

Alberta Motor Vehicle Industry Council

Strategic and Business Plan 2009-2012



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Executive Summary

The Alberta Motor Vehicle Industry Council (AMVIC) is moving into its eleventh year of operation. The board of directors at AMVIC is delighted that so much great work is being done on behalf of motor vehicle consumers in Alberta.

AMVIC licensed 5,942 businesses and 8,714 salespeople were registered in 2008. In 2008 AMVIC took 10,548 calls from consumers. There were 1,667 investigations conducted under the Fair Trading Act and Criminal Code. \$2,449,435 was obtained in restitution for victims of unfair trade practices. This mediation takes a large work load away from the courts.

AMVIC is committed to continuously adding value to the motor vehicle industry and protecting consumers by completing the actions in the following pages.

Here are a few of the key actions we plan to undertake in the upcoming year:

- Have the licensing investigators perform proactive work to guarantee individuals are licensed properly.
- Start doing random criminal record checks on renewals.
- Review the closed complaints survey to identify areas for improvement.
- Take part in a Webinar put on by our counterpart in B.C. to determine if this would be a suitable option for delivery of our salesperson course.
- Refresh www.amvic.org to make it easier to navigate and more user friendly.
- Enhance our communication activities by:
 - Refreshing the front page of our web page
 - Refresh the AMVIC tip sheets.
 - Expanding outbound communication with broadcast email to industry and media
- Continue to try and get consumer participation in AMVIC's resourcing. As of February 1, 2008, OMVIC is collecting \$5 for every vehicle that is sold by its licensees. Encourage government to form a committee to address the funding shortfall at AMVIC.
- Many consumers are taken advantage of because they cannot easily find out the history of a vehicle. AMVIC can help consumers by working with government to put various measures in place that will capture and facilitate the reporting of vehicle history.
- Work with Alberta Transportation to make a passed safety certificate a requirement to register a used vehicle in Alberta.
- The compensation fund will not be pursued until there is indication from Service Alberta that one is required and that a resourcing recommendation is approved.
- AMVIC is funded completely from licensing fees. An element of consumer participation in the funding would help AMVIC fulfill its complete mandate. However, AMVIC will continue doing everything possible with the current revenues.
- AMVIC staffing levels will remain at the current level for the coming year.
- AMVIC will have a significant deficit for 2008-2009. A resourcing solution will need to be put in place to address this for the future.

AMVIC—Guiding Statements

Mission

Build and promote trust in the Motor Vehicle Industry through heightened awareness and foster a positive exchange of information among industry stakeholders.

Mandate

Provide consumer protection in Alberta's Motor Vehicle Industry through mandatory industry licensing for motor vehicle businesses and salespeople as required by the Fair Trading Act of Alberta.

Principles

These principles will provide the framework for all policies and procedures developed at AMVIC to ensure that the mission and mandate will be achieved:

- ✓ Protect Alberta consumers from unfair business practices and work towards building trust and confidence in the motor vehicle industry.
- ✓ Self manage an effective mandatory motor vehicle industry-licensing program.
- ✓ Foster open and clear communication in the motor vehicle industry and support an honest exchange of information among industry, government, and consumers.
- ✓ Assist the motor vehicle industry to build best business practices upon the framework of the Fair Trading Act through education and enforcement of legislation.
- ✓ Provide an alternative to litigation by mediating and helping resolve complaints within the motor vehicle industry.
- ✓ Promote safety concerns from the Motor Vehicle Industry to the appropriate government bodies

Key Strategies-Status and Future Directions

Licensing

AMVIC has a vision that its licensees will represent the highest standard of quality and customer service in the motor vehicle industry of Alberta. The policies and procedures developed from the principles include an unwavering commitment to provide a fair market place for both consumers and businesses.

Principle

- ✓ Self manage an effective mandatory motor vehicle industry-licensing program.
- ✓ Protect Alberta consumers from unfair business practices and work towards building trust and confidence in the motor vehicle industry.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<p>All motor vehicle businesses and salespeople operating in Alberta will be licensed properly and screened for suitability by AMVIC.</p> <p>a) New businesses will become licensed prior to opening up their automotive facility.</p>	<p>During the 2008 calendar year an average of 5,942 businesses were licensed and an average of 8,714 salespeople were registered under the four classes of licenses: Automotive Sales, Automotive Leasing, Automotive Consignment, and Automotive Repair. However, it is difficult to determine how many businesses and salespeople are not licensed properly.</p> <p>a) There are a number of businesses that aren't aware they need to have an AMVIC licence or that their salespeople must be registered as a designated agent to act on their behalf.</p> <ul style="list-style-type: none"> • A letter was sent in November 2008 to all Alberta municipalities reminding them that automotive businesses require an AMVIC licence. • Currently receive one or two calls a month from municipalities on the automotive legislation. 	<p>Search daily for businesses and salespeople to ensure compliance with licensing legislation. There was a seven percent increase in the number of licenses issued in 2008 over 2007.</p> <p>a) Work with municipalities during the planning and development stage to ensure businesses are licensed prior to opening up their business.</p> <ul style="list-style-type: none"> • Send a follow up letter to answer some of the issues addressed in the phone calls. (May 2009) • Request the municipalities send a listing of automotive businesses licensed by them, so licensing investigators can contact businesses that do not hold an AMVIC licence. (May 2009)

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<p>b) New salespeople will register immediately upon entering the industry.</p> <p>c) Businesses and salespeople will renew prior to their expiry date.</p> <p>d) Criminal record checks will be performed on 100% of all applications to help eliminate unscrupulous businesses and individuals from being allowed to work in the industry.</p>	<ul style="list-style-type: none"> • A listing for the types of activities that require an AMVIC licence was provided to all municipalities in November 2008. <p>b) The licensing department continues to receive new salesperson applications where some of the salespeople have been selling vehicles without a registration.</p> <ul style="list-style-type: none"> • A letter was sent in October 2008 to all sales businesses stating the need to have a salesperson registered prior to selling any vehicles. • An article was placed in the summer and fall 2008 Impact Newsletters stating that salespeople need to be registered immediately upon entering the industry. <p>c) In 2008, 22% of all businesses and salespeople did not renew prior to their expiry date. Down from 2007 by 12%.</p> <p>d) Criminal record checks are performed on new businesses and salespeople applications 100% of the time and randomly on renewals.</p> <ul style="list-style-type: none"> • Currently 36% of all active applications have had a criminal record check completed. Up 11% from last year. 	<ul style="list-style-type: none"> • Continue to have the licensing investigators perform proactive work to guarantee individuals are licensed properly. • Continue to have licensing investigators follow up monthly on applications that have been sent back due to invalid documentation until resolved. <p>b) Continue to place articles in the newsletter that stress the importance of ensuring salespeople are registered immediately upon entering the industry.</p> <p>c) Investigators will contact the individuals to inform them that it is an offence to operate without a licence and have them enter into an undertaking or possibly lay charges. (July 2009)</p> <p>d) Continue doing criminal record checks on all new applications. Starting January 2009 random criminal record checks are being performed on 10 % of renewals received. Continue to perform criminal record checks on 10% of renewals until completed. Estimated completion date is 2014.</p>

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<p>Businesses and salespeople will be provided with prompt, courteous, and efficient service 100% of the time.</p> <p>a) Applications will be consistently processed within two weeks of receipt or sooner.</p> <p>b) All applications received will have the proper documentation submitted.</p>	<p>Policies and procedures are in place for businesses and salespeople that apply for a provincial licence.</p> <ul style="list-style-type: none"> ▪ All applications are screened and verified to ensure all requirements are met prior to a licence being granted. ▪ All forms are available on the AMVIC web site. ▪ Licence renewals are issued for one year based on anniversary date, not when the requirements are met. ▪ Where there is a concern about an application, a process is in place to conduct an administrative hearing to determine the suitability of the applicant. Applicants deemed not suitable for licensing are given an opportunity to appeal the decision. ▪ Undertaking agreements are entered into with those individuals that have not complied with the licensing legislation. <p>a) Licence applications are being processed usually within two weeks of receipt. However, during high volume periods processing can take longer and has been as long as twelve weeks.</p> <p>b) Not all applications received have the proper documentation. The time it takes to process an application depends on the licensee responding to licensing advisor requests.</p>	<p>Review applications daily to ensure processing time is within the two week turnaround time.</p> <ul style="list-style-type: none"> ▪ This action will not be attainable without additional individuals being hired. <p>a) Adjust personnel duties or bring in additional staff to help out during heavy volumes if possible.</p> <ul style="list-style-type: none"> ▪ If there are no funds available this will not be an attainable goal. <p>b) Continue to send out check lists with the renewals specifying the documentation required.</p> <ul style="list-style-type: none"> ▪ Implement a procedure that states if all documentation isn't received the application will be returned with a letter stating the deficiencies. ▪ Send a letter with the licence requesting all documents be sent in the following year to speed up the process. (April 2009)

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
Receive applications on-line and filed electronically.	All applications received are paper files and stored on site.	Research the feasibility of accepting online applications and electronic filing by September 2009. This will include salesperson renewals, authorization and termination forms.
Have standard letters generated from the computer system for licensing requests.	Letters are generated manually from templates to go out to licensees.	Work with the IT providers to set up letter templates in CATS, in order to select the letter you want and the system will automatically provide the name and address.
Have reports generated from the computer system on the number of licenses received, processed, and issued.	Manual records are kept to record the volume of applications received, processed, and issued.	Work with the IT providers by October 2009 to determine the cost to design a computer generated report on licensing application statistics.

Investigation

Service Alberta has an expectation that AMVIC will deal with all consumer complaints that originate from the Motor Vehicle Industry.

Principle

- ✓ Provide an alternative to litigation by mediating and helping resolve complaints within the motor vehicle industry.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
All motor vehicle businesses will be contacted on a 3 year cycle to assure that they are in compliance with all legislation and give AMVIC a presence.	<ul style="list-style-type: none"> a) A report on the number of visits made by investigators is presented at each board meeting. There were over 2000 site visits done in 2007 and 2008. b) Two licensing investigators are now focused on finding unlicensed activity by visiting all businesses. They also perform a public relations function. c) All of the investigators watch for businesses and salespeople operating without a licence during site visits or complaints. d) Not all businesses are being visited on a 3 year cycle. 	<ul style="list-style-type: none"> a) Ensure that all visits are recorded and reported in the monthly report. Have investigators spend time on visiting rural areas in the coming year. b) Have licensing investigators: <ul style="list-style-type: none"> • Continue to do site visits • Follow up on licensing reports received from applications that have been sent back due to invalid documentation. c) All investigators will continue to look for unlicensed activity. d) When additional resourcing is in place, add 2 more licensing investigators.
Consumer complaints will be acknowledged quickly and resolved in an efficient manner.	<p>All complaints are acknowledged and reviewed within 48 hours of receipt.</p> <ul style="list-style-type: none"> a) Most consumer complaints come via the toll free telephone number or email. The vast majority of investigations are reactive and occur as the result of a complaint. 	<p>Investigations will be completed in a timely manner – simple investigations will be done within a week, more complicated will be done as quickly as possible.</p> <ul style="list-style-type: none"> a) Review the survey done by Service Alberta on closed complaints to identify areas for improvement. (June 2009)

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
Proactive enforcement will be done to deal with unlicensed curbers, odometer rollbacks, selling/repairing salvaged vehicles, and advertising.	<p>Proactive investigation work is starting to increase as the number of investigators has increased.</p> <ul style="list-style-type: none"> During 2007-2008 \$2,449,435 was obtained in restitution for victims of unfair trade practices. This mediation takes a large work load away from the courts. During that period the Complaint Advisor's took 10,548 calls for all of Alberta. Investigations are focused on unfair practices pursuant to the Fair Trading Act and Criminal Code for fraud. AMVIC investigates many motor vehicle activities that historically would have been performed by other law enforcement agencies or would not have been investigated at all. Investigations conducted 1,667 investigations under the Fair Trading Act and Criminal Code (fraud / theft). AMVIC laid 277 charges under the Fair Trading Act or the Criminal Code. The courts ordered \$16,300 in restitution and issued fines totalling \$6,172 in relation to charges laid. 	As more resourcing is in place, investigative work will become more proactive.
All businesses will comply with the advertising requirements of the Automotive Business Regulation.	AMVIC investigators respond to advertising complaints.	Monitor advertising in the major markets and respond to violations.

Education

The legislation indicates that the director may establish education requirements to be met by applicants for registration. The Fair Trading Act & Regulations Training course was implemented in 2000 to educate salespeople on what they can and cannot do when dealing with consumers.

Principle

- ✓ Assist the motor vehicle industry to build best business practices upon the framework of the Fair Trading Act through education and enforcement of legislation.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<p>All salespeople are required to take a mandatory one-day Fair Trading Act & Regulations Training course.</p> <p>a) New salespeople will complete the Fair Trading Act & Regulations Training Course within the 90 day timeframe.</p>	<p>AMVIC administers a one-time salespersons course that teaches the legislation dos and don'ts when selling to consumers.</p> <ul style="list-style-type: none"> ▪ During the 2008 calendar year 2,080 individuals registered to take the training course. ▪ Due to the turnover in salespeople it is anticipated there will be an ongoing requirement to train approximately 2,185 salespeople next year. <p>a) During 2008, 16% of salespeople did not complete the course prior to their temporary registration expiring. Down slightly from last year.</p> <ul style="list-style-type: none"> ▪ A letter is sent to the business 30 days prior to the salesperson temporary registration expiring informing them that the salesperson has not completed the course. 	<p>Ensure a valuable education course is available to all salespeople by immediately updating the course manual to reflect changes in legislation.</p> <ul style="list-style-type: none"> ▪ Have staff attend the course to ensure the instructors' presentations reflect the current legislation and also report on the quality of the presentation. <p>a) When the temporary registration has expired, have the licensing investigators contact the business and let them know that the salesperson is not able to continue selling vehicles until they complete the course. (Implement in April 2009)</p>

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
b) Ensure all salespeople deal with consumers using the highest standards of the legislation to promote professionalism, trust, and integrity in the industry.	b) Not all salespeople deal with consumers in the appropriate manner. This is shown through consumer complaints that are received daily.	b) Have investigators dealing with consumer complaints reinforce the necessity to the salespeople to promote a professional environment at all times. <ul style="list-style-type: none"> ▪ If the salesperson has committed an offence have them enter into an undertaking or if the offence is serious in nature they would be charged. (September 2009)
Make the course available through alternative options, such as on-line.	The course is offered through a classroom setting or through correspondence to those unable to attend a classroom session. <ul style="list-style-type: none"> ▪ Salespeople that fail the course are given an opportunity to rewrite the exam. 	Compile the results from the questionnaire attained from the course to examine how many would have taken the course on-line if the option was available. <ul style="list-style-type: none"> ▪ Take part in the Webinar offered through VSA of BC to determine if this would be a suitable option for Alberta. (June 2009)
Sales people will have to take additional training to enhance professionalism.	No additional education is required.	Research the introduction of a refresher course for salespeople. (December 2009)
Consumers will be better educated on purchasing a vehicle or getting repairs done.	No consumer education is provided	Research a consumer course on purchasing a vehicle. (Service Alberta to help) (December 2009)

Communication

AMVIC licensees and the public both need to know the work that AMVIC is performing.

Principle

- ✓ Foster open and clear communication in the motor vehicle industry and support an honest exchange of information among industry, government and consumers.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<p>AMVIC will provide ongoing and consistent communication with all licensees, as well as consumers and MLA's.</p> <p>a) Activities and results of the investigative team are captured and communicated by newsletter, website and presentations at stakeholder meetings.</p>	<p>AMVIC's web site includes press releases, newsletters, various reports, and statistical measures.</p> <p>a) Four newsletters are sent out each year.</p> <p>b) The web site is updated daily with changes to business licenses and salesperson registrations.</p>	<p>a) Publish and mail a newsletter to all licensed businesses, registered sales people, media and Members of the Legislative Assembly four times a year. (May, August, November, February)</p> <p>b) Continue to update the web site with all new communication – tip sheets, newsletters and media releases.</p> <p>c) Begin distribution of the newsletter via broadcast email. (May 2009)</p>
<p>Information about AMVIC will be available to the public through licensees, media and Registry Agents. The public will know about AMVIC.</p> <p>a) Point of purchase displays will be available at all business locations</p>	<p>The general public, and many in the motor vehicle industry, have a very low awareness of AMVIC as an organization and of its mandate.</p> <p>a) Broadcast Faxes are being sent to industry, government and media when significant events occur.</p> <p>b) The Executive Director is active in attending industry functions and meetings.</p> <p>c) Broadcast email was started in February 2009 – the contact database was initially populated from the AMVIC database and is now being added to through the AMVIC website.</p>	<p>AMVIC will continue to do media releases and refresh the web page. Once additional resourcing is in place, a broader communication plan will be put in place.</p> <p>a) Refresh the AMVIC tip sheets. (May 2009)</p> <p>b) Assure AMVIC brochures are available at all Registry Agents in the province. (June 2009)</p> <p>c) Modify the front page of the web page according to recommendations from Service Alberta. (May 2009)</p>

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
AMVIC will have an individual who is on staff to work on communication activities.	No person is dedicated to communication activities. Many staff members contribute by writing articles for the newsletter.	Current budget does not allow a dedicated communication person.
Offer education to consumers to help them in making motor vehicle decisions.	AMVIC Brochures and Tip Sheets are provided to "Reality Choice" - a course given to High School students regarding vehicle purchasing. Each time there is a media event, general information about AMVIC is given	Promote consumer education through media articles. (Submit 3 articles to each newspaper in the province in 2009)
Licensees will be surveyed annually to gauge their satisfaction with what AMVIC is doing.	No surveying is being done.	Work with Service Alberta to construct a survey and have one done in September of 2009. Report the results to the Board of Directors and to Service Alberta.

Government

As an entity created by government, AMVIC is a logical voice to approach government with recommended changes affecting the motor vehicle industry and consumers.

Principle

- ✓ Foster open and clear communication in the motor vehicle industry and support an honest exchange of information among industry, government, and consumers.
- ✓ Promote safety concerns from the Motor Vehicle Industry to the appropriate government bodies

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
AMVIC will be resourced sufficiently to investigate motor vehicle industry offences, efficiently licence the industry and educate consumers.	100% of AMVIC's funding comes from industry licensing. Licensing is often behind. Many unlicensed businesses continue to operate. Investigations are largely proactive. Virtually no consumer education is done.	Continue to try and secure additional resourcing from various sources such as consumers. As of February 1, 2008, OMVIC is now collecting \$5 for every vehicle that is sold by its licensees. Monitor that program and perhaps suggest that AMVIC should follow that model.
AMVIC will be compensated for its role in issuance of dealer plates.	An AMVIC licence is required before a Dealer plate is issued. AMVIC modified its web site to accommodate dealer plate inquiries. AMVIC is not compensated for this responsibility. The Executive Director has been involved in many meetings with Service Alberta and an excellent plan is in place to enhance the dealer plate program in the province. AMVIC would take a larger role in the new program.	Suggest to Service Alberta that AMVIC should be compensated for its ongoing role in the issuance of Dealer Plates. The Executive Director will continue to meet with Service Alberta in an effort to keep the program going to completion.
The Government will have a vehicle registration system that identifies unlicensed salespeople and vendors.	AMVIC participated in several sessions in regards to MOVES renewal. This suggestion was put forth at that time.	Attend any further MOVES renewal meetings as requested.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
A Memorandum of Understanding will be in place between AMVIC and Alberta Transportation to enhance the working relationship.	The Motor Vehicle Inspection Program (MVIP) Stations and Commercial Vehicle Inspection Program (CVIP) Stations are licensed and require an AMVIC licence as part of the requirement to be a station. AMVIC works closely with Alberta Transportation on many issues.	Approach Alberta Transportation about a Memorandum of Understanding. (May 2009)
A computer system that ensures AMVIC continues to be current with today's technology and the system remains stable at all times and is fully supported.	The CATS system is stable and supported. Service Alberta uses the same platform for their system – the systems are very similar. However, the system is old and is becoming increasingly difficult to find support people.	Since Service Alberta uses the same system, they are in the same situation – we will follow their lead as they change systems.
A Legislative Committee from the board of directors discusses and presents alternatives on issues involving government.	A legislative committee was formed and has met with the Minister of Service Alberta.	The legislative committee will meet with various government ministers to put forth recommendations for change. (Meet twice each year)
The Delegated Agreement between Service Alberta and AMVIC will continue.	The current agreement expires on September 1, 2009.	Review with Service Alberta, making appropriate amendments and have complete by September 1, 2009.

Government - Vehicle History

Many consumers are taken advantage of because they cannot easily find out the history of a vehicle. AMVIC can help consumers by working with government to put various measures in place that will capture and facilitate the reporting of vehicle history.

Principle

- ✓ Foster open and clear communication in the motor vehicle industry and support an honest exchange of information among industry, government, and consumers.
- ✓ Protect Alberta consumers from unfair business practices and work towards building trust and confidence in the motor vehicle industry.
- ✓ Promote safety concerns from the Motor Vehicle Industry to the appropriate government bodies

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
A passed safety inspection is mandatory for the registration of a used vehicle upon change of ownership.	A certificate of mechanical fitness is required to be provided by a dealer in used cars when they sell a vehicle – the vehicle can be declared to be unsafe. The certificate is not required to be presented when the vehicle is registered. There is no requirement for any used vehicle to be certified as safe prior to being registered in Alberta. The AMVIC legislative committee met with Alberta Transportation in March 2009. This does not appear to be a priority item at this time.	Work with Alberta Transportation to make a passed safety certificate a requirement to register a used vehicle in Alberta when it changes owners.
Mandatory odometer reading recorded at each registration event.	Odometer readings are being recorded on a voluntary basis in the Government MOVES computer system. Less than 20% of Alberta vehicles have an odometer reading recorded in the system. AMVIC fields consumer inquiries in regard to odometer readings.	Work with Alberta Transportation to make capture of an odometer reading mandatory for every registration event.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<p>Continuous registration is implemented so that each vehicle owner must have the vehicle registered.</p> <p>The National Motor Vehicle Title Information System (NMVTIS), implemented to varying degrees in 30 states, is implemented in Alberta.</p>	<p>Vehicles can be owned by several different entities without being registered in the government registration system.</p>	<p>Work with Alberta Transportation to move towards continuous registration of vehicles.</p>
<p>Written off vehicles will only be sold to licensed businesses.</p>	<p>No licence requirement is in place to purchase written off vehicles from salvage auctions.</p> <p>Some vehicles that have been branded as written off are being repaired and resold without the extent of the damage being disclosed.</p>	<p>Work with Alberta Transportation to change legislation so that anyone purchasing a written off vehicle must have a valid AMVIC licence.</p>
<p>Registry Agents will follow policy in registering out of country vehicles.</p>	<p>Some vehicles that were salvage vehicles in the U.S. achieved ACTIVE status in the Alberta Registry. Registry Agency Policy was not followed.</p> <p>Service Alberta started implementing policy in February 2009.</p>	<p>Follow up with Service Alberta to make sure that the policy for registration of out of province and out of country vehicles is being followed explicitly. (May 2009)</p>
<p>Right hand drive vehicles will not be allowed on Alberta roads.</p>	<p>Right hand drive vehicles are being sold legally in Alberta. They are unsafe.</p>	<p>Work with Alberta Transportation to change legislation so that right hand drive vehicles are not allowed to be sold or driven in Alberta.</p>

Compensation Fund

When AMVIC was created, there was hope that a consumer compensation fund would be established. The fund is envisioned to compensate consumers who have been the victim of an unfair practice and can't be directly compensated from the motor vehicle business.

Principle

- ✓ Protect Alberta consumers from unfair business practices and work towards building trust and confidence in the motor vehicle industry.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<p>The compensation fund is established and consumers have the ability to apply for compensation against licensed businesses.</p> <p>The Compensation Fund is established and maintained from:</p> <ul style="list-style-type: none"> ▪ A portion of any surplus generated from AMVIC operations; ▪ A levy imposed on industry licensees. 	<p>AMVIC made recommendation to government for an augmentation of resourcing that would allow a compensation fund to be created. Government did not approve any of the resourcing recommendations.</p>	<p>The compensation fund will not be pursued until there is indication from Service Alberta that one is required and that a resourcing recommendation will be approved.</p>

Organization

People are the key to effectively fulfilling AMVIC's mandate.

Principle

- ✓ Self manage an effective mandatory motor vehicle industry-licensing program.
- ✓ Provide an alternative to litigation by mediating and helping resolve complaints within the motor vehicle industry.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<p>The AMVIC board of directors represents consumer and industry concerns.</p> <p>a) A Human Resources committee from the board of directors reviews annually AMVIC organization and employee compensation.</p>	<p>An eleven member Board of Directors guides the organization and is comprised of four persons representing the founding organizations, two government appointees representing the public-at-large and five members-at-large from the industry. The Board is perceived by stakeholders as being representative of the Motor Vehicle Industry and of consumers.</p> <p>a) A Human Resources committee from the board of directors was created.</p>	<p>The AMVIC board will change at the Annual meeting in June with several terms being completed.</p> <p>a) The Board Human Resources committee will review AMVIC organization, employee compensation and assure that we are staffed appropriately and compensating AMVIC people properly.</p>
<p>AMVIC needs 31 full time employees.</p> <p>a) The Edmonton office will have 12 individuals working in licensing, finance, board support, administrative support, communication and education. Tasks will be divided so that there is an appropriate division of labour.</p>	<p>AMVIC currently has 26 full time employees.</p> <p>a) At the Edmonton office there are 10 full time employees working in licensing, finance, board support, administrative support and education. Temporary people are brought in to help with the volume of licenses. We now have a financial assistance which gives us some division of labor as requested by our auditors.</p>	<p>The 2009 budget does not allow for hiring any additional employees. AMVIC currently has a hiring freeze in place. If any employees leave AMVIC they will not be replaced.</p> <p>a) Licensing in Edmonton will retain the current compliment of staff.</p>

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
<ul style="list-style-type: none"> b) The Edmonton office will have 5 investigators, 2 licensing investigators and 1 complaint advisor. c) The Calgary office will have 5 investigators, 2 licensing investigators and 1 complaint advisor. d) 1 investigator will cover central Alberta and 1 will cover Southern Alberta. They will work from their homes. e) The 1 Executive Director will be in the Edmonton office. f) The Edmonton office will be renovated to accommodate the growth of employees and provide a proper meeting room. 	<ul style="list-style-type: none"> b) The Edmonton office has 5 investigators, 1 licensing investigator and 1 complaint advisor. c) The Calgary office has 4 investigators. There is also 1 licensing investigator and 1 complaint advisor working out of the Calgary office. d) There is 1 investigator covering Central Alberta, working from home. There is also 1 investigator covering southern Alberta and also working from home. e) The 1 Executive Director is located at the Edmonton office. f) The Edmonton office renovations are close to being completed. There is an accordion door that needs to be installed and then the renovations will be complete. The Edmonton office space now consists of 5,225 square feet and has ample space to house operations. 	<ul style="list-style-type: none"> b) Investigations in Edmonton will retain the current level for the coming year. c) Investigations in Calgary will retain the current level for the coming year. d) The two investigators will continue to work from home covering central and southern Alberta. e) The Executive Director will continue to be in the Edmonton office. f) The accordion door will be installed by the end of March 2009.
AMVIC will have a risk policy in place to ensure the organization remains stable and viable at all times.	AMVIC has no policy in place at this time.	Work with Grant Thornton to create a policy. (February 2010)

Financial

AMVIC is funded completely from licensing fees. An element of consumer participation in the funding would help AMVIC fulfill its complete mandate.

Principle

- ✓ Protect Alberta consumers from unfair business practices and work towards building trust and confidence in the motor vehicle industry.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
Increase revenues to accommodate the hiring of additional licensing, investigation, administrative, and finance staff in order to carry out the mandate of AMVIC and provide better services to licensees and consumers.	<p>Current revenue flow is inadequate to properly support the mandate of AMVIC.</p> <ul style="list-style-type: none"> ▪ Licensing fees are \$175 for a single business, \$350 for a multiple business, and \$100 for a salesperson registration. ▪ Revenues for the 2009/2010 budget year are projected to be \$2.664 million. Over the next three years if revenue sources continue to be solely collected from industry with no increase in licensing fees the overall projected results portrays no additional activities. ▪ The 2009/2010 budget year is projected to have a cash loss from operations of \$113,000; with capital expenditures being estimated at \$140,000. This consists of \$100,000 to replace four existing vehicles, \$8,000 for office enhancements, and \$32,000 to replace existing computer equipment. ▪ The ability for AMVIC to ensure the mandate is properly enforced to the fullest capacity lies with the success of obtaining additional funding. If additional funding is unsuccessful AMVIC will continue to accept more work with the same number or fewer employees, resulting in greater wait times. 	<p>Continue doing everything possible with the current revenues.</p> <ul style="list-style-type: none"> ▪ Work with the Minister of Service Alberta to form a committee to investigate options available to AMVIC to ensure a viable organization. (April 2009) ▪ If there is no quick solution to AMVICs pending deficit the board of directors will need to reduce services provided.

Preferred Future	Current Situation and Gaps	Future Actions to Fill Gaps
Enhance consumer education, improve wait time for licensing applications and complaint handling, fund capital expenditures, and contribute to both the Compensation Fund and the Reserve Fund.	Discussions have taken place with the Minister of Service Alberta to determine where additional funding will come from, such as consumers participating in the funding of AMVIC.	Form a committee to explore options to address the shortfall in revenues. (March 2009)
Ensure there is an appropriate amount of funds in place if AMVIC were to face adversity.	<p>A restricted reserve fund of \$370,000 is in place.</p> <ul style="list-style-type: none"> The audit committee reviewed the fund in December 2008 and determined it will remain at the current level. 	Review the allocation of restricted and unrestricted funds each year. (December 2009)

Appendix One

AMVIC Five Year Comparative Budgets

April 1 - March 31

	2007/2008 Actual	2008/2009 Projected	2009/2010 Budget	2010/2011 Budget	2011/2012 Budget
REVENUES					
Assessment Fees	2,060,536	2,161,000	2,260,000	2,260,000	2,260,000
Salesperson Course 100 Fees	372,602	313,000	350,000	350,000	350,000
Interest Income	48,641	35,000	36,000	30,000	25,000
Administrative Fees	13,878	16,000	18,000	19,000	20,000
TOTAL REVENUES	\$2,495,655	2,525,000	\$2,664,000	\$2,659,000	\$2,655,000
EXPENSES					
Labour	1,616,669	1,827,000	1,950,000	2,028,000	2,109,000
Board Expenses	60,178	70,000	70,000	73,000	76,000
Office Expenses	213,446	207,000	178,000	185,000	192,000
Insurance	11,437	12,000	13,000	13,500	14,000
Telecommunications	57,083	56,000	60,000	62,000	64,000
Professional Development	4,363	8,000	12,000	12,500	13,000
Education Trainers	140,585	125,000	133,000	133,000	133,000
Travel	74,694	85,000	91,000	95,000	99,000
Government & Public Relations	28,519	30,000	33,000	34,000	35,000
Legal Fees	16,836	55,000	24,000	25,000	26,000
Professional Services	5,556	3,000	3,000	3,000	3,000
Finance Charges	24,199	28,000	28,000	29,000	30,000
Audits	10,477	12,000	14,000	15,000	16,000
Rent	136,353	160,000	168,000	175,000	182,000
Amortization	92,351	122,000	204,000	212,000	220,000
TOTAL EXPENSES	\$2,492,747	\$2,800,000	\$2,981,000	\$3,095,000	\$3,212,000
NET INCOME (LOSS)	\$2,908	(\$275,000)	(\$317,000)	(\$436,000)	(\$557,000)
Capital Expenditures	\$140,202	\$242,000	\$140,000	\$133,000	\$105,000

Appendix Two

AMVIC Financial Results

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
REVENUES							
Assessment Fees	455,900	909,584	1,120,560	1,303,732	1,612,769	1,767,067	1,953,860
Salesperson Course 100 Fees			264,467	213,928	240,260	260,441	277,402
Government Funding	789,442	318,900	161,490	10,080	-	-	-
Interest Income	15,884	11,480	11,281	15,128	14,809	26,487	42,340
Administrative Fees		4,871	664	257	1,150	1,774	3,920
TOTAL REVENUES	1,261,226	1,244,835	1,558,462	1,543,125	1,868,988	2,055,769	2,277,522
EXPENSES							
Labour	733,732	729,246	709,160	854,090	952,827	1,137,158	1,289,720
Board Expenses		52,677	48,164	53,122	65,377	44,050	62,711
Office Expenses	179,849	106,509	117,738	126,594	142,668	149,142	163,612
Insurance	8,094	10,284	12,137	6,126	6,421	7,462	8,368
Telecommunications	62,079	39,906	47,432	48,559	51,616	49,912	51,995
Professional Development		869	5,021	7,289	3,187	6,624	4,600
Education Trainers	109,577	14,672	116,739	91,913	86,449	99,591	108,466
Travel	86,215	19,772	28,735	36,112	44,385	67,820	71,010
Staff Recruitment	10,060	5,537					
Government & Public Relations	47,367	10,835	6,554	12,276	16,415	24,483	33,086
Legal Fees	96,030	100,964	37,274	31,472	15,826	4,657	26,019
Professional Services	32,855	4,280	250	11,714	5,196	13,846	2,515
Finance Charges	1,774	1,766	8,223	9,388	17,981	17,261	20,268
Audits	6,273	6,500	6,500	7,113	7,410	6,955	10,236
Transportation	21,059	21,851	18,140	29,792	29,659	26,344	8,310
Rent	53,657	78,142	84,683	93,147	90,834	93,927	96,974
Amortization	59,246	61,230	95,587	27,635	39,898	54,360	75,044
GST on purchases		28,094	34,645				
TOTAL EXPENSES	1,507,867	1,293,134	1,376,982	1,446,342	1,576,149	1,803,592	2,032,934
NET INCOME (LOSS)	246,641	- 48,299	181,480	96,783	292,839	252,177	244,588
Capital Expenditures				36,899	76,950	131,612	108,200

Note: Change in revenue method was done in the 2003/2004 year; this report does not reflect this change in the first three years.

Board of Directors

Randy Montgomery	Grande Prairie	Industry-at-Large – Recyclers & Dismantlers
Dale Johnson	Edmonton	Industry-at-Large
Bart West	Edmonton (Secretary)	Public-at-Large
Wayne Orsten	Calgary (Chair)	Auctioneers Association of Alberta
Gary Walsh	Calgary	Public-at-Large
Brian Heninger	Calgary	Motor Dealers' Association of Alberta
Ross Hodgins	Edmonton	Recreational Vehicle Dealers Association of Alberta
Aileen Gibb	Hillspring	Industry-at-Large
Peter Lokstadt	Edmonton (Treasurer)	Automobile Service and Repair Association
Mark Krassman	Medicine Hat	Industry-at-Large – Salesperson
Robert Pelz	Rocky Mountain House	Industry-at-Large – Used Sales

Staff

Executive Director – Edmonton

Bob Hamilton

Licensing – Edmonton

Shannon DeLorey – Manager Licensing/Finance
Janet Tancsics – Admin Assist/Board Secretary
Valerie Nickerson – Accounting Assistant
Fred Partridge – Education Coordinator
Brandy Bolinski
Amanda Sinclair
Wanda Neufeld
Candace Cowieson
Chantelle DesChenes
Andrea Matosevic

Investigations

Calgary

Bob Knight – Manager of Investigations
Todd Allen
Darren Conrod
Gary Kaluta
Jan Broer
Darcy Allen

Central Alberta

Lance Knight

South of Calgary

Brad Sicotte

Edmonton

Murray Savage – Northern Alberta Manager
Maria Scott
Wanda McIntyre
Ray Williams
Dave Cooper
Floyd Schick
Rick Pasker

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