply chain centralization, including leveraging Supply Ontario's bulk purchasing arrangement and working with Supply Ontario on strategic procurement initiatives.
- Complying with realty interim measures for agency office space.
- Leverage and meet benchmarked outcomes for compensation strategies and directives.

## 2. **Transparency and Accountability**

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
- Adhering to accounting standards and practices, and responding to audit findings, where applicable.
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability, and providing the Minister with annual skills matrices to ensure boards have qualified appointees.
- Reviewing and updating agency KPIs annually to ensure efficiency, effectiveness and sustainability.

## 3. **Risk Management**

- Developing and implementing an effective process for the identification, assessment and mitigation of agency risks, including cyber security, and any future emergency risks.

## 4. **Workforce/Labour Management**

- Optimizing your organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.
- Supporting the implementation of the Community Jobs Initiative (CJI) by identifying opportunities to relocate new or existing agencies to lower cost communities across Ontario (as per MBC Realty Directive, s. 5.4), as applicable.
- Aligning Human Resource and Accommodations strategies with OPS directives and policy.
- Adhering to TB/MBC labour and bargaining mandates.
- Prudently and efficiently managing operational funding and workforce size.

## 5. **Diversity and Inclusion**

- Developing and encouraging diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
- Adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision-making.

## 6. **Data Collection, Sharing and Use**

- Improving how the agency uses data in decision-making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

## 7. **Digital Delivery and Customer Service**

- Exploring and implementing digitization for online service delivery to ensure customer service standards are met.
- Using a variety of approaches or tools to ensure service delivery in all situations.

These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority. In addition to these government-wide priorities, I am also sharing priorities specific to AGCO:

- The AGCO is an important partner in addressing these impacts on Ontario's hospitality sector. 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.
- 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.
- Our government remains committed to being transparent and accountable. In December 2020, the Auditor General of Ontario released recommendations resulting from her Value for Money audit of the AGCO. I ask that the CEO/Registrar and the board, working with ministry officials as needed, continue working towards implementing any outstanding recommendations.
- Supporting the government's objectives related to improving choice and convenience for consumers with respect to alcohol sales by ensuring the alcohol sector is operated with honesty and integrity and in the broader public interest. I ask the CEO/Registrar and the board to support the government's objectives and policy development activities related to modernizing Ontario's beverage alcohol retail marketplace while maintaining the province's strong commitment to the safe and responsible sale, service, delivery and consumption of alcohol.
- Our government's top priorities in response to the federal legalization of 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 cannabis retailers in building a robust open market retail system that supports these priorities. I also ask that the AGCO provide advice to government as it responds to the legislated review of the federal *Cannabis Act*.

I look forward to hearing how these priorities 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](mailto:jane.n.mallen@ontario.ca).

Sincerely,



Doug Downey  
Attorney General

Attachment: Government Priorities for Agency Sector Chart