



---

7<sup>th</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416-325-0400  
Facsimile: 416-327-0374

7<sup>e</sup> étage, Édifice Frost Sud  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Téléphone: 416-325-0400  
Télécopieur: 416-327-0374

September 30, 2016

Ms. Bonnie Brooks  
Chair  
Liquor Control Board of Ontario  
55 Lakeshore Boulevard East  
Toronto, Ontario  
M5E 1A4

Dear Ms. Brooks,

I am pleased to write to you in your capacity as Chair of the Liquor Control Board of Ontario (LCBO). I am confident that you will effectively oversee the LCBO through one of the most significant transformations in the Ontario alcohol marketplace that we have seen in decades. Pursuant to the requirement of the Agencies and Appointments Directive, this letter sets out my expectations for the LCBO for the 2017-18 fiscal year.

Ontario's board-governed agencies are vital partners in delivering high quality services to Ontarians. The people of Ontario and this government depend on you to provide strategic leadership to the Board of Directors and the President and CEO. Together with your fellow board members, Ontarians rely on you to ensure that goals and strategies established for the LCBO are consistent with your agency mandate, government policies, and my directions.

As you know, the *Liquor Control Act* states that the LCBO's purposes are to control, sell, authorize the sale of, and distribute alcohol responsibly; participate in waste management programs; and deliver net profits to the Consolidated Revenue Fund, among other obligations.

In the 2016 Ontario Budget, the government committed to providing consumers with more choice and convenience by modernizing the way alcohol is distributed and sold in Ontario. I have been very gratified to see how quickly LCBO's board of directors and management have accommodated these operational challenges. To date, the LCBO has introduced sales channels recommended by the Premier's Advisory Council on Government Assets (the Council), including the much-expanded wholesale service to grocers and online purchases that launched this summer. I am pleased that the LCBO continues to work with the Council and the Ministry of Finance to adapt to the changing alcohol marketplace.

.../cont'd

To ensure that government's commitments to choice, convenience, social responsibility and fiscal prudence are met with confidence, in 2017-2018, I expect the LCBO to focus on:

- continuing to implement the recommendations of the Premier's Advisory Council on Government Assets in accordance with applicable legislation and government direction;
- submitting to the Ministry a business and financial plan for 2017-20 and a year-end report outlining the financial and operational results for 2017-18, each of which will meet the requirements of the Agencies and Appointments Directive and the Memorandum of Understanding between the LCBO and Ministry of Finance;
- enhancing the LCBO's revenues within the parameters of government directions and diligently managing expenses to align with the government's fiscal objectives;
- further supporting an alcohol policy framework that will improve the health of Ontarians by addressing problematic alcohol consumption and assisting government in developing recommendations consistent with the framework; and
- managing the operational, strategic and financial risks encountered by the LCBO, to help ensure the LCBO and government meet our financial and social objectives as they relate to the control and sale of alcohol.

I thank you and your fellow board members for your service.

Sincerely,

*(original signed by Minister of Finance)*

Charles Sousa  
Minister

c: Scott Thompson, Deputy Minister of Finance  
Nancy Kennedy, Assistant Deputy Minister, Revenue Agencies Oversight, Ministry of Finance  
George Soleas, President and Chief Executive Officer, Liquor Control Board of Ontario