

Year in Review

2021-22

Supporting a
more vibrant
Alberta

Supporting a more vibrant Alberta

When AGLC provides choices Albertans can trust, AGLC is supporting a more vibrant Alberta.

By providing consumer choice, business sustainability and stable employment, AGLC ensures that innovation can thrive in the gaming, liquor and cannabis industries. Balanced by a productive regulatory environment that ensures public health, responsible experiences and informed choices, AGLC delivers choices Albertans can trust.

We are committed to strengthening the province as the best place to do business within Canada and reducing barriers for business growth. While ensuring the interests of consumers are protected, AGLC responsibly generates revenue through gaming, liquor and cannabis activities for the benefit of Albertans and the communities where they live.

Together, economic growth, social benefits, choice and stable revenue support a more vibrant Alberta.

Message from the Board Chair



“2021-22 was a significant step forward in our business and economic recovery plan from the lows of the previous year. As we move out of the pandemic, our Board will focus on customer-centric solutions to support business growth and job creation for our stakeholders.”

AGLC’s role in supporting a more vibrant Alberta this past year was marked by the beginning of a positive turnaround of the provincial economy despite highly unpredictable events near and far from home. COVID-19 variants, supply chain issues, inflation, a war in Ukraine and an energy crisis created challenges for AGLC, for our stakeholders and for all Albertans. This past year was a balance of prioritizing short-term targets while maintaining a broader, long-term view of enhancing AGLC’s ability to deliver customer-centric solutions to support profitable business growth and job creation in Alberta.

As part of our commitment to fostering economic resilience in the province, AGLC launched a five-year strategic plan designed to strengthen Alberta to be at the forefront of industry advancements. With an ambitious and transformative period on the horizon, it was imperative that AGLC’s CEO exemplify creative agility and passion for innovation. After an exhaustive search, CEO, Kandice Machado, was appointed to the position. On behalf of the Board, I thank Kandice for her steady guidance and focus on meaningful collaboration with AGLC’s stakeholders. I am grateful for her leadership and the tremendous resiliency and perseverance shown by both AGLC stakeholders and staff as we continue to drive business growth in the gaming, liquor and cannabis industries.

This year, we expanded Play Alberta, the province’s only regulated online gambling website, to include single-event sports betting providing players with more choice and combatting the illegal online gambling market. AGLC’s exit from online cannabis sales was designed to facilitate new revenue opportunities for retailers, spur private sector investment and job creation, ultimately increasing consumer choice to strengthen the legal market. In the face of supply-chain issues and world conflicts, Alberta’s liquor industry remained steady while continuing to expand Albertans’ choices for liquor products. This included an increase in licensed restaurants, bars and lounges signaling a rebound in the hospitality industry.

In 2021-22, it was vital for AGLC to support businesses doing what they do best, while striking the right balance of regulatory oversight and social responsibility. The Board’s emphasis on policy modernization directly supported our laser-focus on reducing red tape. This annual report features a hallmark accomplishment of 37 per cent red tape reduction, exceeding this year’s target of 20 per cent and next year’s target of 33 per cent. Effectively managing the province’s gaming, liquor and cannabis industries while maximizing benefits to Albertans also includes responsibly generating revenue for the province. This year, AGLC will contribute over 23 per cent more to the Government of Alberta’s General Revenue Fund compared to the previous year.

Looking forward, our Board is excited about our stakeholders’ potential to continue driving economic recovery and growth for the province. We also look forward to collaborating with the Government of Alberta to maintain Alberta’s position as the best place to do gaming, liquor and cannabis business; ensuring choices Albertans can trust for years to come.

Original signed by

Len Rhodes
Board Chair

Message from the CEO



Throughout AGLC’s history, our business models have continuously delivered strength and stability to the province. While this past year was full of challenges for AGLC and our industry partners, it’s been truly inspirational to see how we’ve collectively stepped up for Albertans to support economic recovery in the province. I want to thank all employees, board members and stakeholders for their agility this past year. Despite the uncertainty and ever-evolving global landscape of 2021-22, AGLC continued to showcase its ability to execute, transferring \$2.1 billion in revenue to the Government of Alberta’s General Revenue Fund where it will be used to support government funded projects and initiatives.

Continuing to manage the impacts of COVID-19 meant engaging in effective stakeholder consultation and modernizing policies to help industry adapt to the changing environment. Surpassing our target for this year and next, AGLC achieved a 37 per cent reduction in red tape, eliminating barriers for businesses and facilitating overall industry success.

The guidance of our Board of Directors was another call to action for our organization and its role in our province. AGLC addressed the challenges facing our industries by focusing on economic growth and customer-centricity for each of our business lines. Gaming continued to see positive advancements through Play Alberta which allowed us to quickly offer legal, single outcome wagering to Albertans in a safe, regulated environment. AGLC also successfully transitioned online cannabis sales to the private sector, fueling industry growth and diversification. With flooding in key transportation routes throughout Canada and significant supply chain strains globally, we were able to stabilize our liquor and cannabis supply chains delivering an unmatched number of products to Albertans. We also saw growth in liquor products made right here in Alberta, showcasing the creativity and resourcefulness that exists in our province.

Alongside new gaming offerings and product accessibility, our social responsibility programs expanded to include CannabisSense, which joins GameSense and DrinkSense in providing research-based educational tools for responsible gaming, liquor and cannabis experiences.

Now, and into the future, supporting a more vibrant Alberta will require AGLC to listen, adapt, and empower our stakeholders and employees. With the development of AGLC’s five-year strategic plan, our focus will be to continue strengthening Alberta to be at the forefront of the gaming, liquor and cannabis industries while balancing a regulatory environment that supports responsible choices. By providing support to the charities that enrich our communities, the businesses that deliver products and services to customers and the industries that contribute to Alberta’s economic success, AGLC will continuously support choices Albertans can trust.

Original signed by

Kandice Machado
Chief Executive Officer

“I want to thank our employees for rising to each and every challenge and showing great agility. Their collective dedication to providing a high level of service to our stakeholders and customers was instrumental in AGLC’s success.”

Purpose

AGLC is the Crown commercial enterprise that oversees the gaming, liquor and cannabis industries in Alberta. We uphold a commitment to balancing access and social responsibility to provide choices Albertans can trust.

Vision

Strengthen Alberta through its leading-edge gaming, liquor and cannabis industries.

Mission

Create an environment for responsible choices to deliver economic and social benefits to Albertans.

Values

INTEGRITY

We hold ourselves to a high standard. That means operating fairly and honourably with colleagues, customers and stakeholders, even when no one is watching.

RESPECT

We listen and empower. Our culture adapts and ensures all are heard to build a vibrant Alberta. And when we misstep, we take accountability.

COLLABORATION

We harness the power of multiple minds and ideas. By breaking down internal and external boundaries to work together, we amplify our achievements.

INNOVATION

We are always reinventing. The first answer is not always the best answer, so we let our curiosity continuously challenge the status quo.

INCLUSION

We embrace the power of diversity. Each of our unique talents, experiences and relationships come together to form one stronger AGLC.

Reducing red tape for businesses

AGLC supports the Government of Alberta's red tape reduction initiative and remains committed to reducing barriers for our industry stakeholders.

37%

red tape reduction achieved by AGLC in the 2021-22 fiscal year.

20%

the Government of Alberta's red tape reduction target set for AGLC in the 2021-22 fiscal year.



12,500+

businesses positively affected by AGLC red tape reduction initiatives.

13,000+

charities benefiting from improved raffle opportunities and expanded use of gaming proceeds.

Positive economic impact for Alberta communities

\$2.1 billion

contributed to Alberta's General Revenue Fund that supports projects and initiatives Albertans rely on.

-  Youth programs
-  Social services
-  Housing
-  Education
-  Infrastructure
-  Healthcare
-  Community development

\$306.6 million

in proceeds raised through charitable gaming activities that contribute to programs and services across the province.

-  Research
-  Education
-  Sports
-  Activities for older adults
-  Volunteer experiences
-  Youth development



Economic activity is generated in communities across Alberta through independent operators and retailers. This includes businesses that serve their local communities as gaming providers, liquor store operators and cannabis retailers.



19
traditional casinos

5
Host First Nation (HFN) casinos

4
Racing Entertainment Centres (RECs)



13,338
charitable gaming licences

770
video lottery terminal (VLT) retail locations¹



2,856
lottery ticket centres

5,452
licensed restaurants, bars and lounges



236
Alberta liquor manufacturers



2,413
licensed liquor retailers²

764
liquor agencies

7,349
liquor products made in Alberta



756
licensed cannabis retail stores³

134
contracts with licensed producers of cannabis⁴



Notes:

1. Deployed (installed) as of March 31, 2022.
2. Retailers engaged in the sale of liquor for consumption in another location e.g., purchased from a liquor store or hotel for off-premises consumption.
3. Retailers that are licensed to sell cannabis products.
4. 33 contracts with Alberta-based licensed producers.

Empowering the consumer

AGLC focuses on providing and facilitating access to a variety of products and services. With a wide variety of products and experiences available, consumers can make purchasing decisions based on their needs or expectations.

83%

of Albertans trust AGLC to manage gaming, liquor and cannabis activities in Alberta. We are proud to offer choices Albertans can trust.¹

Increased consumer choice

112

more locations to buy lottery tickets compared to five years ago.

Lotto

28%

more liquor products on the market compared to five years ago.



630%

more cannabis products compared to three years ago.



Gaming entertainment options on PlayAlberta.ca have expanded to include secure, casino-style games, instants, live dealer games, lottery and sports betting for legal-aged residents.

Albertans have access to a broad selection of liquor products supported by 236 local manufacturers, a centralized distribution network, a personal importation option, and expanded licensing eligibility that permits liquor sales at farmers' and artisan markets across the province.

Albertans have increased choice when it comes to their online cannabis purchasing options. As of March 8, 2022, licensed retail cannabis stores were able to launch online cannabis sales and delivery options for their customers. This also marked AGLC's exit from online cannabis in order to expand private sector business growth in the industry.

Note:

1. Please visit aglc.ca for annual satisfaction survey results and methodology.

Enhancing public health and safety

AGLC aims to reduce the social harms related to gambling, liquor and cannabis by focusing on public awareness and education to support healthy and informed choices.



AGLC's responsible gambling, drinking and cannabis campaigns provide Albertans with information and resources to engage in responsible experiences.

DrinkSense
DrinkSenseAB.ca

GameSense
GameSenseAB.ca

CannabisSense
CannabisSense.ca

AGLC's SMART Training programs and GAIN program deliver education and training, ensuring that employees in the gaming, liquor and cannabis industries are well-prepared to provide responsible service to Albertans.

63,163

SMART training certifications were issued in 2021-22.

SMART programs provide social responsibility training to employees in the liquor, gaming and cannabis industries.

AGLC
SMART
TRAINING
PROGRAMS

98

GAIN webinars were held with representatives from **706 organizations**.

GAIN sessions provide information to groups that conduct charitable gaming activities to help Alberta charities better understand charitable gaming policies.

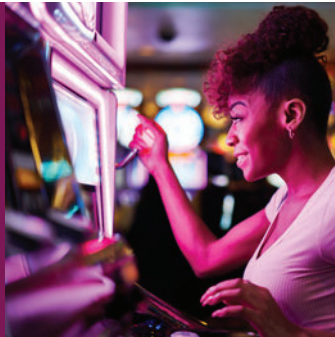
GAIN
Gaming Information
for Charitable Groups

Ensuring industry integrity

AGLC is dedicated to a regulatory and policy environment that maintains our commitment to compliance in the gaming, liquor and cannabis industries.

3,355

gaming inspections conducted.



23,625

liquor inspections conducted.

99%

liquor compliance rate.



7,696

cannabis inspections conducted.

99%

cannabis compliance rate.



1,058

due diligence disclosures received.¹



99%

charitable gaming compliance rate.



0

disclosures received under the *Public Interest Disclosure (Whistleblower Protection) Act*.



Note:

1. AGLC's Due Diligence Unit conducts a full investigation for each disclosure received. As at March 31, 2022, 205 gaming, 355 cannabis and 498 cannabis representatives disclosures were received.

Performance measures update

The following table summarizes our performance measured against our 2021-24 Business Plan.

Performance measures	Target ¹	Actual
Gaming net operating income (in thousands of dollars)	\$1,248,917	\$1,205,154
Liquor net operating income (in thousands of dollars)	\$897,747	\$853,680
Cannabis net operating loss (in thousands of dollars)	\$(14,798)	\$(4,352)
Stakeholder satisfaction	93%	93%
Compliance charitable gaming activities ²	98%	99%
Compliance liquor licensees ²	99%	99%
Compliance cannabis licensees ²	98%	98%
Responsible gamblers	96%	95%
Responsible drinkers	89%	88%
GameSense awareness	34%	36%
DrinkSense awareness	31%	37%
Reputation index	83%	80%

Notes:

1. Reflects updated targets in 22-25 Business Plan. Financial totals may vary slightly due to rounding.
2. Calculated by total inspections during the fiscal year, minus incidents resulting in penalties, divided by total inspections during fiscal year.