

Business Plan April 1, 2023 to March 31, 2026



Alcohol and Gaming Commission of Ontario
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Section 1: Executive Summary

The AGCO is Ontario’s regulator for the alcohol, cannabis, horse racing, and lottery and gaming sectors, including the recently expanded provincial internet gaming (igaming) market.

The AGCO strives to be at the forefront of modern industry regulation, while maintaining high regulatory standards and our steadfast commitment to protect the public interest for the sectors that we regulate.

The AGCO is required under the *Agencies and Appointments Directive* to annually provide a multi-year Business Plan to the Attorney General. This Business Plan sets out AGCO’s core strategy for the next three fiscal years, including key initiatives for the upcoming year that will be undertaken in support of this strategy.

The AGCO’s Strategic Plan sets out the following strategic goals: Modern Regulator, Service Excellence, and People First. These three goals support the achievement of the AGCO’s mandate and key government objectives for enhanced accountability and efficiency in delivering public services; evidence-based decision making and policy development, reducing administrative burden on businesses; and increasing consumer choice.

As the AGCO enters the fourth year of its five-year Strategic Plan, the organization remains focused on its strategic goals in order to meet our regulatory mandate within Ontario’s alcohol, cannabis, horse racing and lottery and gaming sectors.

For 2023-24, the AGCO’s annual Corporate Plan will:

- Continue to support our regulated businesses through regulatory modernization, with a focus on the land-based gaming sector;
- Work towards implementing the remaining recommendations from the Office of the Auditor General’s 2020 Value for Money Audit of the AGCO which focus on fees and program sustainability;
- Support the government’s efforts to provide more convenience and choice to consumers with respect to alcohol sales; and,
- Continue to build a robust open market for cannabis retail sales.

2023-24 will also see the AGCO advance its work related to diversity and inclusion, digital delivery, cannabis retailing and supporting a safer, competitive, and well-regulated igaming market for the people of Ontario, which launched on April 4, 2022.

The AGCO will continue to apply its risk-based, outcomes-based, and compliance-focused approach to regulation. This provides greater flexibility for regulated entities in terms of how they achieve regulatory compliance and enables the AGCO to more effectively manage risks while prioritizing resources to ensure its approach to regulation is fair and responsive to sector needs while protecting the public interest.

Section 2: Mandate

The AGCO is an arm’s length regulatory agency of the provincial government, reporting to the Ministry of the Attorney General (MAG). It was established on February 23, 1998, under the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*. The AGCO continues as a corporation under a new corporate governance statute, the *Alcohol and Gaming Commission of Ontario Act, 2019*.

The AGCO is responsible for the administration of:

- *Alcohol and Gaming Commission of Ontario Act, 2019*
- *Liquor Licence and Control Act, 2019*
- *Gaming Control Act, 1992*
- Charity Lottery Licensing Order-in-Council 1413/08 (as amended)
- *Cannabis Licence Act, 2018*
- *Horse Racing Licence Act, 2015*

Over the last decade the AGCO’s mandate has evolved to support the growth of the alcohol, and lottery and gaming sectors, in addition to assuming responsibility for Ontario’s horse racing sector, and the new legal recreational cannabis retail sector.

iGaming Ontario is a subsidiary of the AGCO. Ontario Regulation 517/21 under the *Alcohol and Gaming Commission of Ontario Act, 2019*, sets out that relationship and also provides for appointments to the iGaming Ontario Board. There is the ability to cross-appoint AGCO Board members to the iGaming Ontario Board of Directors with certain limitations which are set out in regulation. The AGCO remains an independent agency responsible for the regulation of gaming activities in the province, including igaming, to ensure it is conducted with honesty, integrity, and in the public interest. The Registrar’s role is independent of iGaming Ontario’s role in the conduct and management of igaming.

In addition to statutory and structural measures to mitigate real and perceived conflicts of interest, the AGCO Board has approved a Conflict of Interest (COI) policy for all AGCO employees, the Registrar and CEO, and AGCO Board Members. iGaming Ontario is also required by regulation to develop and maintain a separate COI policy for its directors, officers and employees.

The AGCO’s Strategic Plan articulates the vision, goals, and key commitments the agency has made to fulfill its regulatory mandate and to support the achievement of the priorities outlined by the Ontario Government, in particular MAG.

AGCO Alignment with Government and Ministry Priorities

Government Priorities

Working harder, smarter, and more efficiently

Reducing the regulatory burden

Respecting the consumers

Ministry of the Attorney General Values

Accountability

Collaboration

Courage

Excellence

Inclusion

Integrity

Respect

AGCO Strategic Direction

Vision: A world-class regulator that is innovative, proactive, inclusive and socially responsible

Mandate: To regulate in accordance with the principles of honesty, integrity, and in the public interest

AGCO Values

Integrity

Respect

Accountability

Public Interest

AGCO Strategic Goals

Modern Regulator

Service Excellence

People First

Text version of AGCO Alignment with Government and Ministry Priorities

1. Government Priorities

- Working harder, smarter, and more efficiently
- Reducing the regulatory burden
- Respecting the consumers

2. Ministry of the Attorney General Values

- Accountability
- Collaboration
- Courage
- Excellence
- Inclusion
- Integrity
- Respect

3. AGCO Strategic Direction

- **Vision:** A world-class regulator that is innovative, proactive, inclusive and socially responsible
- **Mandate:** To regulate in accordance with the principles of honesty, integrity, and in the public interest

4. AGCO Values

- Integrity
- Respect
- Accountability
- Public Interest

5. AGCO Strategic Goals

- Modern Regulator
- Service Excellence
- People First

The AGCO is committed to fulfilling its mandate as set out in its 2022-23 mandate letter from the Attorney General. The AGCO has developed this Business Plan to align with the expectations in its mandate letter and the AGCO Board of Directors priorities.

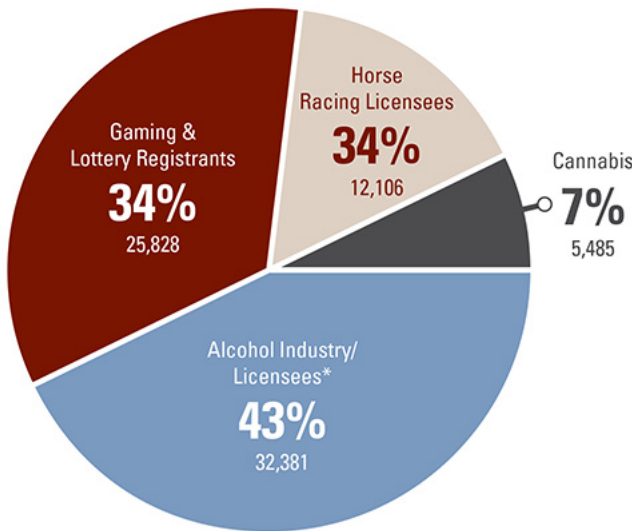
Section 3: Overview of Regulatory Activities

The AGCO promotes compliance with relevant legislation, regulations, and Registrar's Standards to protect the public interest in alignment with government and ministry priorities. The following core activities enable the AGCO to fulfill its mandate effectively.

Licenses and Registrations

The charts below outline some of the AGCO’s licensing and registration activities, including the number of active licences and registrations in the fiscal year (FY) 2021-2022 and the number of special occasion permits issued during that time.

Total Licensees and Registrants
75,800



* Special Occasion Permits excluded.

Text version of Total Licensees and Registrants Chart

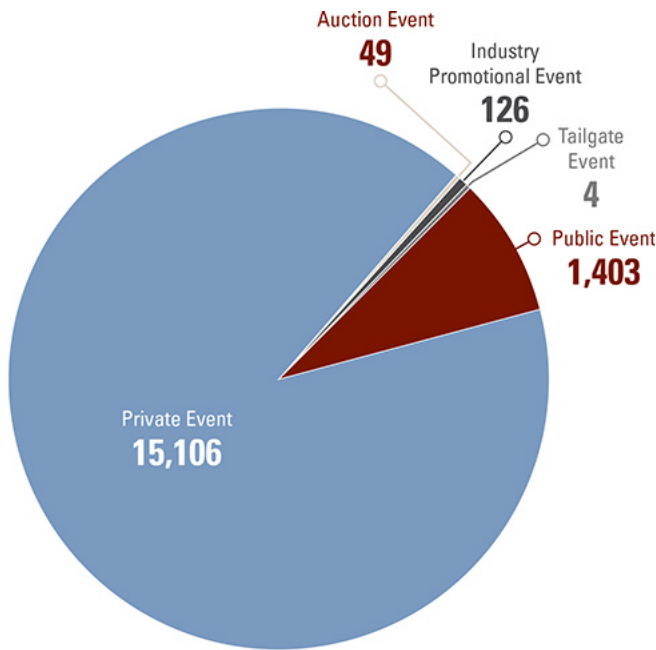
Total Licensees and Registrants	75,800
Gaming & Lottery Registrants	34% 25,828
Horse Racing Licensees	34% 12,106
Cannabis	7% 5,485
Alcohol Industry/Licensees (Special Occasion Permits excluded)	43% 32,381

Alcohol

The AGCO licenses and regulates establishments that sell, serve or deliver liquor. In addition to establishments, the AGCO also licenses and regulates alcohol manufacturers, including by-the-glass, retail store, delivery, and temporary extension endorsements. The AGCO also administers the Special Occasion Permit (SOP) program, allowing for the sale and service of liquor at special occasions. In terms of compliance activities, the AGCO inspects, monitors, and educates licensed establishments to ensure compliance with the *Liquor Licence and Control Act, 2019* and regulations.

SOPs issued in FY2021-2022

Special Occasion Permits Issued
16,688



Text version of Special Occasion Permits chart

Special Occasion Permits Issued	16,688
Private Event	15,106
Auction Event	49
Industry Promotional Event	126
Tailgate Event	4

Cannabis

The AGCO licenses Cannabis Retail Store Operators and Managers, authorizes Cannabis Retail Stores, approves Cannabis retail employee training programs, and regulates the sale of recreational cannabis through privately run stores. Cannabis compliance activities include monitoring, inspections, audits, and providing education to authorized cannabis retail stores to ensure compliance with the *Cannabis Licence Act, 2018*, its regulation, and the Registrar's Standards for Cannabis Retail Stores.

Horse Racing

The AGCO regulates the conduct of horse racing at Ontario's licensed racetracks through the Rules of Racing for Thoroughbred, Standardbred, and Quarter Horse breeds, exercising authority for the overall governance of horse racing in Ontario. The AGCO also licenses and regulates individuals and businesses involved in the horse racing industry, including processing applications from racing participants and for racetracks and teletheatre locations and conducting due diligence reviews and investigations of applicants. Lastly, the agency promotes safety and consistency for horse racing participants and equine athletes.

The AGCO ensures compliance with the Rules of Racing by having Race Officials present to officiate races and investigating alleged rule infractions. The AGCO supports the health and welfare of horses and horse racing participants by conducting out-of-competition drug testing and inspections to ensure appropriate use of therapeutic drugs. The AGCO also collaborates with the Canadian Pari-Mutuel Agency (CPMA) who oversees the post-race equine drug testing program to prevent the misuse of equine drugs. The AGCO conducts inspections and/or investigations of positive tests, and subsequently holds reviews in order to determine penalties as per the Rules of Racing.

The Horse Racing Appeal Panel, an independent adjudicative tribunal, the members of which are appointed by the AGCO Board, hears appeals of rulings made by Judges, Stewards, and Racing Officials under the Rules of Racing.

Lottery and Gaming

Licensing and Registration activities for lottery, gaming, and internet gaming sectors include registering operators, suppliers, retailers/sellers, and gaming assistants. In partnership with licensing authorities of municipal and First Nations with an OIC, the AGCO administers the regulatory framework governing the issuance of charitable lottery licences (e.g., bingo, raffle, and break open ticket events). The AGCO also approves rules of play or changes to rules of play for games of chance conducted and managed by the OLG and licenses games of chance at fairs and exhibitions. In addition, the AGCO works to ensure excluded persons (i.e., youth and self-excluded individuals) do not access gaming premises in Ontario pursuant to the *Gaming Control Act, 1992*.

Compliance activities for the lottery and gaming sector include ongoing regulatory assurance activities, including inspecting, monitoring and conducting regular audits of casinos, internet gaming, charitable gaming events/facilities, and retail locations where OLG lottery products are sold for compliance with the *Gaming Control Act, 1992* and its regulation, the Registrar's Standards, and licence/registration requirements established by the Registrar. The AGCO ensures the safe, responsible and lawful operation of the expanded igaming market consistent with the *Gaming Control Act, 1992*. The agency also arbitrates lottery disputes.

The AGCO also tests, approves, and monitors slot machines and gaming and lottery management systems.

In terms of internet gaming, the AGCO:

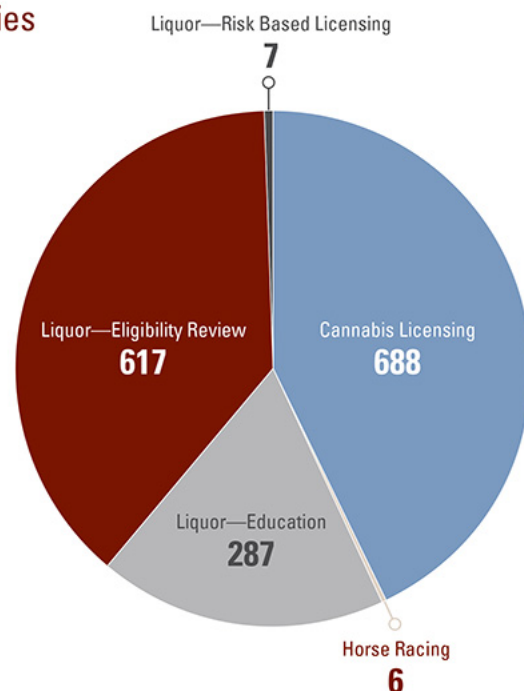
- Conducts eligibility assessments to determine whether applicants are suitable to be registered as operators or gaming-related suppliers, which includes independent testing labs (ITLs) and independent integrity monitors.
- Outlines technical standards that are used by Independent Test Laboratories (ITL) to test and certify, among other things, online games available for Ontario players.
- Conducts ongoing regulatory assurance activities, including regular audits, testing and site visits, to assess compliance with the GCA and the Registrar's Standards for Internet Gaming.

Educational Activities

The AGCO proactively provides education to all sectors and those who are regulated to increase their understanding of regulatory obligations and improve overall compliance. The chart below outlines the number of targeted compliance-focussed educational activities conducted by the AGCO during the 2021-22 fiscal year.

Educational Activities

1,605



Text version of Education Activities chart

Education Activities

1,605

Liquor—Eligibility Review	617
Liquor—Risk Based Licensing	7
Liquor—Education	287
Cannabis Licensing	688
Horse Racing	6

In addition to targeted educational activities, the AGCO regularly attends industry events and conferences throughout the year. Attendance at these events allows the AGCO to provide in-person education and support to stakeholders via panel presentations, keynote speakers and trade show booths. Representatives from across the organization, including individuals from the AGCO’s licensing and registration, policy and compliance teams, attend these events together to offer holistic, direct and timely education. As the industries the AGCO regulates continue to rebuild after the COVID-19 pandemic, support and education from the AGCO plays an integral role in their recovery and successful compliance with the law.

Section 4: Environmental Scan and Risks

Environmental Scan

The industries regulated by the AGCO are dynamic, in that they are responding to changing consumer preferences, but also impacted by the COVID-19 pandemic. This is particularly true for Ontario’s hospitality sectors. The AGCO has and will continue to support businesses across each regulated sector, including ongoing modernization initiatives and the reduction of unnecessary regulatory burden – while continuing to regulate in the public interest.

Since the launch of Ontario’s private recreational cannabis retail model in 2019, the AGCO has seen the growth of a robust open market for retail sales and understands the competitive pressures that operators and prospective operators are under. We will continue to work with partners to explore opportunities to support cannabis retailers – while continuing to regulate in the public interest.

The AGCO and its subsidiary, iGaming Ontario, launched Ontario’s newly competitive igaming market in 2022-23. We will continue to monitor and address considerations from public, consumers and operators in this sector as it continues to mature in 2023-24, including size of the market, advertising and promotions including promotional partnerships and other matters.

As part of its commitment to modernize the rules for the retail sale and consumption of liquor in Ontario, the provincial government introduced the new regulatory framework for liquor in November 2021. In addition, the government remains committed to its plan to continue expanding liquor sales to more retail locations. The AGCO will continue to work with government as more details become available.

The AGCO has experienced significant growth in scope since 2017, having assumed responsibility for a new competitive igaming market, recreational cannabis retail, and the horse racing industry, in addition to ongoing alcohol modernization. As a result, and based on recommendations from the Office of the Auditor General, the AGCO will increase its focus on strengthening its financial framework over the next three years as well as finding opportunities for continuous improvement business optimization measures and digital tools.

Assessing and Managing Risk

The AGCO, like all organizations, faces external and internal factors that carry several risks and uncertainties which, if left unaddressed, could adversely affect the achievement of the AGCO’s strategic goals. The AGCO leverages risk management methodologies through the continued use and enhancement of an ERM Framework to monitor and mitigate these environmental risk factors. The ERM Framework assists the organization in identifying areas of risk in a systematic, disciplined, and integrated approach.

Key opportunities addressing key risks identified under this framework include:

- Building a strong information security approach including expeditious recovery in the event that a significant information security incident occurs.
- Ensuring the People First strategy addresses current workforce trends and best practices to enhance talent attraction and retention.
- Developing the financial framework / dependence in order to meet operating and performance expectations.
- Strengthen our effectiveness as a regulator by addressing concerns and/or changes in the regulated sectors or service expectations in a timely manner.

As mentioned above, ERM is a continuous, proactive, and systematic process to understand, manage and communicate risk from an organization-wide perspective and assists management in making strategic decisions that contribute to the achievement of the AGCO’s corporate objectives. An annual risk workshop is held with the senior management team to identify, assess, and decide on prioritization and mitigation activities for the AGCO’s top risks.

The results of the risk assessment activities are a key input in developing the AGCO’s Audit Plan, which prioritizes areas considered high risk and provides coverage of risk management, control, and governance processes. They also play a core role in developing the AGCO’s Corporate Plan.

External Factors

The AGCO has identified enterprise-wide risks that could impact the agency’s ability to deliver on its regulatory responsibilities. The AGCO will continue to monitor risks and implement risk mitigation strategies to ensure the AGCO is able to fulfill its mandate.

Emerging Issues and Industry Trends

The AGCO continues to monitor and address the evolution in public and consumer attitudes towards the sectors we regulate and will continue to stay informed on issues related to unregulated areas. These industry trends include changing consumer choices, increasing customer service expectations, and calls for more stringent protections on information. These trends are linked to global currents of rapidly advancing technological development, fully integrated use of data and analytics, and an increasingly digital first world. As a modern and collaborative agency, the AGCO will work with government partners, municipalities, law enforcement, and its stakeholders to address new challenges that may arise in the future.

Economic Impact of the Pandemic

Over the past three years, the AGCO responded to demand from the sectors it regulates and requests from the Ontario Government to adapt its regulatory requirements to help protect public health while supporting the continued economic viability of the liquor, gaming, horse racing, and retail cannabis sectors. The AGCO demonstrated a flexible regulatory approach and the ability to move swiftly to protect regulated sectors. The AGCO has learned from these strategies and will continue to draw on this learning as Ontario moves forward economic recovery. In the coming years, the AGCO will continue to work closely with the government to provide ongoing supports for the sectors we regulate.

More than two-thirds of AGCO’s budget comes from recoveries collected from regulated industries. Due to the COVID-19 pandemic, many of the regulated sectors were closed or greatly reduced in their offerings, making it untenable for the AGCO to recover costs. As a result, the AGCO is facing economic challenges in recovering its costs, resulting in a budget shortfall. The AGCO and the Ministry of the Attorney General continue to manage its budget in a fiscally responsible manner.

Internal Factors

Expansion of AGCO Regulatory Mandate

Marketplace evolution and initiatives such as the provincial establishment of a competitive online market for igaming in Ontario and the need to create a regulatory frame for single event sports betting have expanded the AGCO’s regulatory authority. The AGCO receives its annual spending authority from the Ministry’s printed estimates, as approved by the Ontario Legislature. The AGCO is funded from a combination of revenue from the Consolidated Revenue Fund and recoveries. As a result, the AGCO works with government in order to request resources as it faces the challenge of managing an expanding mandate. Public expectations and the AGCO’s visibility continue to rise along with that expanded mandate. These challenges underline the importance of focusing regulatory attention on higher-risk areas so that the AGCO is better equipped to navigate a changing environment.

To help manage the operational and financial pressures related to this expanded mandate, the AGCO continues to implement its long-term direction through its Strategic Plan.

Section 5: Strategic Directions and Implementation Plan

The AGCO’s Strategic Plan outlines the vision and strategic goals for the organization. The AGCO’s vision of being a world-class regulator that is innovative, proactive, inclusive, and socially responsible will be achieved through its three strategic goals – Modern Regulator, Service Excellence, and People First. Each strategic goal is associated with several key commitments, as outlined below.



Text version of strategic plan

Our Strategic Goals	Modern Regulator	Service Excellence	People First
Our Key Commitments	- Serve the public interest through effective and innovative approaches to regulation in the alcohol, gaming, cannabis and horse racing sectors - Make evidence-based decisions to regulate in the public interest - Strengthen our organizational foundation to support the agency's expanding priorities and business strategies	- Continuously ensure a deep understanding of our stakeholders to anticipate and respond to their evolving needs - Provide a positive experience through the delivery of services that are clear, timely and that meet the expectations of those we serve	- Champion an inclusive workplace by implementing recommendations from the AGCO's DI&A strategy to further develop employee's wellbeing and best serve the people of Ontario - Develop our talent to empower employees and nurture our internal talent succession pool

The AGCO five-year Strategic Plan was introduced in 2019 and a new Strategic Plan will be implemented in 2024. Last year, AGCO management reviewed the organizational key commitments to help guide our work through the conclusion of the current five-year Strategic Plan.

Within the Strategic Plan framework the AGCO’s annual Corporate Plan captures the AGCO’s major initiatives and supports its expanded mandate by ensuring that initiatives are prioritized based on alignment with its mandate and resource capacity. The annual Corporate Plan also addresses the government’s priorities, including those identified in the Attorney General’s mandate letter. The AGCO’s focus for the coming years is continuous improvement with a digital lens, business optimization, and strengthening its financial framework. The Corporate Plan is reviewed by the AGCO’s leadership team on an annual basis to ensure priorities remain accurate and resourced effectively.

2023–24 Corporate Plan

The AGCO anticipates that the 2023-24 Corporate Plan will incorporate the following priorities. The AGCO continues to develop its final Corporate Plan for Board approval in March 2023.

Supporting businesses through ongoing modernization initiatives remain a focus for the AGCO.

Gaming Modernization will leverage models that were implemented as part of Ontario’s new igaming regulatory framework to develop an improved regulatory framework for casino gaming. Gaming Modernization will also help to responsibly oversee and facilitate the OLG’s introduction of self-serve lottery terminals across the province.

Other work underway to support our regulated businesses include a joint project with the Ontario Cannabis Store to allow of the automation and standardization of monthly regulatory reporting, eliminating the need for retailers to manually submit monthly Excel-based reports, and greater sophistication in data and analytics in order to make more effective decisions to target regulatory inspections and audits.

The AGCO will continue to support the regulatory model for igaming through the registration process for operators and suppliers interested in participating in Ontario’s regulated gaming market. In addition, the AGCO will monitor and enforce compliance within the new open competitive igaming market, ensuring player protection, reinforcing responsible gaming measures, and supporting appropriate controls to minimize illegal activity and money laundering.

Liquor Modernization remains a key priority. The AGCO will continue to work closely with government in support of continued modernization efforts to support the liquor industry. In addition, the AGCO’s focus will remain on facilitating better monitoring and compliance in the sector. The AGCO will continue to adopt industry best practices to enhance social responsibility measures and protect the public interest.

The regulations required to modernize the new liquor framework under *the Liquor Licence and Control Act, 2019 (LLCA)* came into effect in Fall 2021. The LLCA enables the AGCO to modernize the way it oversees the sale, service and delivery of liquor and allows for a more flexible regulatory approach.

The Registrar's Interim Standards and Requirements for Liquor (Interim Standards) came into effect under the LLCA and primarily maintain and consolidate many of the previous requirements. Over the coming years, the AGCO will build on this work to develop a comprehensive outcomes-based regulatory model, consistent with our overall strategic approach for other regulated sectors.

Building on previous years' work in response to the **Auditor General's 2020 Value for Money Report**, the AGCO is undertaking a **Financial Framework Review** with MAG in order to respond to the government's commitment to program sustainability. This will include consideration of matters including licensing fees and regulatory recovery approaches across our four sectors through a cost recovery lens. In response to the 2020 Value for Money Audit Report, the AGCO submitted the follow-up update requested by the Auditor General in 2022. The AGCO has implemented improvements to compliance and inspections activities, regulatory processes and public transparency. The two-year follow-up report from the Auditor General was released in December 2022. The AGCO is reviewing the two-year follow-up report and continue to implement the agency-wide action plan. The AGCO will continue to provide updates for the remaining recommendations for the Auditor General's continuous follow-up in 2023. The AGCO will also continue reporting, including financial, to the relevant oversight bodies.

The AGCO provided a submission to the expert panel reviewing the federal *Cannabis Act* on matters including red tape with respect to bifurcated requirements for the advertising, promotion, and display of **cannabis**, which has created confusion among licensees and challenges for the AGCO. We will continue to engage with provincial partners including the Ontario Cannabis Store to respond to the evolving nature of Ontario's cannabis market.

For the fiscal year 2023-2024, the AGCO will continue to focus on embedding **Diversity, Inclusion, and Accessibility (DI&A)** in all aspects of its work. To help achieve our DI&A vision of building a culture of inclusion as an employer, and as a service provider, we continue to implement our multiyear DI&A strategy, which includes recommendations from an external vendor (KPMG), following their review and assessment of our organization.

The strategy builds on our DI&A goals of having a workforce reflective of Ontario's demographic diversity, building an inclusive workplace culture free of discrimination and harassment, and delivering services in an accessible, culturally aware, relevant, and responsive way. Some of the work we have already implemented includes:

- Requiring all employees to have a DI&A related goal included in their 2022-23 learning plan.
- Introducing an employee census to collect diversity demographics and to establish a benchmark of our workforce.
- Applying and embedding a DI&A lens in our recruitment process to increase fairness and inclusivity in our hiring practices.
- Providing all employees with a resource document that outlines when a DI&A lens could be applied in various workplace scenarios so staff can embed cultural awareness and inclusion in an accessible, relevant, sustainable, and responsive way.
- Providing staff with access to unique monthly learning sessions related to DI&A to help with personal and professional growth, as well as help achieve inclusion and equity in our workplace.

Our future work includes a continuation of integrating DI&A programs and measurable actions, facilitating the AGCO's progression in the DI&A maturity continuum, and making meaningful partnerships with employee groups that enhance recruitment outreach, which is reflective of Ontario's diversity.

Outlook to 2024–25 and 2025–26 Corporate Plan

The AGCO anticipates that out-year annual Corporate Plans will incorporate the following priorities:

1. Continuing to support the government's efforts to provide more **convenience and choice to consumers with respect to alcohol sales**, while maintaining our strong commitment to the safe and responsible sale, service, delivery, and consumption of alcohol
2. Implementation of measures related to the review of the AGCO's **cost recovery framework**, which will be balanced and include extensive consultation with our stakeholders
3. Continued implementation of the multi-year **DI&A** workplan (additional information in Section 6)
4. Implementation of the multi-year **Digital Strategy** (additional information in Section 7), including cybersecurity and modernizing AGCO legacy systems

Implementation Plan

The AGCO's annual corporate planning process aligns the agency's major initiatives to the three strategic goals across all levels of the organization. This planning process tracks and reports on the progress of ongoing initiatives annually while also informing the consideration of new initiatives.

The AGCO's Corporate Plan captures direction from the Minister's mandate letter, major initiatives from across the organization, including key commitments and deliverables. The status of Corporate Plan initiatives are updated quarterly and regularly reported to the AGCO Board.

Section 6: Staffing, Human Resources, and Compensation Strategy

The key Human Resources priorities and initiatives supporting the AGCO's People First Strategic goal are:

Diversity, Inclusion & Accessibility

- The AGCO retained KPMG to develop a comprehensive DI&A strategy for the agency to address the concerns and needs of our diverse workforce and foster an inclusive work environment. The strategy has been translated into a multi-year workplan. The AGCO will introduce a census to establish a benchmark about the diversity of our workforce that will enhance our ability to invest in employee development and succession planning. A DI&A specific leadership competency will be added to help define expectations of our employees and inform training solutions to support the goal of building individual and organizational wide capacity. The application and imbedding of the DI&A lens to the AGCO's recruitment process will increase the level of fairness and inclusivity.

Future of Work and Hybrid work model

- The Hybrid Work model supports the needs of employees to balance their work and home lives, while maintaining an engaged, productive workforce. It enables AGCO employees, where operationally feasible, to work from multiple locations, such as from home and other locations within Ontario. The AGCO will continue to assess employee satisfaction and productivity through monthly pulse surveys and we will also continue to study trends in culture in a hybrid work model. A formal review will take place in Spring 2023 to assess the effectiveness of this model and to identify the operational, cultural, leadership and systems opportunities we will need to address in continuously optimizing our future state.
- The AGCO lifted its mandatory COVID-19 vaccination policy effective November 1, 2022. This decision aligns with current public health directive and guidance and the decision by Ontario Public Service and several agencies to remove their mandatory vaccination policies. The AGCO will continue to monitor the situation and be prepared to take appropriate actions accordingly including re-introduction of a mandatory vaccination policy.

Well-Being Program

- Employee well-being continues to remain a top priority at the AGCO. There are activities and campaigns planned to regularly communicate and remind employees of resources available focusing on total well-being under all pillars of health (i.e. mental, financial, physical, and social).
- The recently introduced well-being account will be reviewed for utilization and possibilities for enhancement where permitted.

iGaming

- Extensive work has been completed over the past year to recruit for positions identified to support the AGCO’s regulatory mandate for igaming. Additionally, the Human Resources team provides support to iGaming Ontario under a shared services agreement which has included a significant volume of recruitment, coaching, performance management and establishment of policies.

Leadership Assessment and Development / Succession planning

- In 2021, the AGCO launched a new Leadership Assessment and Development program that will identify, assess and develop successors for C-Suite and create a pipeline of future leaders. The program has been completed for C-Suite positions and planning is underway to extend to the next cohort of the AGCO leaders.
- Refresh of the leadership competencies will be completed in the next fiscal year to serve as foundational building blocks to establish leadership development programs.

Employee Engagement

- The AGCO completed regular pulse surveys for employee engagement. Valuable insights have led to actions to address and improve several areas including employee development, wellbeing, diversity, inclusion and accessibility. A comprehensive Employee Engagement Survey is planned for the upcoming fiscal year.

AGCO’s Compensation Strategy

The AGCO’s compensation strategy, including employee benefits, is targeted to the market median of the Broader Public Sector market (comparator group). The AGCO is required to seek Treasury Board/Management Board of Cabinet approval for any changes to its compensation via an Order in Council (OIC) which sets out the job categories and salary ranges for all employees of the AGCO.

The AGCO is compliant with the Broader Public Sector Executive Compensation Framework. The information about the process and its outcomes is posted on the AGCO website. The AGCO provides a comprehensive benefits package including the following:

- 100% Employer-Paid Insured Health Benefits.
- Defined Benefits Pension Plan administered by Ontario Pension Board or the Ontario Public Service Employees Union (OPSEU) Pension Trust.
- Short Term Income Protection to a maximum of six months (130 working days) in the calendar year.

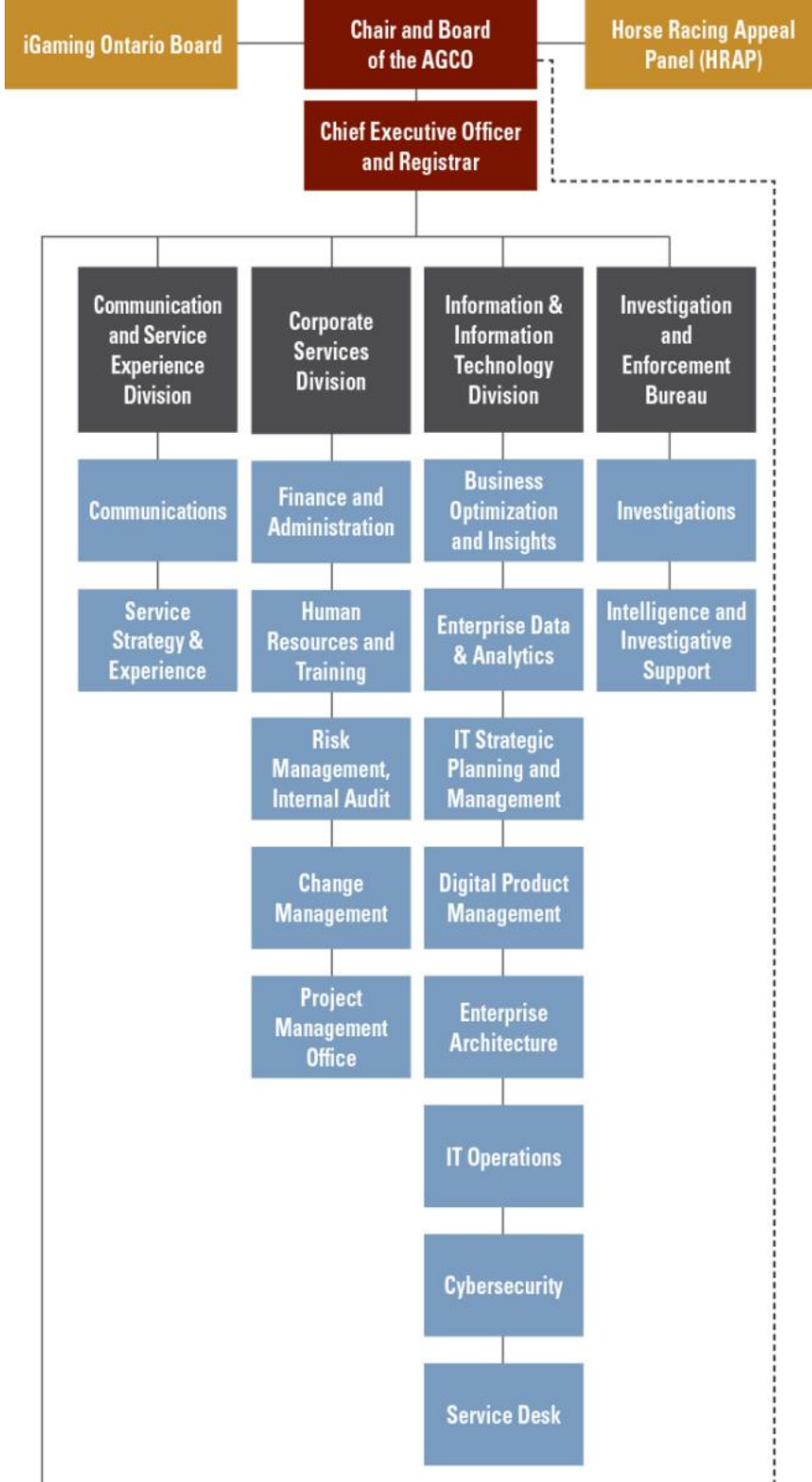
Bargaining Agent

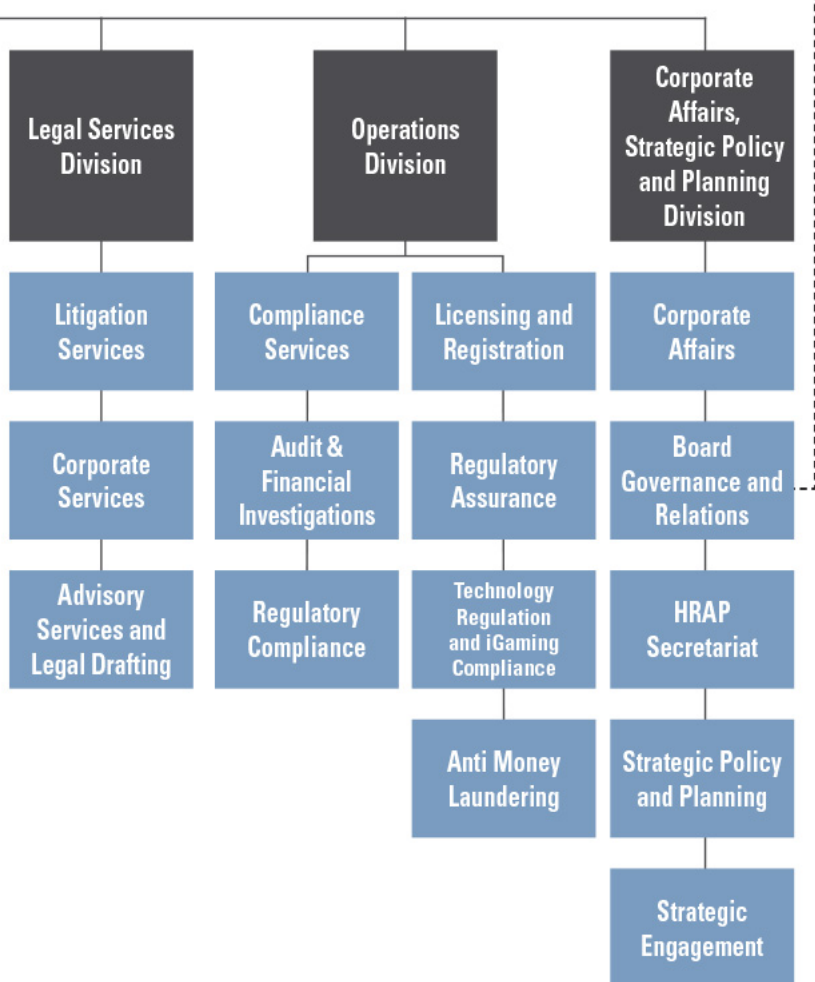
The bargaining unit for the AGCO is OPSEU Local 565, which represents 74% of the AGCO’s workforce.

AGCO Headcount

	Management Union Non-Union TOTAL			
AGCO				
Permanent	102	363	35	500
Part-Time Permanent	0	9	0	9
Contract	2	39	6	47
Temporary	0	0	0	0
Seconded from other Ministries	0	0	1	1
AGCO Total	104	411	42	557
Ontario Provincial Police				128
Board of Directors				7
HRAP Members				7
As of September 30, 2022				

Organizational Chart





Text version of organizational structure

1.
 - a. Chair and Board of the AGCO
 - b. Horse Racing Appeal Panel (HRAP) (an independent adjudicative body appointed by the Board of the AGCO)
 - c. iGaming Ontario Board
2. Chief Executive Officer and Registrar
 - i. Communications and Service Experience Division
 - a. Communications
 - b. Service Strategy and Experience
 - ii. Corporate Services Division
 - a. Finance and Administration
 - b. Human Resources and Training
 - c. Risk Management, Internal Audit
 - d. Change Management
 - e. Project Management Office
 - iii. Information & Information Technology Division
 - a. Business Optimization and Insights
 - b. Enterprise Data & Analytics
 - c. IT Strategic Planning and Management
 - d. Digital Product Management
 - e. Enterprise Architecture
 - f. IT Operations
 - g. Cybersecurity
 - h. Service Desk
 - iv. Investigation and Enforcement Bureau
 - a. Investigations
 - b. Intelligence and Investigative Support
 - v. Legal Services Division
 - a. Litigation Services
 - b. Corporate Services
 - c. Advisory Services and Legal Drafting
 - vi. Operations Division
 - a. Compliance Services
 - b. Audit & Financial Investigations
 - c. Regulatory Compliance
 - a. Licensing and Registration
 - b. Regulatory Assurance
 - c. Technology Regulation and igaming compliance
 - d. Anti-Money Laundering
 - vii. Corporate Affairs, Strategic Policy and Planning Division
 - a. Corporate Affairs
 - b. Board Governance and Relations
 - c. HRAP Secretariat
 - d. Strategic Policy and Planning
 - e. Strategic Engagement

Section 7: Information & Information Technology (I&IT) Plan

The AGCO relies on digital platforms to deliver accessible, reliable, secure, and customer-centric services to Ontarians. In line with the Government of Ontario’s Digital Service focus and commitment towards new digital practices and technologies to deliver simpler, faster better services to Ontarians the AGCO in 2022-23 has prioritized the development of its own Digital Strategy to guide and prioritize the agency’s digitalization efforts. This Digital Strategy will be tightly integrated into the agency’s operations and long-term planning efforts focused on how it can strengthen the agency’s priority of being a **Modern Regulator**, ensuring a deep understanding of its stakeholders through a focus on **Service Excellence** and fostering a **People First** culture that develops and empowers a dynamic workforce.

The planning and implementation of a Digital Strategy requires a multi-year effort and investment that will ultimately set agency-wide digital priorities and define key initiatives to be executed. As the digital strategy and creation of a three-year digital roadmap takes shape efforts continue within I&IT to set foundational technology and operational building block capabilities in the following areas that will accelerate the AGCO digital journey.

Business Process Optimization and Performance Measurement

- Accountability and strategic alignment are key components to agency success; the AGCO recognizes this and has further demonstrated its commitment by establishing a performance measurement strategy, led by the Business Optimization and Insights branch. This branch fosters a culture of accountability by continually evaluating the efficiency and efficacy of AGCO programs, projects, and core operations through cascading monitoring dashboards for various levels of management including senior management and chief-level executives, that host key performance measures related to agency regulatory and business outcomes, and overall organizational health.

Data & Analytics Strategy Implementation

- The AGCO recognizes that data is a key pillar supporting the agency’s risk-based approach to regulation and the support of digital business. The Enterprise Data and Analytics branch is developing a data and analytics strategy, including an actionable analytics roadmap to evolve processes supporting the development of data channels, management, and governance of data to support the AGCO’s vision of becoming a modern, evidence-based regulator with data-driven decision-making.

Cybersecurity

- Cyber attacks are a significant threat to all government entities. The AGCO continues its cybersecurity roadmap and has implemented significant controls to monitor unauthorized network and system access to complement phishing and social engineering attack controls. Further investment in people, processes and technology will continue to reduce the possibility of successful cyber attacks, protect personal information, and increase the response and recovery capabilities of AGCO.

Digital Platforms and Journey to Cloud

- At the centre of AGCO’s digital-first approach, is the iAGCO platform, iAGCO provides online services for alcohol, lottery and gaming, horse racing and cannabis. To ensure alignment and integration of iAGCO and other digital products into the overall portfolio a digital product management approach is being adopted. The AGCO will plan and manage core-business systems through Digital Product Planning and Digital Product Delivery teams that ensure customer focused systems are available in a timely, cost-effective manner using agile delivery methodologies and who’s roadmaps align to long-term strategic business needs.
- Modernizing AGCO legacy systems infrastructure into available, flexible, and scalable cloud environments is a foundational step for the Digital Strategy. The AGCO will begin the transitioning of systems this year focusing on iAGCO and internal services to provide increased resiliency of applications and access to modern tools, processes, and better linkages to cloud based solutions.

Digital Portfolio and Strategy Management

- The agency’s Digital Strategy will become a living document that will require periodic updating and improvement necessary to ensure the correct order of priorities, avoid costly over-runs, ensure continued alignment to enterprise strategy, and the right digital investments. This should result in the positive evolution of the agency’s digital portfolio, featuring current innovative and forward-thinking approaches and alignment to digital trends

Along with a digitally ready workforce who possesses the required skillsets, data literacy and aptitude for the use of technology in this new digital reality, the combination of strategic planning and focused/prioritized execution will serve as the catalyst for the agency to adapt and flourish in a new digital reality.

Section 8: Initiatives Involving Stakeholders (Third Parties)

The AGCO remains committed to partnering and engaging across all the sectors it regulates to understand stakeholder perspectives, identify opportunities to be more effective and efficient, and collaborate with other organizations to improve regulatory outcomes.

The AGCO continues to use its enhanced engagement toolkit to connect with its diverse stakeholder network within Ontario, as well as nationally and internationally, to seek feedback on the issues they care about. One of these tools is a digital stakeholder engagement portal which provides the agency with access to innovative and accessible approaches to engage with its stakeholders and Ontarians. The engagement portal continues to allow the AGCO to undertake comprehensive consultations and engagements virtually. Incorporating digital tools and programs will be a focus moving forward as this approach advances the AGCO’s key commitments to promote a digital-first mindset, be customer-centred and responsive, and support innovation and consumer choice.

The AGCO will continue to organize and execute stakeholder engagement activities across all the sectors it regulates, as well as actively seek out and participate in stakeholder and industry events to better understand the trends and risks within these sectors, and to improve regulatory outcomes. The AGCO continues to closely monitor Ontario’s internet gaming (igaming) market, and as needed will engage the sector to address potential risk that may results in amendments to the Registrar’s Standards. In the liquor sector, the AGCO is committed to supporting licence and permit holders and industry stakeholders during the transition to the new liquor framework under the *Liquor Licence and Control Act, 2019*. The AGCO will begin working to develop the Registrar’s Standards for Liquor that will build the outcomes-based regulatory model enabled by the LLCA. Development of the permanent standards will occur over the next two to three years and will include engagement with the industry.

The AGCO remains committed to building and maintaining partnerships with law enforcement agencies across Ontario, whether through regular contact with members of the Ontario Provincial Police Bureau assigned to the AGCO, through specialized educational seminars and materials on enforcement activities for front-line police officers, or information sharing. With respect to information sharing, the AGCO has continued to engage with regional and municipal police services on the Last Drink Program.

Nationally, the AGCO is a member organization of the Association of Liquor Licensing Authorities of Canada and the Canadian Association of Gaming Regulatory Agencies and regularly engages with provincial and international colleagues in the cannabis regulation sphere. Internationally, the AGCO continues to be a well-respected member organization of both the International Association of Gaming Regulators and the North American Gaming Regulators Association. In the horse racing sector, the AGCO is a member of the Association of Racing Commissioners International, the umbrella organization of the official governing and rule-making bodies for professional horse racing, which sets international standards for racing regulation.

The AGCO will continue to leverage existing relationships and to proactively establish new ones with other regulators and organizations in order to promote collaboration, information sharing and enhance due diligence processes. This includes leveraging and strengthening existing memoranda of understanding, as well as establishing new agreements.

The AGCO will remain strategic in maintaining, engaging and developing relationships and partnerships with third parties within Ontario, as well as nationally and internationally, given the global elements of these regulated sectors.

Section 9: Communication Plan

The AGCO’s corporate communications function provides a range of services and products that help the agency deliver on its strategic objectives in a way that cultivates relationships of trust, understanding and support with its internal and external stakeholders.

The AGCO’s “Digital by Default” communications approach places a priority on digital communications to inform and engage with the public, its customers, and employees. It does so by leveraging digital channels and taking advantage of the benefits of rich media to support the agency’s overall modern regulatory approach.

Communication activities that will be a focus next fiscal year include media relations, digital communications for internal and external B2B and B2C stakeholders, website redesign and channel content development, as well as communications planning and support for agency initiatives, and stakeholder engagement activities. These services help the AGCO provide stakeholders with the information that matters to them at the right time and in the right place while acting in the public interest.

The agency continuously monitors its communications strategies and products for usability, engagement, and in response to changing government priorities. The AGCO continues to refine its communication approaches and has developed rapid response strategies to quickly support government announcements and distribute important information in a timely manner.

Initiatives and Products

Rapid response to emerging issues

Working collaboratively with policy, legal, operations, and compliance services, the corporate communications team has established processes to allow timely agency communications in response to emerging issues. This can include drafting news releases, information bulletins, direct emails to licensees and registrants, as well as fact sheets for AGCO’s front line Inspectors and Contact Centre agents. These processes include the development of French-language materials for all public-facing communications products.

AGCO Website

AGCO’s website, agco.ca, remains a primary information and communication channel for the agency and its stakeholders. This site is also the gateway to iAGCO, the agency’s online service delivery portal, and offers live webchat support with Customer Service Representatives. The website is compatible with tablets and mobile devices for ease of use. The agco.ca site provides information for all lines of business and is updated regularly to reflect new programs and changes in regulatory and government policy. The website also hosts educational videos to help clarify important processes and changes.

The AGCO generates analytic reports that measure a number of key website performance indicators. These reports help gauge how well the site is contributing to business objectives related to education, awareness, and compliance. The AGCO also captures direct user feedback to better understand how easily they can find the information they came for. All of this is with the goal of continually improving and expanding the site to meet the needs of the AGCO’s customers and stakeholders.

A Website Redevelopment Project will be undertaken as the current platform the site was built on reaches end of life in 2023. The AGCO will use this opportunity to improve site usability, content and architecture to address issues, improve user experience, and support the agency’s Service Excellence objectives.

AGCO Engagement Website

The AGCO also maintains an engagement website, connectagco.ca. The site allows interested stakeholders to follow and participate in engagement opportunities to provide input on AGCO projects, policies, and initiatives.

Social Media

The AGCO continues to evolve its approach to social media and community engagement. It continuously explores opportunities to expand its social media presence in a meaningful and manageable way. The number of followers to the AGCO’s social media channels continues to grow. Every day, the AGCO publishes information about new applications for liquor licences and for cannabis retail stores with links to the process for the public to share their views or concerns.

To align with the Ontario Public Service’s digital objectives, the AGCO continues to pursue a digital first strategy and is implementing relevant tools to promote an improved digital footprint. New Social Media Guidelines will be developed in 2023.

Ongoing Programs

Media Relations

With the introduction of Ontario’s new iGaming market, licensing of retail cannabis stores, the modernization of liquor, and changes to horse racing regulation, the number of AGCO media inquiries continues to rise. The AGCO is now receiving over 400 media inquiries each year, including those from newspapers, radio, magazines, web-based news blogs and television. The agency strives to respond to these requests in a timely and transparent way. To support a consistent and strategic approach, a new Media Relations Policy will be developed in 2023.

Section 10: Multi-Year Accessibility Plan

The AGCO’s Accessibility Plan and Policies are developed in accordance with the Integrated Accessibility Standards Regulation (IASR) under the *Accessibility for Ontarians with Disabilities Act, 2005*. The Accessibility Plan and Policies outline the AGCO’s commitment and strategy to prevent and remove barriers and improve opportunities for internal stakeholders and the public with disabilities and address the current and future requirements of the *Accessibility for Ontarians with Disabilities Act, 2005*. In the following year, the AGCO will conduct an annual review of our accessibility policies as part of a broader commitment to diversity, inclusion, and accessibility going forward. Ongoing compliance with the *Accessibility for Ontarians with Disabilities Act, 2005* and IASR is a corporate priority for the AGCO. The AGCO is committed to making all of its communications and publications accessible and continuing to meet the Web Content Accessibility Guidelines.

The AGCO is always looking to consult with people living with disabilities to understand where there may be opportunities for continuous improvement. These consultations will continue to assist the AGCO in better understanding the barriers that persons with disabilities may experience when accessing services provided by the AGCO. This information will also inform mitigation strategies as part of the ongoing review and development of the AGCO’s Accessibility Plan and Policies.

All AGCO employees are trained on the requirements of Ontario’s accessibility laws, including the IASR and the Ontario Human Rights Code as it pertains to persons with disabilities. This accessibility training has been built into the employee orientation process to ensure that all new AGCO employees, as well as the Board of Directors and Horse Racing Appeal Panel members, have a good and appropriate understanding of accessibility and will continue to perform their duties and provide services to the AGCO’s diverse range of stakeholders.

Section 11: Three-year Financial Plan and Budget

The AGCO receives its annual spending authority from the Ministry’s printed estimates, as approved by the Ontario Legislature. The AGCO is funded from a combination of revenue from the Consolidated Revenue Fund (CRF) and recoveries.

Multi-Year Operating Budget

Expense Category	2022-23 Budget_	2022-23 Forecast_*	Variance	2023-24 Budget	2024-25 Budget	2025-26 Budget
Operating						
Salaries and Wages (S&W)	76,016.70	71,212.25	4,804.45	75,946.00	75,837.40	75,837.40
Benefits	15,467.50	15,219.44	248.06	15,761.30	16,143.70	16,143.70
Other Direct Operating Expenses						
Transportation and Communications (T&C)	3,347.60	1,387.76	1,959.84	3,345.80	3,340.60	3,340.60
Services	22,062.00	18,982.33	3,079.67	13,268.80	13,261.50	13,261.50
Supplies and Equipment (S&E)	2,069.60	1,145.42	924.18	2,067.90	2,062.60	2,062.60
Transfer Payment	1.00	0.00	1.00	0.00	0.00	0.00
TOTAL Gross Expenditure	118,964.40	107,947.19	11,017.21	110,389.80	110,645.80	110,645.80
Less: Recoveries	79,094.70	49,670.54	29,424.16	71,123.20	71,574.30	71,574.30
Base Budget from Government	39,869.70	58,276.65	(18,406.95)	39,266.60	39,071.50	39,071.50
Capital	3,774.10	1,688.10	2,086.00	471.20	489.60	1,234.60
Revenue**	38,365.70	36,967.77	1,397.93	67,431.02***	40,284.33	40,284.33

* 2022-23 Budget and Forecast (as of Q2 2022-23) do not include expenditures paid on behalf of iGaming Ontario (iGO). Forecasted iGO direct costs incurred by the AGCO on behalf of iGO are \$8.5M.

** This represents fee revenue that goes into the government’s Consolidated Revenue Fund (CRF).

*** The increase in revenue in the 2023-24 Budget is due to the adoption of a new Public Sector Accounting Standards (PSAS) accounting standard, PS3400 – Revenue recognition. There may be changes in timing of revenue recognition depending on the nature of the revenue.

AGCO Revenue – Key Explanations

- The revenue forecast in 2022-23 is lower than the 2022-23 Budget mainly due to lower forecasted Cannabis revenue for Store and Operator licenses. The incremental decrease in Operator licenses is due to a forecasted decline in new retail operator applications as well as renewals. The incremental decrease in the store licenses is due to a forecasted decline in retail store renewals.
- Over the next three fiscal years, revenue is expected to increase steadily as industries continue to recover from the COVID-19 pandemic and as demand for new applications and

renewals continues.

AGCO Expenditures and Recoveries – Key Explanations

- The overall AGCO gross expenditure variance in 2022-23 of \$11.0M is due to:
 - Forecasted underspending in Salaries and Benefits of approximately \$5.0M, mainly as a result of hiring delays and vacancy management.
 - Forecasted underspending in Transportation and Communication and Supplies and Equipment, used to offset pressures in Services, resulting in net underspending of \$1.4M across the three expense categories.
 - The 2022-23 Services budget includes \$8.1M related to the cost of external service providers used to assist in Eligibility Assessments for Gaming Modernization and private cannabis retail. \$3.6M is forecasted to be spent in 2022-23 while the remaining funds will be allocated to 2023-24 through a 2023-24 Strategic Planning Process (SPP) submission.
- AGCO recoveries are forecasted to be lower than budget in 2022-23. Due to the current funding structure and authorities in place, the AGCO is not able to fully offset the cost of its regulatory activities which has resulted in an ongoing, annual deficit.

AGCO Capital Assets – Key Explanations

- The Capital budget includes iAGCO betterments to support and enhance iAGCO for the new iGaming line of business, liquor reform, and other changes (e.g., cannabis renewals).
- The Capital budget also includes IT hardware for the purchase of personal computing devices, mainframes, data network equipment, and storage devices.
- A request to transfer \$2.1M in Capital Assets budget from 2022-23 to 2023-24 was submitted in the 2023-24 SPP.

Section 12: Performance Measures and Targets

Measuring performance enables the AGCO to improve program effectiveness by setting targets, assessing data, and evaluating results. Through continuous evaluation and feedback, the AGCO continues to position itself to deliver on goals and objectives from AGCO's Strategic Plan.

Results for 2021-22 below highlight successes in each of the three strategic goals of Modern Regulator, Service Excellence, and People First. These successes were facilitated by important projects and initiatives undertaken at the AGCO, which include:

- continuous optimization of iAGCO;
- a continued focus on stakeholder engagement and an enhanced approach to stakeholder education;
- a modern regulatory approach that is risk-based, outcomes-based and compliance-focused;
- a hybrid working model that provided the tools and flexibility necessary for positive employee engagement during COVID; and
- development of a strategy to address diversity, inclusion, and accessibility at the AGCO.

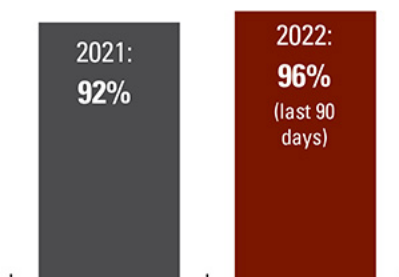
Performance measurement at the AGCO continues to evolve evidence-based evaluation practices to help internal and external stakeholders better understand progress with the agency's strategic goals and mandate, as articulated in the executive summary. Activities scheduled for completion in 2022-23 include regulatory and business performance plans, which are risk-based, outcomes-focused and include performance targets, and establishment of a framework outlining performance monitoring and improvement planning cycles. These activities will support an evolution from performance measurement to performance management over the course of this three-year business planning cycle.

Modern Regulator

Digital First

AGCO provides user-based services and information through multiple windows and service channels anytime and anywhere.

% of users choosing to go digital where available¹ meets or exceeds target of 85%.

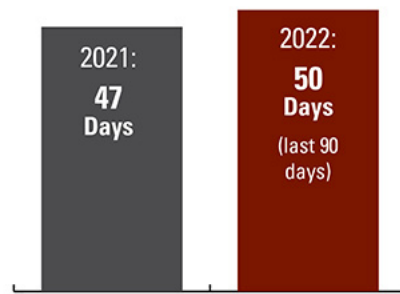


Service Excellence

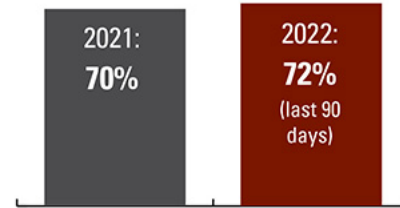
Service Experience

A service-centered design that optimizes the service experience, engages customers proactively and identifies opportunities for improvements.

Online application turnaround time (in days)² meets or is lower than target of 20 days.



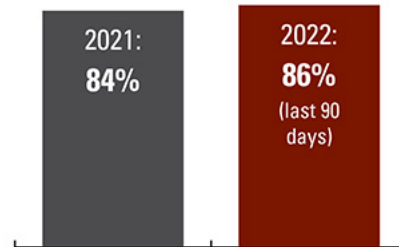
% of clients satisfied with services³ meets or exceeds target of 75%.



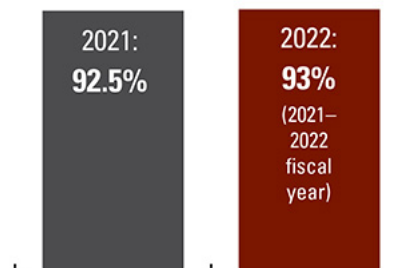
Value for Money

Ensuring value per transaction (internal and external) with a focus on streamlining process and reducing regulatory burden.

% of applications for SOPs auto-issued meets or exceeds target of 90%.



% of first contact resolution (Percentage of calls that were resolved to full customer satisfaction at the first point of contact⁴).

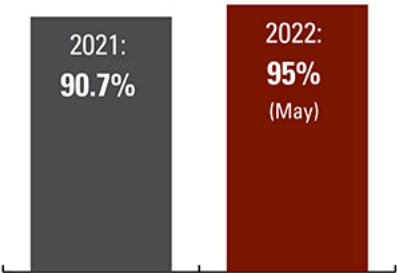


People First

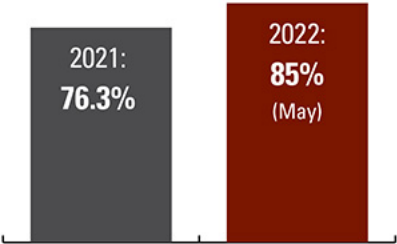
Employee Experience

The level of engagement and enablement is directly correlated with higher productivity, increased motivation and job satisfaction.

% of AGCO staff who would recommend AGCO as a place to work meets or exceeds target of 75%.



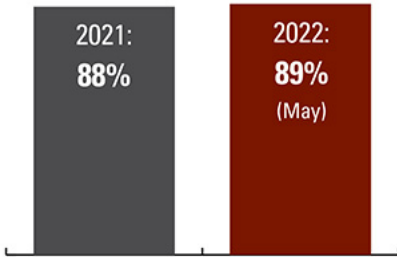
% of AGCO staff who believe their ideas and suggestions count meets or exceeds target of 70%.



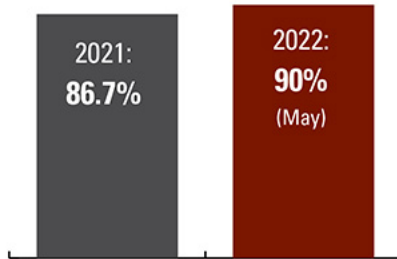
Diversity, Inclusion and Accessibility

The cultivation of a workforce that is reflective of Ontario’s diversity, an inclusive culture free of discrimination and harassment and service delivery that is accessible, culturally aware, relevant and responsive.

% of AGCO staff who believe the AGCO is making progress on its DI&A commitment.



% of AGCO staff who feel able to bring their “whole selves” to work.



¹ All 2022 data is based on applications

² Includes new, renewal and amendment applications completed on the iAGCO portal.

³ These numbers were affected by COVID-19. When looking at Q1: 84.3%; between March and September 30th, the number dropped to 51.8%.

⁴ Percentage of calls that were resolved to full customer satisfaction at the first point of contact by the contact centre.