

September 19, 2023

Annual Liquor Industry Stakeholder Meeting

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Call to Order Housekeeping Items

Steve Lautischer, Executive Vice President, Business Development

Leanne Balanik, Director, Liquor Services



September 19, 2023

AGLC Update

Steve Lautischer, Executive Vice President, Business Development



September 19, 2023

Welcome

Len Rhodes, Board Chair



September 19, 2023

Roundtable Introductions

Leanne Balanik, Director, Liquor Services



September 19, 2023

Business Development Update

Steve Lautischer, Executive Vice President, Business Development



September 19, 2023

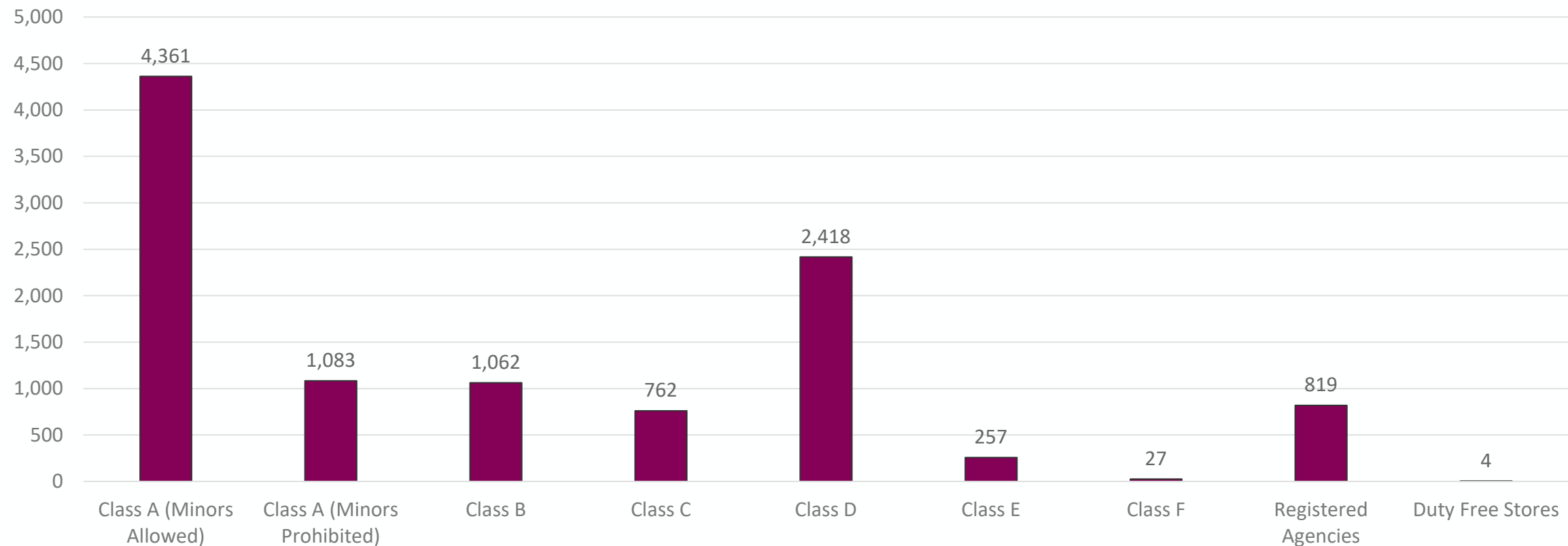
Liquor Services Update

Jay Shukle, Vice President, Liquor and Cannabis

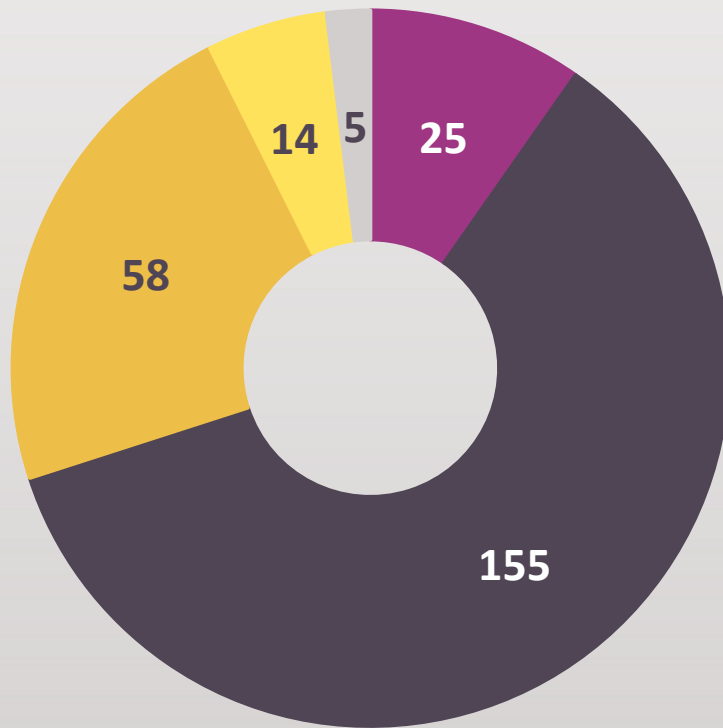


Licenses

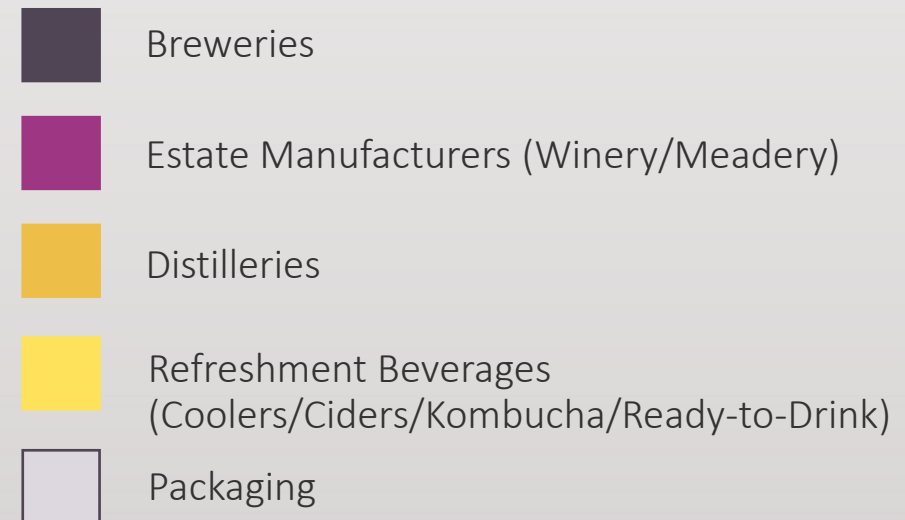
Total Licensees as of March 31, 2023 = 10,888



Alberta Manufacturers

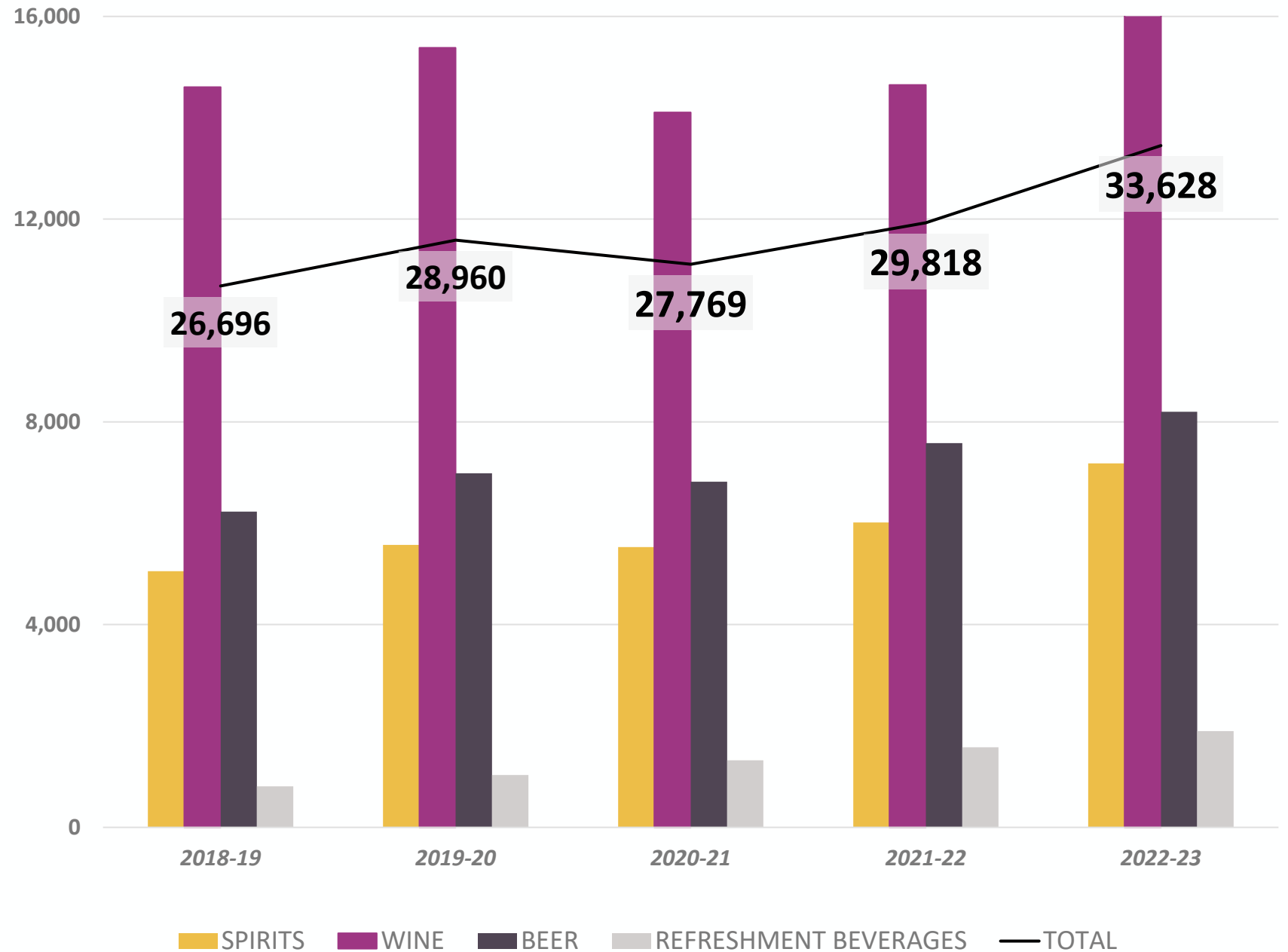


Total Class E Licensees as of March 31, 2023 = 257



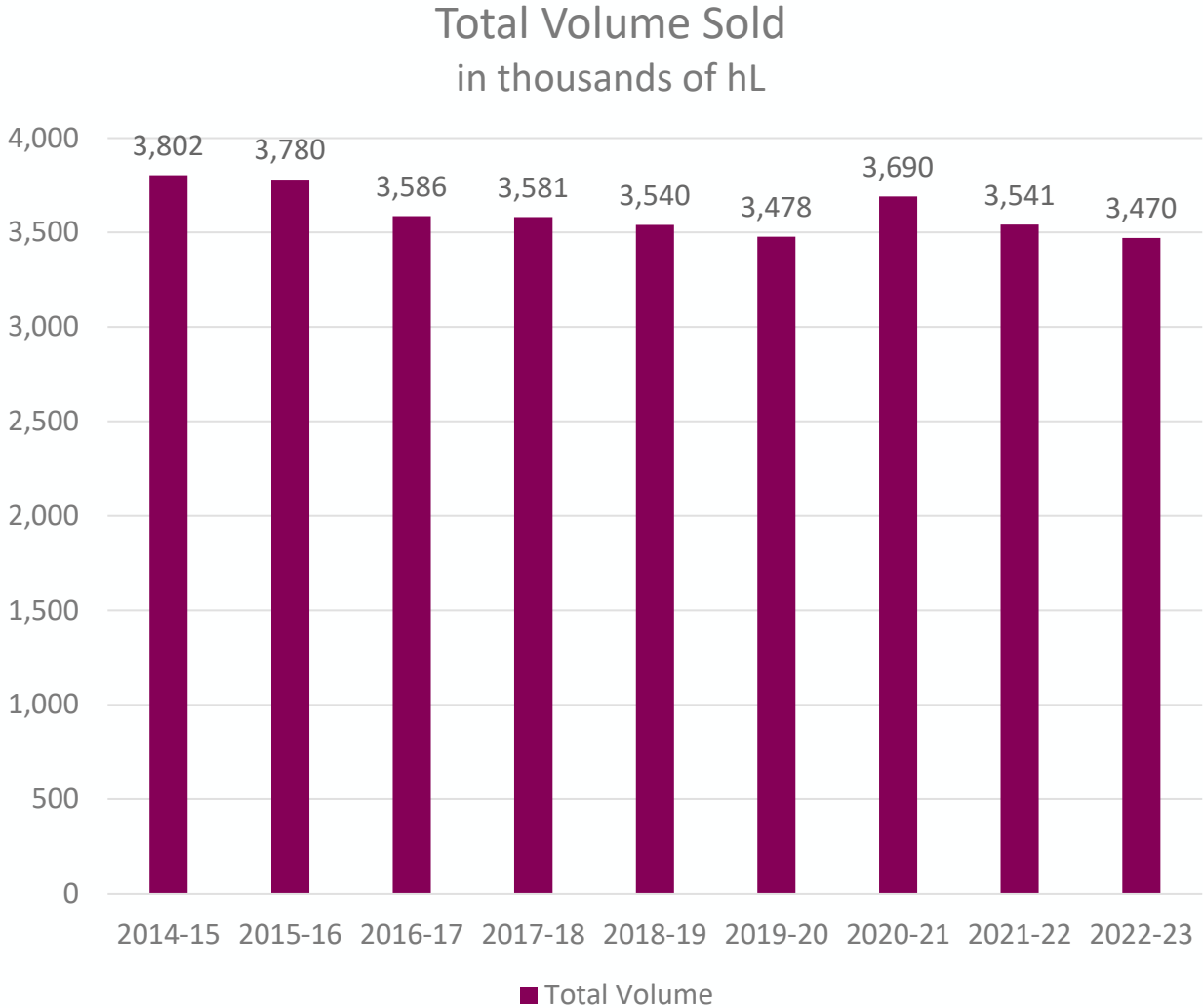
Number of SKUs

The total number and variety of SKUs continues to grow.



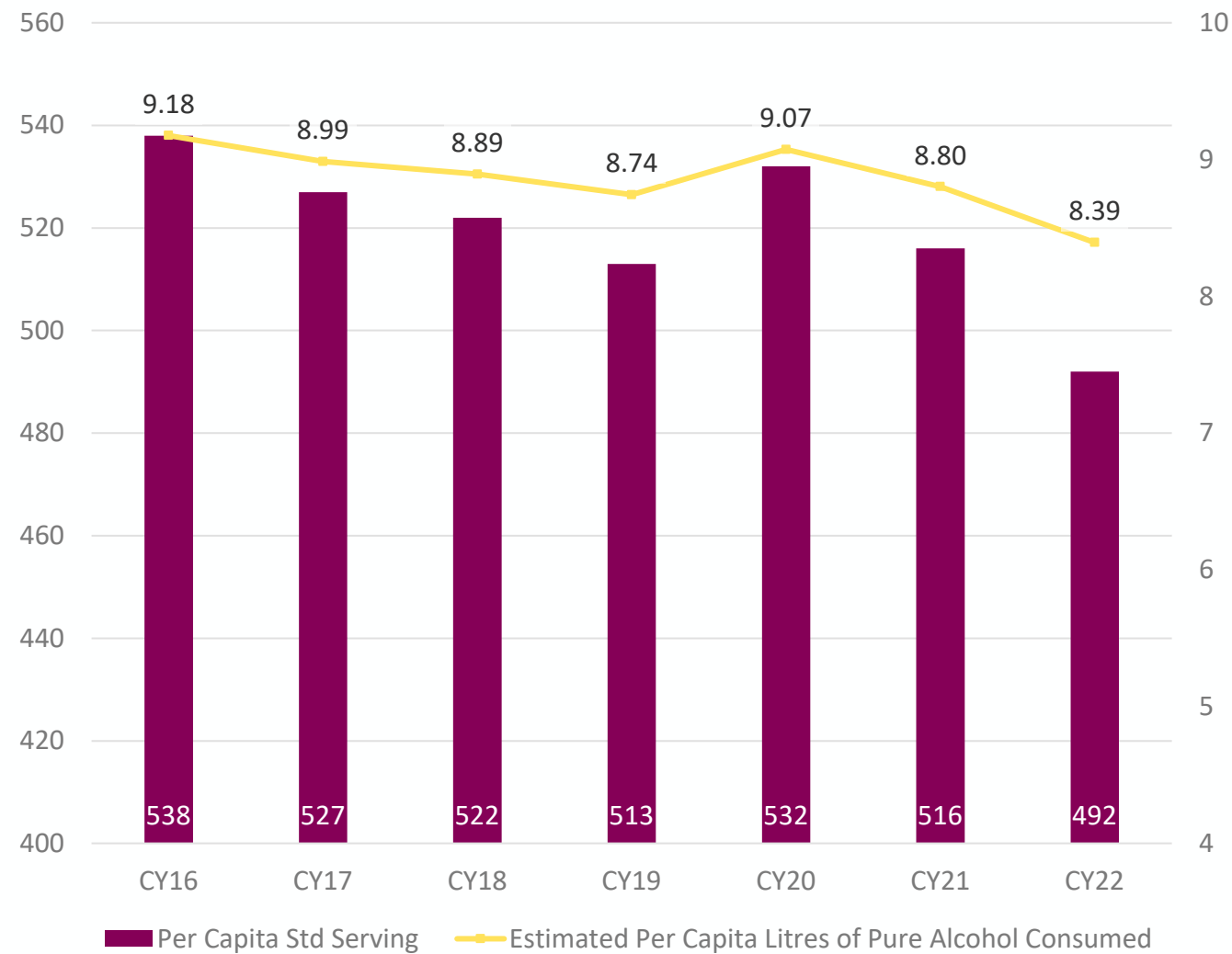
Total Liquor Volume Sold

The total combined volume of liquor sold in Alberta continues a downward trend.



Year-Over-Year Standard Servings

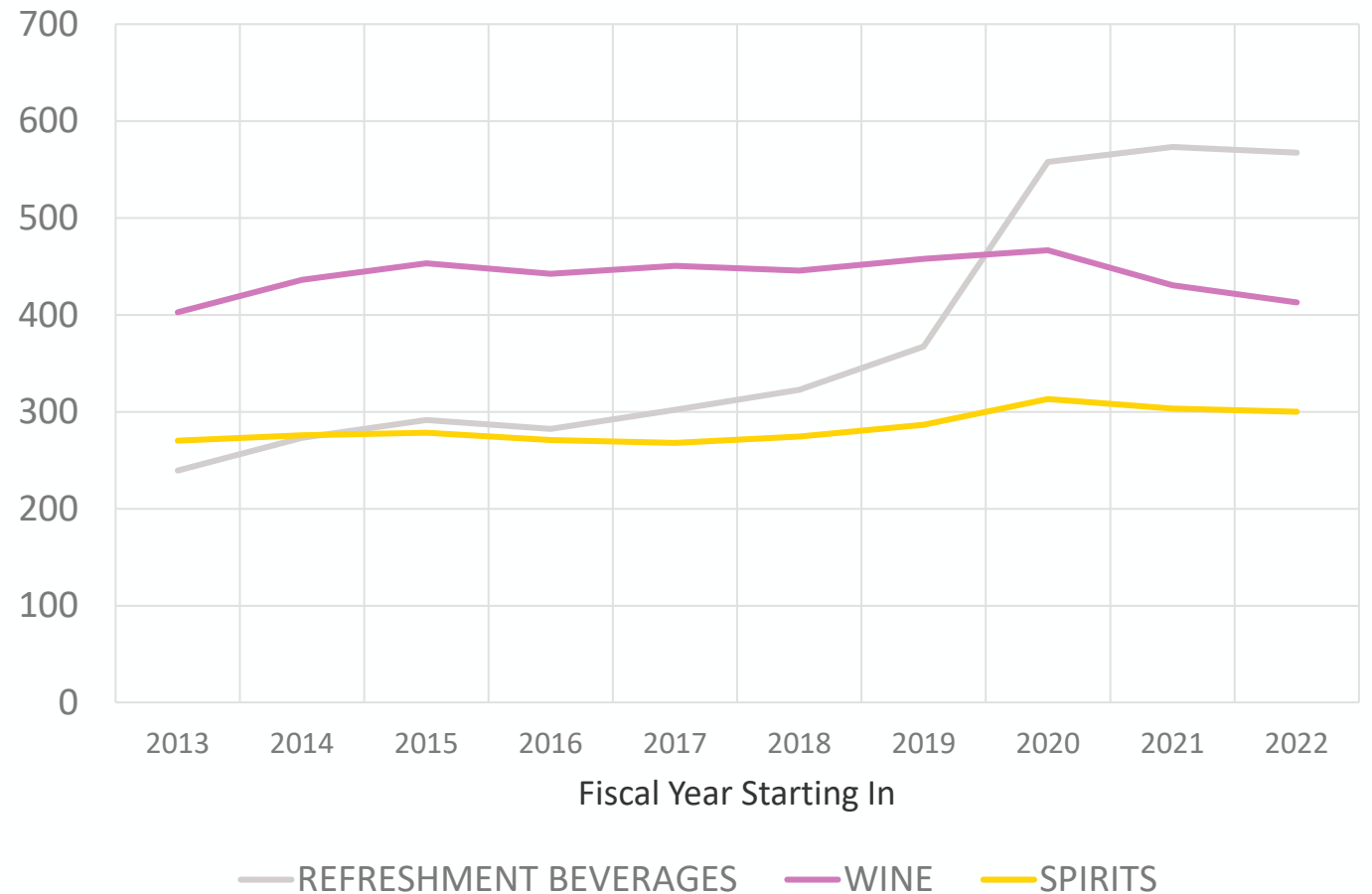
Based on standard serving sizes per capita, consumption rates decreased to pre-pandemic amounts.



10-Year Trends in Liquor Sales: Refreshment beverages, wine & spirits

Refreshment beverages sales have decreased for the first time since 2016.

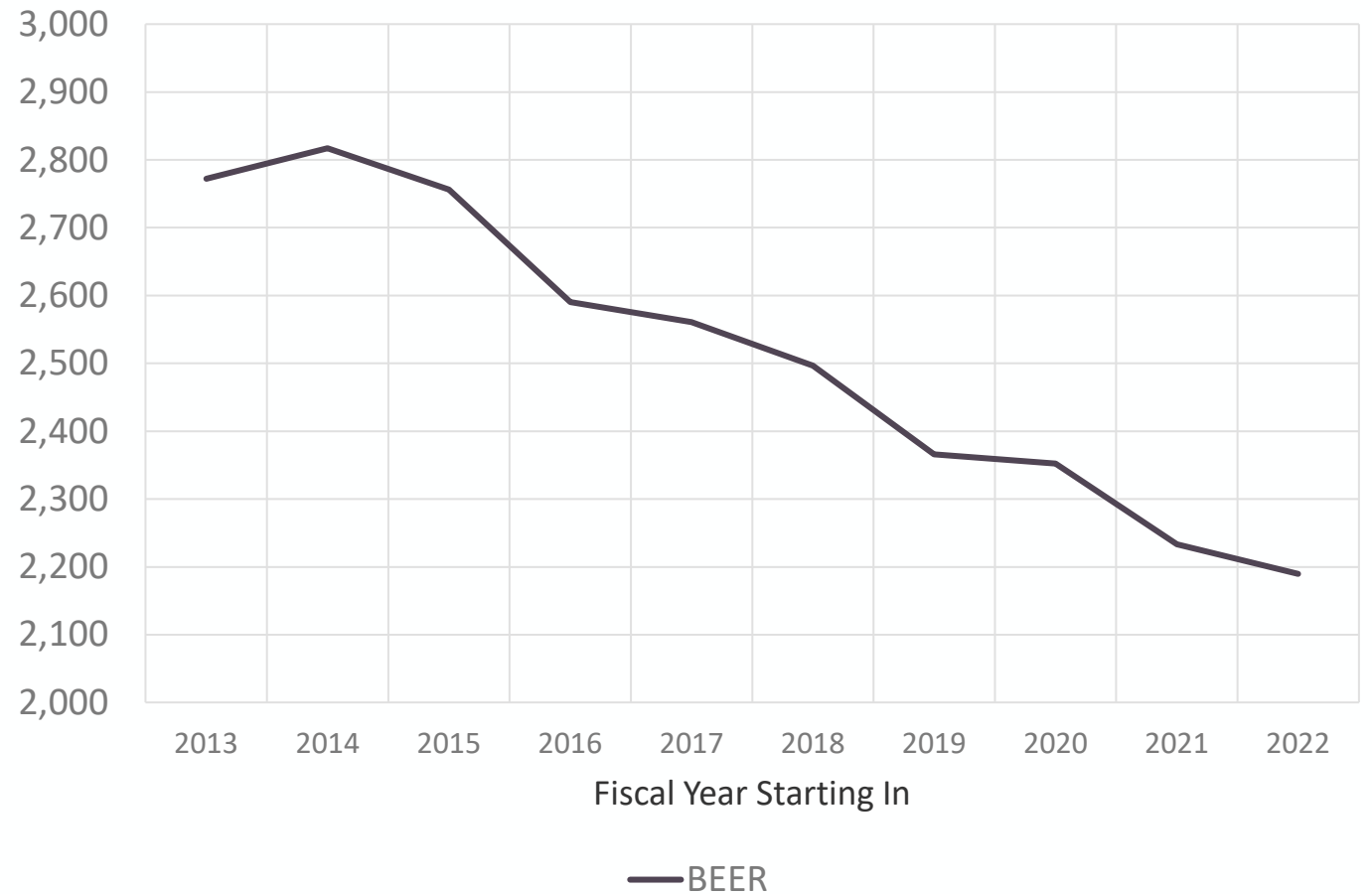
Annual Estimated Hectolitres Sold (In Thousands)



10-Year Trends in Liquor Sales: Beer

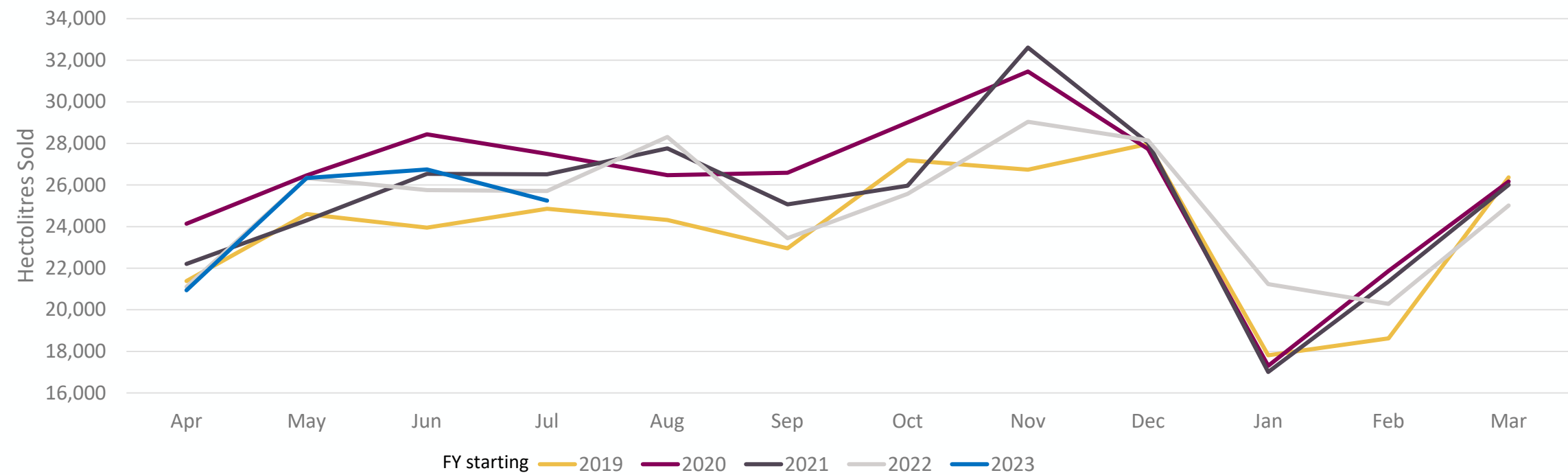
Beer continues its gradual decline but is still the leading product category in terms of volume sold.

Annual Estimated Hectolitres Sold (In Thousands)



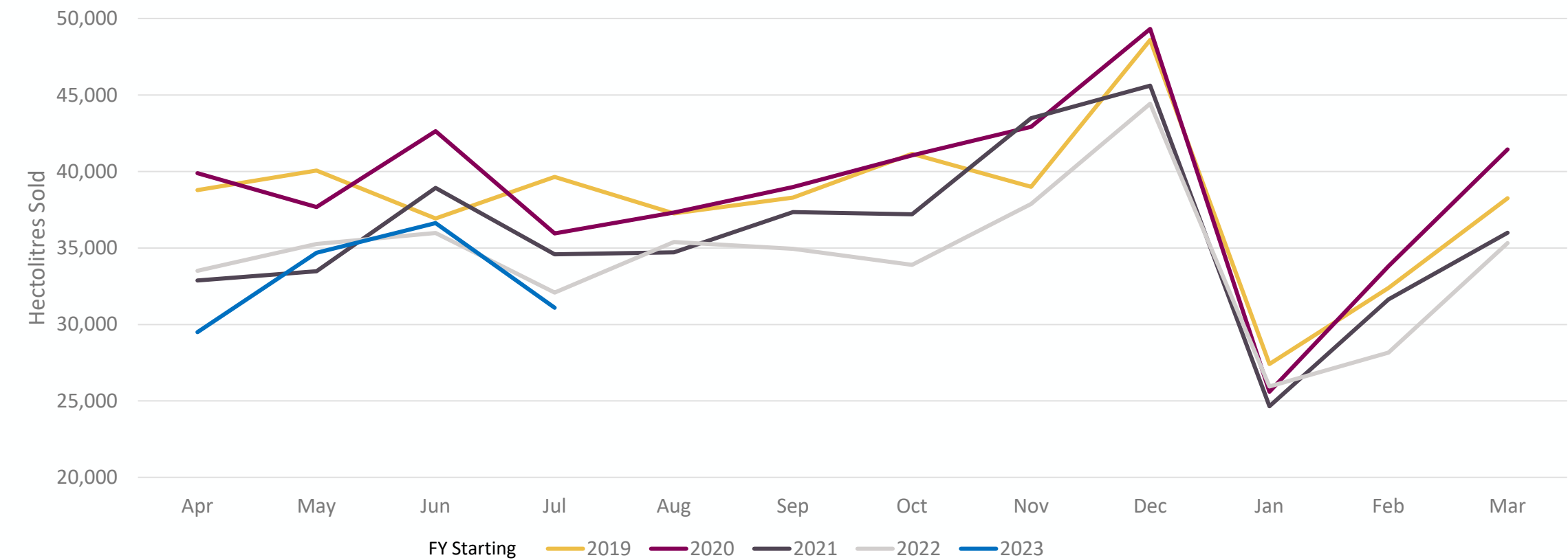
Liquor Sales: Spirits

Compared to the previous year, spirit sale volumes decreased 1.1% in 2022-23.



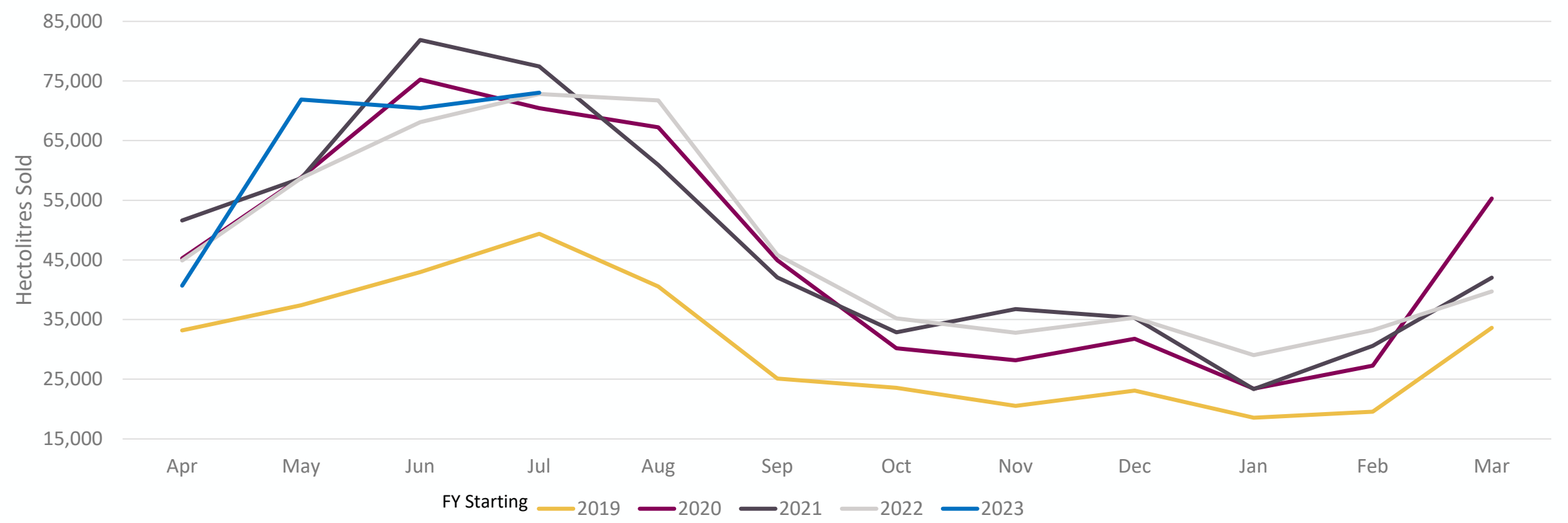
Liquor Sales: Wine

Compared to the previous year, wine sale volumes decreased 4.1% in 2022-23.



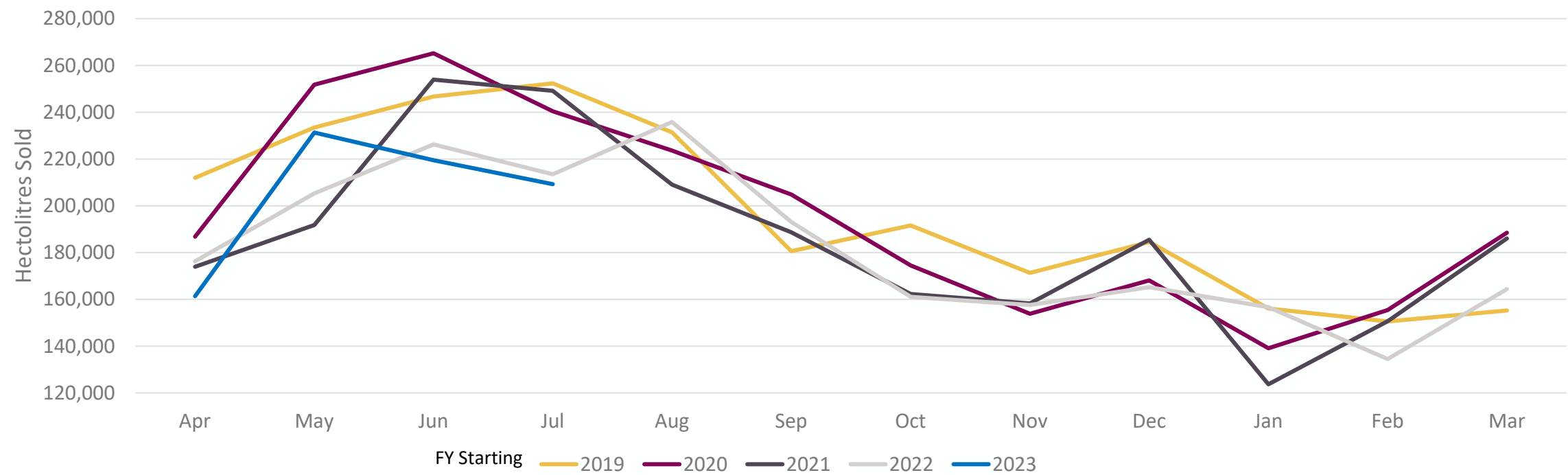
Liquor Sales: Refreshment Beverages

Compared to the previous year, refreshment beverage sale volumes decreased 1.1% in 2022-23.



Liquor Sales: Beer

Compared to the previous year, beer sale volumes decreased 1.9% in 2022-23.



Policy & Process Updates

Recent policy amendments

1	Private Non-sale Annual Hotel Special Event Licence permits occasional complimentary liquor service to guests.
2	Exclusivity Agreements can be arranged based on liquor product types rather than broad categories.
3	Prohibited Relationships amended to allow greater opportunities be less restrictive.
4	Maximum Size for Beer, Cider and Refreshment Beverage Samples adjusted to 473 millilitres (ml) from the previous 355 ml.
5	Small spirits production threshold amended to 160,000 Litres of Absolute Alcohol (LAA) of spirits in total AWP.
6	Contract Manufacturing volumes to be reported in the AWP of the contractee only.
7	Red Tape Reduction Review of Licensee Handbook conducted for efficiency and to reflect current practices.
8	Energy Drinks in Liquor Stores: Class D Retail Liquor Stores may sell energy drinks.
9	Small Manufacturer Off Sales at Trade Shows permitted with a Class D Off Sales licence at Alberta-based trade shows.
10	Faulty Product Claims process and request form updated.
11	Liquor Sales Reporting and Remittance requirements clarified for Small Manufacturers.

Policy & Process Updates

CBSA Assessment and Revenue Management

- CARM rollout delayed to May 2024
- Impact to liquor agencies
 - Customs hold on import beer
- Reduce customs clearance time by ensuring proper customs manifests are provided to AGLC

Policy & Process Updates

Areas of Focus

- Red tape reduction - nearly 50% reduction; continued stretch goals
- Efficiencies in processes (liquor manufacturer payments, agency renewal, etc.)
- Liquor container registration
- Reducing barriers to trade

AGLC 2023-26 Business Plan

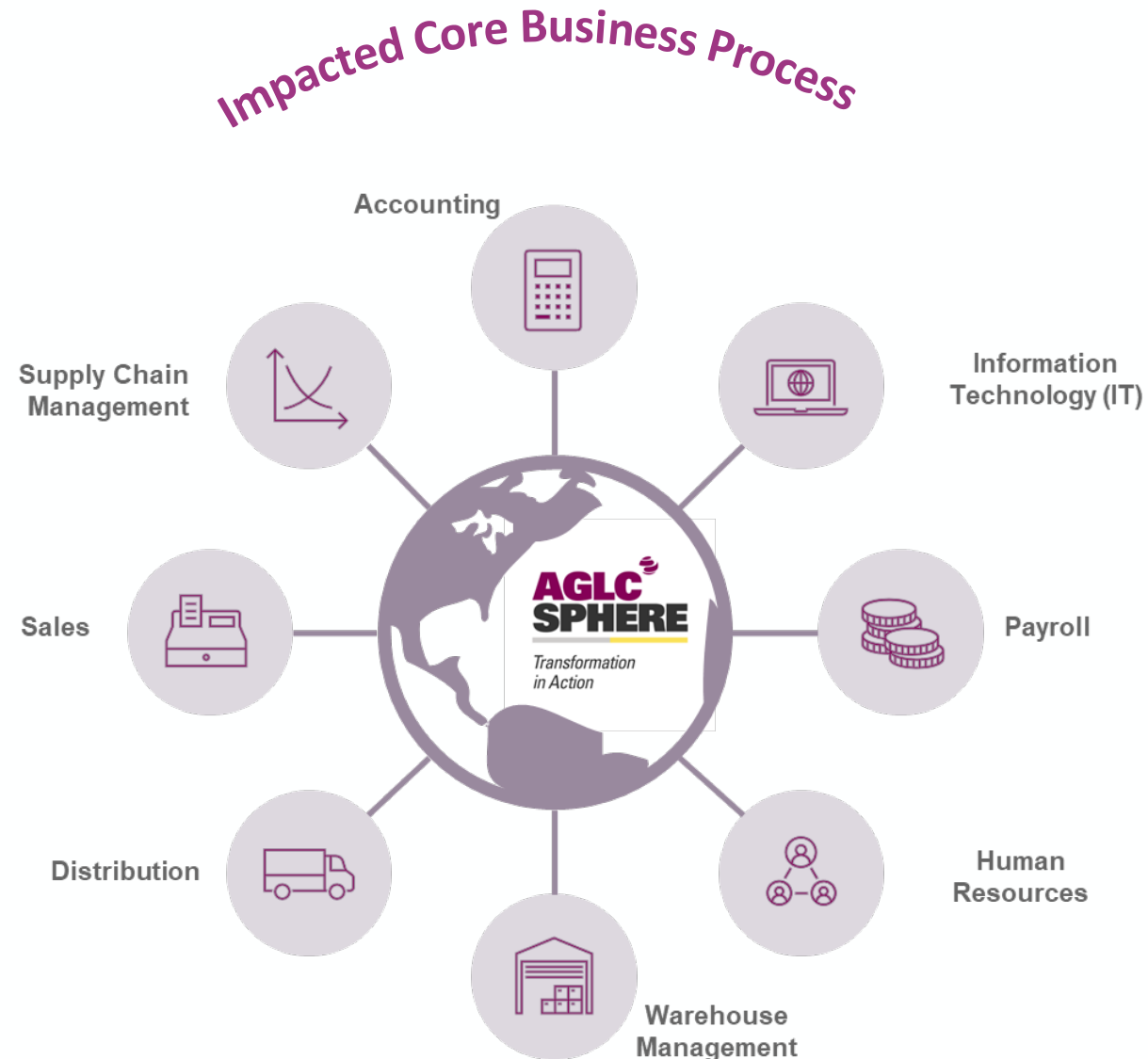
Our Business Plan has integrated strategies that focus on:

- Customer
- Industry
- Digital
- People

Project Sphere

Project Sphere is an enterprise-wide transformation that will enable AGLC to adopt industry leading practice and technology, drive future growth and support the changing needs of our stakeholders.

- Project Sphere North Star



Questions?



September 19, 2023

Regulatory Services Update

Dave Berry, Executive Vice President,
Public Engagement & Chief Regulatory Officer



Regulatory Services

AGLC inspectors visit licensed premises to:

- ✓ check for compliance with the GLCA, GLCR and Board policies;
- ✓ confirm no structural changes were made to the premises affecting compliance with the licence;
- ✓ advise licensees who want to apply for a new class of licence, a licence endorsement or a licence extension;
- ✓ investigate complaints;
- ✓ conduct audits on licensee books and records;
- ✓ conduct training seminars; and
- ✓ respond to licensee concerns about the operation of the licensed premises.

Inspections Process

When violations are observed, inspectors can:

- Provide education and direction to ensure compliance;
- Issue a caution; and
- Submit an incident report detailing an alleged violation.

Inspections Statistics

April 2022 - March 2023
(Preliminary)

- Liquor inspections conducted - 20,643
- Number of liquor infractions - 73
- Compliance rate - 99.03%
- Number of 'Cautions' issued - 132

Under 25 Program

Overview

The **Under 25 Program** was first introduced in 2002 to reduce the risk of minors purchasing alcohol. AGLC conducted an audit of a cross-section of liquor licensees to determine the level of compliance with the policy.

AGLC takes the issue of minors attempting to obtain liquor very seriously. It is often very difficult to tell if a person is of legal age just by looking at them, so licensees must ask for proof of age in order to eliminate any situation where a purchaser of liquor or cannabis is possibly a minor.

Under 25 Program

Compliance Statistics

	2019	2020	2021	2022	Variance (2021-2022)
Class A (MA)	82%	83%	77%	84%	+7%
Class A (MP)	90%	85%	87%	96%	+9%
Class A (ML/MT)	100%	-	-	100%	-
Class B	100%	0%	-	100%	-
Class C	80%	-	100%	100%	-
Class D (RLS/HO/GM)	86%	76%	69%	88%	+19%
Class D (MO)	100%	58%	50%	57%	-8%
Class D (PC)	-	-	0%	-	-

Modernizing to serve you better

AMERA - Licensing Project

- Modernization and Enhancement of Regulatory Applications (AMERA)
- New licensing system will give liquor and cannabis customers access to online, self-service platform including new licences, reissues, cancellations and payments

Questions?

