



BUSINESS PLAN

2024-2027



Choices Albertans can trust.

Land Acknowledgement

AGLC respectfully acknowledges that we operate on the traditional and ancestral territory of many peoples, including the Indigenous peoples of the Treaties 4, 6, 7, 8 and 10 regions, and the Métis Settlements and Six Regions of the Métis Nation of Alberta. We respect the histories, languages and cultures of First Nations, Métis, Inuit and all First Peoples of Canada, whose presence continues to enrich our communities.

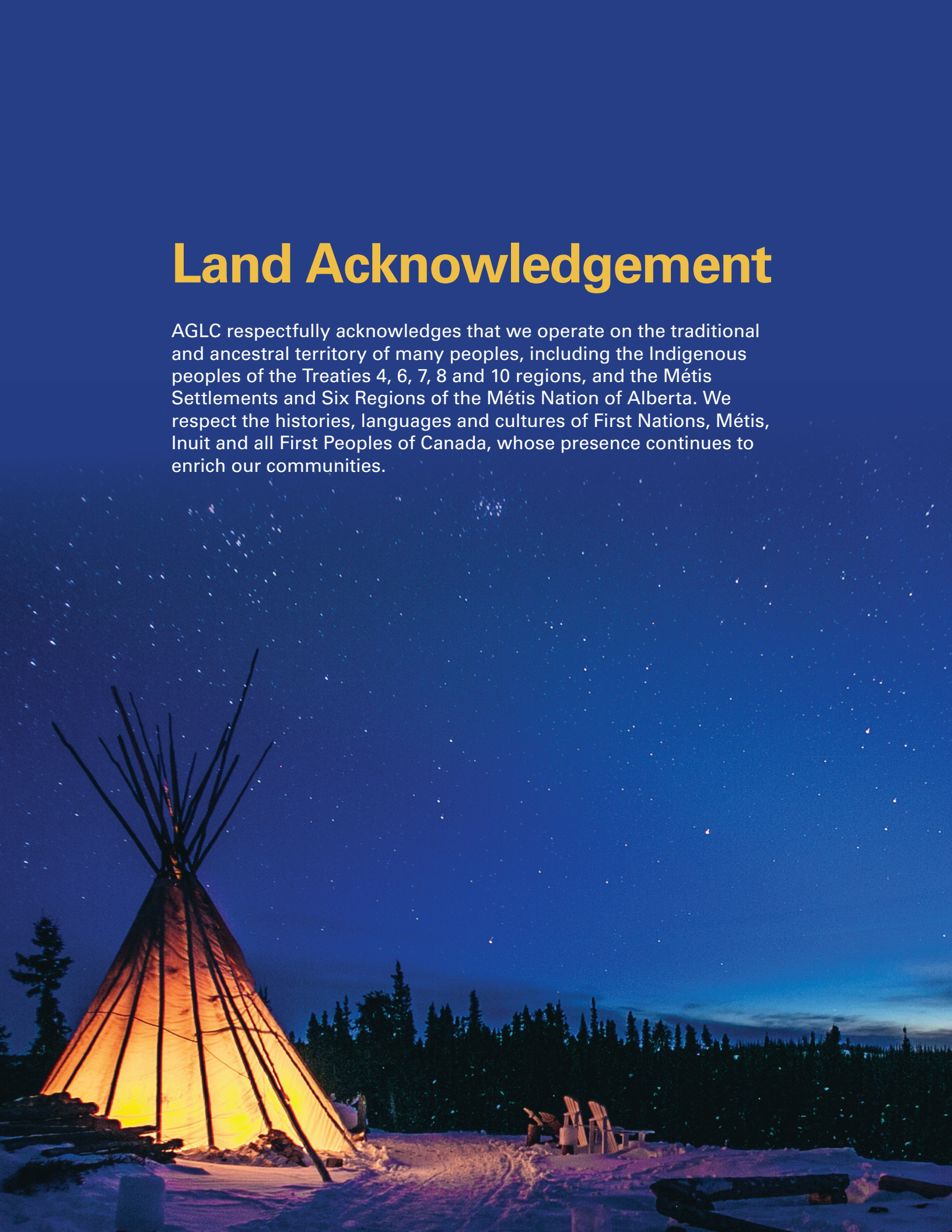


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Message from the Board Chair

Alberta continues to demonstrate resiliency despite rising interest rates and persistently high inflation, with its economic outlook being more favourable than the rest of Canada. Alberta Gaming, Liquor and Cannabis (AGLC) continues to be intentional with its actions to advance the strategic plan. The Board has provided direction that will maximize AGLC's economic impact while remaining vigilant about our social obligations and being ready to adjust if business conditions change.

AGLC's strategic plan serves as the foundation upon which we build our success story. AGLC is poised to strengthen Alberta to be at the forefront of industry advancements while stewarding a balanced environment where stakeholders thrive, and the interests of Albertans are protected. The 2024-27 business plan is reflective of this and outlines key actions AGLC will take in the upcoming years.

Our pursuit of excellence extends to the delicate balance between business development and social responsibility. We understand that these two aspects are not mutually exclusive, but rather interdependent and we are steadfast in our commitment to uphold this balance.

We are dedicated to evaluating every facet of our industry, keeping an eye on market dynamics and ensuring that our actions align with our core values. As AGLC navigates the ever-evolving business landscape, we recognize that consumer preferences evolve and we are prepared to adjust our efforts to reflect these shifts.

Looking ahead, we will maintain a level playing field for all stakeholders by fostering a regulatory framework that allows everyone to operate independently, support social responsibility and uphold industry integrity. Central to this effort is an education-first approach. We recognize that through effective education and clear regulations, we can empower businesses to thrive responsibly within our system and help Albertans to make informed choices.

The success of our stakeholders and our charitable gaming model is a source of pride for our board, and its effectiveness is second to none. When we hear about businesses thriving, Albertans finding employment, and charities being supported, we know that our collective efforts are paying off. This inspires us to go above and beyond and create an environment that nurtures growth and prosperity. Alberta entrepreneurs and businesses—small, medium, and large—are the job-creating engines of the Alberta and Canadian economies. It is the entrepreneurial spirit of Albertans that truly sets us apart. The "made in Alberta," narrative is a testament to the ingenuity and resilience of Albertans, and it's this spirit that has allowed us to create an open market with choices Albertans can trust.

I am excited about the progress AGLC has made in the last year and I look forward to the opportunities that lay ahead. The actions outlined in our business plan position AGLC to effectively reposition and refocus goals, as necessary, in response to new social and economic realities. By working collaboratively with the Government of Alberta and our stakeholders, we will deliver social and economic benefits that support a diversified Alberta and showcase the Alberta Advantage.

Original signed by

Len Rhodes
Board Chair



Message from the CEO



AGLC is proud to be part of communities across the province. The desire to have a positive impact in Alberta is a driving factor for the actions outlined in our 2024-27 business plan. We are focused on evolving our culture and advancing our capabilities to ensure AGLC remains a modern and effective regulatory body that places a priority on supporting employees, stakeholders and Albertans.

Our employees are the driving force of our actions and our commitment to stakeholders. Our people and digital strategies will help AGLC meet employee and stakeholder expectations while continuing to evolve our industries for Albertans. Initiatives such as the creation of a diversity, equity and inclusion framework and updated learning and development program will help shape the future of AGLC by creating a compelling employee experience. Implementing an enterprise resource planning system, customer relationship management system and automated licensing framework will allow us to streamline services for internal and external stakeholders.

AGLC operates as one of Canada's most effective jurisdictions, as we are the only commission where business and regulator are combined for gaming, liquor and cannabis. This allows us to better consider the needs of all our stakeholders when making decisions. As a result, our customer and industry strategies reflect our commitment to innovating the player gaming experience, modernizing opportunities in the liquor industry and advancing the cannabis market while also advancing social responsibility.

Our strategies for gaming include developing a dedicated Play Alberta app that will enhance the mobile gaming experience for Albertans. We will foster partnerships with industry leaders and Indigenous communities, harnessing their expertise to advance gaming opportunities that align with evolving player expectations while upholding the highest standards of integrity and social responsibility. Together, we will complete the implementation of Alberta's iGaming strategy and advance other land-based gaming opportunities.

We also recognize the need to adapt to changing consumer preferences and industry trends. AGLC will actively engage with stakeholders, seeking their input and feedback as part of a liquor model review to foster innovation and growth in the liquor sector. Through collaboration and forward-thinking strategies, AGLC is committed to unlocking new opportunities and driving the modernization of Alberta's vibrant liquor industry.

AGLC continues to work closely with cannabis industry stakeholders to develop and implement a progressive business model and policies that encourage responsible growth and innovation. Additionally, we will advocate for regulatory changes that will make it easier for the development of a wide range of cannabis products while upholding strict quality control and safety standards.

Our achievements extend beyond government revenue to include charities, programs and services that support Albertans. We're setting our sights on raising the bar on customer centricity, our employees' experiences and technology capabilities. As we move forward, we welcome the opportunities that lie ahead, embrace the complexity of the work at hand and will collaborate with our stakeholders to deliver the value that Albertans rely on.

Original signed by

Kandice Machado
Chief Executive Officer

About AGLC

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

Supporting a more vibrant Alberta

Every day the things we do and the choices we make support a more vibrant Alberta. From providing access to a wide variety of products, to giving back to communities, charities and non-profits, our choices give Albertans the support to do the things they enjoy. Through our actions and choices, we're working towards a better future; a stronger, safer and more vibrant province for all Albertans.

Our vision

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

Our mission

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

Our 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.



Inclusion

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



Innovation

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

Our purpose

Gaming



AGLC regulates charitable gaming activities, promoting responsible player experiences, conducting and managing provincial gaming and lottery activities, innovating the player gaming experience, as well as operating Alberta's only regulated online gambling website, PlayAlberta.ca.

Liquor



AGLC regulates the manufacture, importation, sale, purchase, possession, storage, transportation and use of liquor; overseeing a stable liquor distribution network; and promoting responsible consumption of liquor in Alberta.

Cannabis



AGLC regulates Alberta's non-medical cannabis industry, distributing cannabis and promoting responsible and informed cannabis use.

Legislation and board governance

AGLC is the Crown commercial enterprise and agency that oversees the gaming, liquor and cannabis industries in Alberta. These core businesses are conducted in alignment with the priorities of the Government of Alberta and are established in accordance with the *Gaming, Liquor and Cannabis Act (GLCA)* and the Criminal Code (Canada).

The board is responsible for AGLC's governance and overseeing the management of AGLC's business affairs. AGLC's Board consists of up to nine independent members appointed by the Lieutenant Governor in Council, including designating a Board Chair from the appointed members. Board members serve appointment terms of up to three years in length, with a maximum service of up to 10 years in total. AGLC follows all Government of Alberta practices related to compensation for board members of provincial agencies, boards and commissions. Biographies of the board members are available on aglc.ca.



Purpose of the plan



AGLC's three-year rolling business plan outlines priority actions for the organization, refining the specific steps that will be undertaken across the entire organization to advance both our strategic direction and enhance our core day-to-day business operations. The business plan considers a multitude of factors, among them, Enterprise Risk Management (ERM), which plays a pivotal role in assessing our capacity to realize our vision, mission and strategic objectives.

ERM is seamlessly integrated into the planning and budgeting processes providing the assurance that AGLC can successfully meet its strategic objectives by fostering a culture of collaborative risk management that proactively identifies, plans for and manages risk and opportunities across the organization.

The business plan's content is further shaped by the influence of external factors and stakeholders. It is a document that reflects the thoughtful and deliberate

choices and actions required to make impactful changes for the future. These actions and collaborations with stakeholders and government are outlined in the subsequent sections of the plan, illustrating the intentional steps AGLC will take to make a lasting impact in the years ahead.

This plan also fulfills AGLC's accountability to the Government of Alberta as a Crown commercial enterprise. In accordance with this role, AGLC prepares a business plan and annual report each fiscal year, which are submitted to government pursuant to Section 10 of the *Sustainable Fiscal Planning and Reporting Act*. The business plan is referenced as part of the Government of Alberta's annual budget process and is aligned with the strategic priorities of the government at the time of publication. The annual report for fiscal year 2024 will serve as AGLC's accountability tool, providing an overview of achievement of the objectives and actions outlined in this business plan.

Choices Albertans can trust.



Strategic outlook

The following factors shaped development of the business plan and budget, and also signal opportunities and/or potential challenges that may influence achievement of AGLC's vision, mission and strategic plan.



Economy

Alberta's economic indicators, encompassing real gross domestic product, unemployment, population, interprovincial migration, and inflation, are key inputs within AGLC's planning framework. The demand for gaming, liquor and cannabis products and experiences among Albertans can be impacted by changes in the province's economic conditions, which can have an impact on revenue and expenses.



Consumer

Understanding how consumer behaviour and preferences change over time is essential for the success of the gaming, liquor and cannabis business lines. Health consciousness, convenience, locally made products and shifting consumer tastes are consumer behaviour trends that can impact our lines of business.

By closely monitoring and adapting to these trends, AGLC can align with evolving consumer needs and preferences, fostering long-term success in the marketplace.



Public health and safety

AGLC aims to reduce potential social harms related to gambling, liquor and cannabis by empowering Albertans with the tools, information and resources they need to make informed choices. This includes maintaining a regulatory and policy environment that places an emphasis on our commitment to compliance that is essential to ensure industry integrity in the gaming, liquor and cannabis industries. These measures will establish safeguards in new and emerging opportunities within these sectors, promoting public health and safety ensuring AGLC continues to provide choices Albertans can trust.



Stakeholder approach

AGLC actively engages with its stakeholders to identify emerging risks and opportunities and collaboratively develop innovative products and experiences to ensure industry and consumer needs are met. As business landscapes continue to evolve for gaming, liquor and cannabis, maintaining a regulatory environment that strikes the right balance of protecting consumers while allowing industry to thrive will require collaboration. AGLC will continue to foster open communication and cultivate agility to respond to the evolving needs of its stakeholders.



Technology

AGLC is a technology-centric organization that is undergoing a transformation to modernize its capabilities including new technologies, use of data, and employee skills. Through the organization's digital strategy, AGLC aims to accelerate the adoption and delivery of new capabilities that will enable the organization to respond more effectively to evolving market demands and stakeholder needs.



Sustainable growth

Achieving sustainable growth requires AGLC to be fiscally prudent, while being ethical and accountable to current and future communities. A robust financial planning and accountability framework coupled with a corporate sustainability focus, positions AGLC to continue to achieve profitable growth while balancing the impact on Albertans and the environment.

Benefits to Albertans

Revenue generated from gaming, liquor and cannabis support government funded projects and initiatives that Albertans rely on.



Social Services



Healthcare



Education



Housing



Community Development



Infrastructure

Alberta is the only province that licenses charities to conduct and manage casino events. Those charitable gaming proceeds support programs and services throughout the province¹.



Research



Education



Sports



Youth development



Volunteer Experiences



Activities for older adults

\$2.3 billion

Expected contributions in 2025 to Alberta's General Revenue Fund that supports projects and initiatives Albertans rely on.

\$1,487M Gaming Operations

\$808M Liquor Operations

\$7M Cannabis Operations

\$141.8 million

Expected to be allocated in 2025 from Alberta's General Revenue Fund to the First Nations Development Fund.

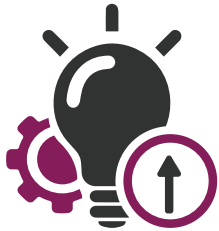
Host First Nation Communities

- Five Host First Nation casinos operating in Alberta on reserve land.
- Casino funds are used for charitable programs that directly benefit the Host First Nation community, such as: community safety programs, cultural events, education, elders/seniors support, medical/health aid, life skills training, and housing and infrastructure¹.

¹In 2023, total proceeds to charities were \$383.9 million of which \$73.3 million were earned by HFN charities.

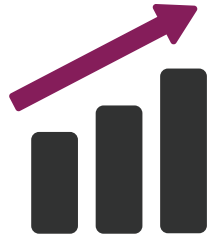
Strategy and actions

CORPORATE STRATEGIC ACTIONS



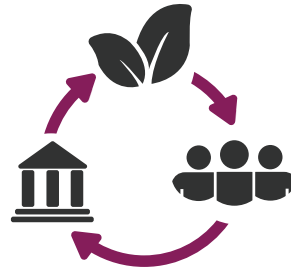
Policy Evolution

Evolve policy through stakeholder engagement to reduce barriers and advance business growth.



Enterprise Performance Management

Activate an **Enterprise Performance Management** framework that utilizes a systematic process to measure and report on performance to drive strategies, plans and execution.



Corporate Sustainability

Formalize a **Corporate Sustainability** framework that provides transparency to employees, stakeholders and Albertans.



Branding

Enhance AGLC's **brand** to increase awareness and positively impact employee and customer experiences.



Customer and Industry Strategies

OBJECTIVES

- Drive economic growth, private sector investments and business opportunities.
- Collaborate with stakeholders, be transparent and reduce red tape.
- Improve customer centricity, choice and responsible experiences.

ACTIONS

Expand and evolve Alberta's online gaming market.

Conduct a liquor business model review to ensure relevancy, effectiveness and efficiency.

Conduct a cannabis business model review to ensure relevancy, effectiveness and efficiency.

Develop a customer experience framework.

Advance land-based gaming opportunities with enhanced player experiences and devices.

Advance liquor retail expansion and other market opportunities.

Research and provide policy input to advance cannabis market opportunities.

Continue to advance SMART training and social responsibility programs in alignment with new business growth.

Migrate Winner's Edge loyalty program to empower casino operators.

Research and provide policy input on direct-to-consumer liquor options that benefit Albertans.

Combat the illegal market with a unified corporate position that includes coordinated, cross-jurisdictional efforts focused on educational and enforcement activities.

Implement charitable gaming review recommendations to support Alberta charities.

Activate plans to comply with single-use plastics regulations and improve waste reduction and recycling efforts.

DESIRED OUTCOMES

- Improved collective intelligence to understand responsible choice while meeting market needs and growing Alberta's competitive advantage.
- Increased economic opportunities by prioritizing modernization and automation, positioning Alberta as the best place to do business.



Digital Strategy



OBJECTIVES

- Develop a modernized IT workforce aligned with business needs.
- Integrate the right people with the right technology through effective, ethical and repeatable processes.
- Achieve a data driven organization through the data maturity principles of data quality and availability.

ACTIONS

Develop and implement digital fluency strategy and enable an environment for digital experience and experimentation.

Establish new IT services such as managed services, cloud security, architecture practices and digital services to modernize IT operations.

Redesign IT service management capabilities including enhancement of application, security, data and infrastructure domains.

Strengthen IT governance by formalizing the risk management framework, in alignment with enterprise risk management and value management framework.

Modernization and enhancement of regulatory applications to improve and streamline regulatory services.

Expand internal and external self-service technologies and enhance customer relationship management.

Enable the modernization of business applications through implementation of an enterprise resource planning system for core services such as finance, human resources and supply chain management.

Enable essential digital technology including integration, master data management and identity management to increase operational efficiencies, improve decision making and support risk mitigation.

Improve digital information management (e.g. learning management and business intelligence tools) and continuously explore opportunities to leverage modern digital services (e.g. artificial intelligence and machine learning).

DESIRED OUTCOMES

- Integrated information technology (IT) initiatives that advance AGLC as a modern organization delivering measurable benefits.



People Strategy

OBJECTIVES

- Establish an HR function that supports building the organization of the future.
- Foster a strong leadership presence that evolves AGLC's culture.
- Build a high-performance workforce by establishing a compelling employee experience.

ACTIONS

Redesign HR services to enhance employee and leader experiences.

Establish leader competencies and leader learning programs to close gaps and support succession planning.

Develop and deploy an employer branding strategy to increase awareness of AGLC in the marketplace to attract and retain top talent.

Formalize a framework to advance diversity, equity and inclusion across the organization.

Advance the corporate learning and development program to support the development of employee competencies.

Enhance employee engagement methods to inform workplace decisions with data and insights.

Refresh health and wellness programs and services.

DESIRED OUTCOMES

- Transformed culture that values employee experience and innovation by leveraging digital fluency and technical skills to address current and future workforce needs.

Budget and targets

The budget and targets reflect AGLC's continued commitment to responsible fiscal management while balancing the need to invest for sustainment, and future growth and innovation. Resources, both financial and human, are allocated to support the committed actions outlined in this plan.

Budget 2025 delivers a financial return of \$2.3 billion in net operating income for the benefit of all Albertans. This return is expected to be achieved through strong revenue performance in gaming and cannabis, eased by softening liquor revenues. Strong revenue performance is offset by increased operational expenses, primarily due to the change in useful life of gaming terminals, modernization of systems and platforms, and inflationary pressures. Target years are projected to trend upwards to \$2.4 billion in 2026 and 2027.

The operating budget is allocated to each line of business for transparency and impacts the value they provide to Albertans.

Over the next three years, the capital budget includes investments totaling \$339.8 million with substantial funds allocated to the gaming line of business.

(in millions)	Actuals 2023	Budget 2024	Budget 2025	Target 2026	Target 2027
Gaming net revenue	\$1,446.2	\$1,491.9	\$1,516.2	\$1,549.9	\$1,576.3
Liquor net revenue	850.4	863.2	844.3	854.0	863.3
Cannabis net revenue	60.4	60.4	69.6	72.2	74.5
Net revenue	2,357.0	2,415.5	2,430.1	2,476.1	2,514.1
Operating expenses	322.1	406.5	468.3	425.8	406.0
Other revenue	23.9	20.2	20.9	21.3	22.1
Net income from ticket lottery ¹	337.9	319.6	319.0	318.2	317.6
Net operating income	\$2,396.7	\$2,348.8	\$2,301.7	\$2,389.8	\$2,447.8
Net operating income by line of business					
Gaming net operating income	1,553.6	1,514.7	1,486.8	1,559.3	1,599.1
Liquor net operating income	825.1	829.5	807.8	819.4	832.3
Cannabis net operating income ²	18.0	4.6	7.1	11.1	16.4
Net operating income	\$2,396.7	\$2,348.8	\$2,301.7	\$2,389.8	\$2,447.8
Capital investment	\$119.9	\$128.3	\$122.9	\$93.0	\$123.9

1. Excludes ticket lottery sales through Play Alberta.

2. Does not include cannabis tax revenue collected by the Government of Alberta.

Performance measures

AGLC regularly monitors and reports on its performance. This ensures AGLC is achieving its purpose, delivering on strategy and managing all actions described in this plan.

The following performance measures provide transparency and accountability to our stakeholders and Albertans that goals and objectives are being achieved, and targets are being met.

	Actuals 2023	Budget 2024	Budget 2025	Target 2026	Target 2027
Financial (in millions)					
Gaming net operating income	\$1,553.6	\$1,514.7	\$1,486.8	\$1,559.3	\$1,599.1
Liquor net operating income	\$825.1	\$829.5	\$807.8	\$819.4	\$832.3
Cannabis net operating income ¹	\$18.0	\$4.6	\$7.1	\$11.1	\$16.4

	Actuals 2023	Target 2024	Target 2025	Target 2026	Target 2027
Compliance²					
Charitable gaming activities	99%	98%	98%	98%	98%
Liquor licensees	99%	99%	99%	99%	99%
Cannabis licensees	98%	98%	98%	98%	98%
Awareness					
GameSense	48%	41%	42%	43%	44%
DrinkSense	40%	40%	41%	42%	43%
CannabisSense	32%	32%	33%	34%	35%
Responsible use³					
Responsible gamblers	97%	97%	97%	97%	97%
Responsible drinkers	89%	89%	89%	89%	89%
Responsible cannabis consumers	*pending development as a national standardized tool and/or metric has not yet been established				

	Actuals 2023	Target 2024	Target 2025	Target 2026	Target 2027
Customer service and brand⁴					
Stakeholder satisfaction index	93%	93%	93%	94%	94%
Reputation index	77%	84%	84%	84%	84%

- Does not include cannabis tax revenue collected by the Government of Alberta.
- Measures compliance with legislation, regulation and policy.
- Responsible gamblers and responsible drinkers performance metrics exclude Albertans that do not gamble or consume alcohol.
- Indexes are comprised of a series of questions from multiple surveys of licensees and adult Albertans, as well as internal employee surveys.



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