



Minister of Finance | Ministre des Finances
PETER BETHLENFALVY

Ms. Connie Dejak
Chair
Ontario Cannabis Retail Corporation
4100 Yonge Street, Suite 200
Toronto, Ontario
M2P 2B5

Dear Ms. Dejak:

I am pleased to share our government's 2024-25 priorities for the Ontario Cannabis Retail Corporation (OCRC).

As Chair of the Board, you play a vital role in helping the OCRC 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 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 OCRC for 2024-25. These priorities include:

1. 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.
- Ensuring the risk management strategy drives agency decision-making and is a top priority to agency leadership.
- Updating the Ministry of Finance annually on the agency's progress in executing on the risk management strategy.

2. 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.
- Leveraging and meeting benchmarked outcomes for compensation strategies and directives.

3. 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, including the 2021 Office of the Auditor General of Ontario's Value-for-Money Audit of the OCRC.
- 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.

4. Workforce/Labour Management

- Optimizing agency 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 Resources and Accommodations strategies with the Ontario Public Service (OPS) directives and policy, as appropriate, including return-to-office arrangements with those being followed by the OPS.
- 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.

In your governance role, I encourage you and the entire board to emphasize sound risk management surrounding all issues affecting cybersecurity. I'd appreciate an update from you on the measures the management team is taking to prioritize cybersecurity at your agency.

These are the government-wide commitments for board-governed provincial agencies.

I am also sharing several priorities specific to the OCRC:

1. Continuing to work with the government, the Alcohol and Gaming Commission of Ontario (AGCO), licensed producers, and licensed cannabis retailers to develop initiatives that support a vibrant legal cannabis market that is a competitive alternative to the illegal market, improves operational efficiencies and promotes responsible consumption, and supports growth across the legal sector.
2. Monitoring and evaluating the impacts of the OCRC's pricing model changes on the cannabis industry, while ensuring that the agency continues to deliver on its financial commitments to government.
3. Strengthening wholesale and distribution processes and infrastructure to better support industry partners while planning for future network needs as the market continues to evolve, such as enhancements to the existing Farmgate framework.
4. Reviewing and acting on opportunities for red tape reduction to improve operational efficiencies and reduce administrative burden for customers and vendors, while complying with government directives.
5. Continuing to build market data and consumer insights capabilities to inform policy advice to government, support agency relations, and enrich OCRC's customer experience model for industry partners.

6. Continuing to deliver against the OCRC's multi-year Social Responsibility Strategy, with particular focus on promoting responsible consumption and championing the benefits of the legal framework.
7. Working with the Ministry to respond at the provincial level to the outcome of Health Canada's review of the federal legal cannabis framework.
8. Continuing to work with government to build and strengthen partnerships with First Nation communities including support for Provincial engagements.
9. Continuing to ensure access to legal cannabis products in underserved, remote and rural communities across Ontario.
10. Working with the Ministry to provide market intelligence and other resources, as appropriate, to support efforts by enforcement bodies against the illegal market.

I would be pleased to discuss these priorities during our next meeting, 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 OCRC. Your work and ongoing support is invaluable to me and the people of Ontario.

Should you have any questions, please feel free to contact Richard Clark, Chief of Staff to the Minister of Finance at (416) 325-0400 or Richard.Clark@ontario.ca.

Sincerely,



Peter Bethlenfalvy
Minister of Finance

Attachment: Government Priorities for Agency Sector Chart

- c: David Lobo, President and Chief Executive Officer, Ontario Cannabis Retail Corporation
Richard Clark, Chief of Staff to the Minister of Finance, Ministry of Finance
Greg Orencsak, Deputy Minister, Ministry of Finance
Nancy Mudrinic, Associate Deputy Minister, Office of Regulatory Policy and Agency Relations, Ministry of Finance
Erin McGinn, Assistant Deputy Minister, Government Business Enterprise Division, Ministry of Finance
Tom McKinlay, Director, Legal Services Branch, Ministry of Finance