

# Strategic and Business Plan

## 2013 - 2016

Providing a fair marketplace  
for automotive consumers and businesses.



ALBERTA MOTOR VEHICLE  
INDUSTRY COUNCIL

## **Executive Summary**

November 2012

The Alberta Motor Vehicle Industry Council (AMVIC) is the regulatory organization authorized by the Minister of Service Alberta to administer and enforce the Fair Trading Act for automotive businesses. AMVIC is proud to oversee this industry and to carry out its regulatory role of providing a fair marketplace for industry and consumers.

These are exciting times for consumers, the automotive industry and AMVIC. In 2010, AMVIC received the support of the minister and automotive businesses to put in place an improved funding model that included a levy on every vehicle sold in the province. With improved predictable funding in place, AMVIC was able to improve its services mutually benefitting both consumers and the automotive industry. With the additional resources, AMVIC is now able to take even more regulatory action to ensure a fair marketplace. We are also proud to report that since AMVIC's inception, we have mediated settlements between businesses and consumers amounting to over 22 million dollars.

AMVIC can now proudly tell Albertans that it is fulfilling all four of its delegated responsibilities now that we have an established compensation fund. This fund protects consumers when an AMVIC licensed business is unable to meet its commitments and ceases to operate. This is a significant development for Alberta's automotive businesses and consumers as it demonstrates an important advantage when dealing with an AMVIC licensed business.

Mandatory licensing of automotive businesses is a key responsibility for AMVIC. With additional staffing and internal process changes, AMVIC now process completed licence applications, on average, within 10 business days and urgent business transfers in two business days. AMVIC recognizes the need for automotive businesses to have a regulatory body that is responsive to its needs, and we have responded.

AMVIC believes in the value of consumer and industry education programs. We continually add new information to the consumer, business and salesperson portals of our newly designed website. We have developed a video for young consumers to provide important information about buying their first vehicle. AMVIC's new travelling information centres now enable us to deliver consumer information to all parts of the province, not just major urban centres. In the past year, we have also implemented new ways to communicate efficiently with industry using social media, e-mail messaging and informative webinars.

Today, with the organizational confidence that accompanies a reliable funding model, AMVIC is taking on key initiatives identified by consumers and industry. AMVIC is actively seeking out illegal, unlicensed business activities such as curbing and unlicensed repair shops. AMVIC is working with automotive businesses to improve compliance in advertising. In keeping with its commitment to provide uncompromised customer service, AMVIC has simplified the process for consumers to file a complaint online and is working to implement electronic licensing and registration for businesses and salespeople.

AMVICs most notable accomplishments in the past year include:

- An established consumer compensation fund
- A reduction in the time to issue a business licence and salesperson registration
- A new program to ensure all active automotive businesses are properly licensed and salesperson registrations are current
- The launch of a new, user friendly website
- A consumer focused education campaign to improve the automotive buying experience
- Addressing problematic automotive advertising through an education and compliance program
- A comprehensive automotive business inspection program

In the upcoming year, AMVIC will introduce even more, ambitious initiatives. We will continue with the advertising campaign to ensure all advertisements and store websites are in full compliance with the FTA. We will move ahead with major enhancements to our registration system to facilitate online filing. Our business resumption plan will be enhanced to ensure AMVIC and our stakeholders have full access to critical data and not subject to significant disruptions. All these changes will improve our services and reduce processing costs. Meanwhile, AMVIC will continue to grow the compensation fund to a sustainable level.

AMVIC envisions greater industry compliance with the FTA in the coming year. Full implementation of the comprehensive inspection program and a greater emphasis on documentation and disclosure will assist automotive business in providing products and services that comply with the legislation.

AMVIC is confident that the initiatives outlined in the strategic plan for 2013 – 2016 will build greater confidence in the automotive marketplace. By working together with automotive businesses and consumers, we will build an understanding of the regulatory environment defined by Alberta's consumer protection legislation. Understanding, education and respect will foster greater industry compliance and greater protection for consumers.

**Goal One: Administer an effective and efficient mandatory licensing and registration program for automotive businesses and salespeople.**

Priority Initiatives

1. Ensure proper, timely licensing of all automotive businesses and registration of salespeople in Alberta.
2. Provide electronic access to business licensees and salespeople registrants.
3. Ensure all businesses and salespeople operate with a current licence/registration.
4. Modernize and maintain AMVIC's records management for licensing.

Performance Measures

	<u>2012-13 Target</u>	<u>2013-14 Target</u>	<u>2014-15 Target</u>	<u>2015-2016 Target</u>
Percentage of compliant licence and registration applications processed within ten business days	60%	80%	85%	90%
Online renewals and applications are available for AMVIC registered salespeople and licensed businesses	IT solution identified	online salesperson renewal available and further research of online business IT solution	online salesperson applications, authorizations and terminations available	online business renewal available
Percentage of businesses and salespeople that renew on time is increased	70%	75%	80%	85%
All new licensing files will be converted from paper documents to electronic documents	solution implemented as of April 2012	100%	100%	100%

**Goal Two: Ensure a fair automotive marketplace by conducting investigations and inspecting businesses for compliance with relevant legislation.**

Priority Initiatives

1. Take appropriate and timely investigative action on consumer and industry complaints.
2. Conduct inspections to make sure licensees comply with the *Fair Trading Act*.
3. Identify unlicensed activity in the automotive industry.
4. Increase enforcement activity regarding compliance with the automotive industry advertising regulations.

Performance Measures

	<u>2012-13 Target</u>	<u>2013-14 Target</u>	<u>2014-15 Target</u>	<u>2015-16 Target</u>
Informal Licensee Inspections	270	270	270	270
Comprehensive level three Inspections completed*	5	24*	24*	24*
Consumer complaints investigated	1400	1400	1400	1400

In 2011- 2012, 587 consumer matters were not investigated.

\*Comprehensive inspection program is new. It is difficult to estimate the number of inspections that can be completed in any specific year until we have more historical evidence.

\*Equivalent of four investigators will be assigned the responsibility for comprehensive inspections.

**Goal Three: Administer a fund to assist consumers who suffer a financial loss arising out of an automotive transaction with a failed AMVIC licensed business.**

Priority Initiatives

1. Grow and maintain a compensation fund that enables reimbursement to all eligible consumer claims.
2. Continue to evolve the compensation fund bylaws and policy.
3. Pay all valid claims in accordance with the policy and bylaws.

Performance Measures

	<u>2012-13 Target</u>	<u>2013-14 Target</u>	<u>2014-15 Target</u>	<u>2015-16 Target</u>
Grow the Fund to a sustainable level	\$2.0 M	\$2.3 M	\$2.6 M	\$2.9 M
Reimburse consumers in accordance with approved policies*100%		100%	100%	100%

\* Under the AMVIC Compensation Bylaws, AMVIC may be required to wait up to three years before claims can be paid out in a multiple claim scenario. The additional time may be required to ensure all eligible claims have been received, prior to the payout of the funds.

**Goal Four: Ensure consumers, automotive businesses and salespeople are informed of the legislative rights and responsibilities that exist to promote a fair automotive marketplace.**

Priority Initiatives

1. Promote the Alberta Motor Vehicle Industry Council accomplishments and role as Albertans “preferred” source for automotive business and consumer protection information.
2. Reinforce the Alberta Motor Vehicle Industry Council’s regulatory role in providing a fair market place for industry.
3. Determine how Albertans are becoming aware of AMVIC.
4. Educate AMVIC licensed businesses and registered salespeople to be knowledgeable and compliant in the requirements of the *Fair Trading Act* and regulations.
5. Provide access to timely and accurate information for consumers about their rights and responsibilities in the automotive marketplace.

Performance Measures

	<u>2012-13 Target</u>	<u>2013-14 Target</u>	<u>2014-15 Target</u>	<u>2015-16 Target</u>
Annual number of website page requests	120,000	132,000	144,000	156,000
Proactive consumer and industry awareness activities by AMVIC (Newsletter, speaking engagements)	15	20	24	24

**ALBERTA MOTOR VEHICLE INDUSTRY COUNCIL  
HISTORICAL FINANCIAL INFORMATION AND  
THREE YEAR PROJECTED BUDGETS**

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013 PROJECTED	2013/2014	2014/2015	2015/2016
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	YEAR END	BUDGET	BUDGET	BUDGET
<b>REVENUE</b>								
Licensing	2,183,966	2,185,169	2,493,860	2,605,092	2,691,000	2,750,000	2,806,000	2,862,000
Levy	0	0	1,535,890	2,535,947	2,548,000	2,560,000	2,611,000	2,663,000
Education Course	306,120	278,400	314,115	286,950	297,000	300,000	306,000	312,000
Other	46,847	40,577	35,044	38,106	87,000	70,000	72,000	74,000
<b>TOTAL REVENUES</b>	<b>2,536,933</b>	<b>2,504,146</b>	<b>4,378,909</b>	<b>5,466,095</b>	<b>5,623,000</b>	<b>5,680,000</b>	<b>5,795,000</b>	<b>5,911,000</b>
<b>EXPENSES</b>								
<b>DEPARTMENTS</b>								
Licensing	483,372	523,542	511,969	569,604	503,000	589,000	598,000	608,000
Investigations	1,355,441	1,396,951	1,307,905	1,543,761	1,772,000	2,001,000	2,041,000	2,055,000
Communications/Education	212,675	189,700	265,746	396,236	406,000	509,000	520,000	528,000
Compensation Fund	0	0	0	24,400	53,000	143,000	149,000	153,000
Board	72,465	63,857	69,352	93,489	121,000	145,000	150,000	155,000
Administration/Executive	711,474	662,095	657,745	864,958	1,087,000	1,650,000	1,672,000	1,680,000
<b>TOTAL EXPENSES</b>	<b>2,835,427</b>	<b>2,836,146</b>	<b>2,812,716</b>	<b>3,492,448</b>	<b>3,942,000</b>	<b>5,037,000</b>	<b>5,130,000</b>	<b>5,179,000</b>
<b>TOTAL NET SURPLUS(DEFICIT)</b>	<b>(298,494)</b>	<b>(332,000)</b>	<b>1,566,192</b>	<b>1,973,647</b>	<b>1,681,000</b>	<b>643,000</b>	<b>665,000</b>	<b>732,000</b>