



Alberta Motor Vehicle Industry Council

2016-2021 Strategic Plan



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1. INTRODUCTION

The Alberta Motor Vehicle Industry Council (AMVIC) was created 17 years ago to regulate the automotive industry in Alberta and ensure a fair marketplace for consumers and businesses. Since then AMVIC has worked continuously to raise its profile among consumers and industry. Today, AMVIC is providing more support to consumers, creating a level playing field for businesses, and continuing to define its regulatory role. AMVIC is holding motor vehicle businesses and salespeople accountable through education, compliance and increased enforcement action on those not in compliance with the *Fair Trading Act*.

AMVIC is committed to excellence and recognizes there are opportunities to grow, modernize and change its processes. The members of the AMVIC management team share a vision to build a cost-effective, efficient and responsive regulatory organization. Alberta has more than four million residents and over the last few years has grown quickly – adding the equivalent to a city the size of Red Deer each year. With growth comes a more diverse population – more consumers with increased expectations of their automotive regulator.

An economic downturn in Alberta attributed to a fall in oil prices has caused a decrease in motor vehicle sales and an increase in salesperson turnover across the province. This has resulted in a net revenue decrease for AMVIC which highlights the need to stabilize funding for operating the organization and the compensation fund.

In May 2015, Albertan's elected a new government which brought significant leadership changes to the Government of Alberta and the Ministry of Service Alberta. AMVIC continues to seek guidance from the new Minister to understand the vision and priorities of the new government and the implications, if any, for the automotive industry regulator. In the meantime, AMVIC continues to establish its consumer protection mandate and strive to maintain a fair automotive industry marketplace.

In 2014, AMVIC moved its services online, offering businesses and salespeople the opportunity to self-manage their licensing and registration processes. The new portal has made the licencing and registration processes more convenient, accurate and efficient. The new website has also provided convenient access to online courses for salespeople. Courses for other licensees such as service repair are being developed. AMVIC also launched a consumer portal that allows people to file an online complaint. The adoption rate for the AMVIC Online portal has exceeded targets. Feedback from stakeholders has been positive.

Recently, AMVIC separated the role of compliance inspections from investigations to enable true separation between the two functions therefore ensuring neutral investigations. Industry standards launched in the fall of 2014. The work that industry standards, investigations and all other AMVIC employees do is effectively encouraging compliance. It is also fostering a fair automotive marketplace by strengthening AMVIC's understanding of consumer, business and salesperson needs, enhancing the focus on business practices and enabling more comprehensive inspections.

There are number of new board directors this year bringing new perspectives. The board has a renewed focus on strengthening governance of the organization, enhancing stakeholder relationships, clarifying AMVIC's mandate and scope and implementing strategies to maintain an effective and future-oriented organization.

AMVIC strives to create a fair marketplace for automotive business and looks forward to a bright future where consumers and industry have increased confidence in Alberta's automotive marketplace.

2. GUIDING STATEMENTS

Delegated Activities

The *Fair Trading Act* delineates the role for AMVIC and the responsibilities formally assigned to its Director as delegated (the "Director" identified in the Act and Regulations). With respect to the automotive business the Director's powers duties and functions under the Act include:

1. The licensing (businesses) and registration (salespeople) administration under the *Fair Trading Act* and the *Automotive Business Regulation*.
2. Investigations, claims and enforcement arising from complaints under the *Fair Trading Act*, the *Automotive Business Regulation*, the *Cost of Credit Disclosure Regulation* and the *Internet Sales Contract Regulation*.
3. Establishment and administration of the compensation fund.
4. Establishment of educational programs for consumers and industry members in relation to automotive businesses.

Mission

AMVIC's mission is to protect the public interest and promote trust and confidence in the motor vehicle industry through heightened awareness and the fostering of a positive exchange of information among industry stakeholders.

Mandate

The mandate of the organization is to provide consumer protection in Alberta's motor vehicle industry through mandatory licensing for motor vehicle businesses and salespeople as required by the *Fair Trading Act* of Alberta and to provide a fair marketplace for automotive consumers and businesses.

Principles

The following principles provide the framework for all policies and procedures developed at AMVIC and help the organization successfully deliver its delegated activities and mandate:

- 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, compliance and enforcement of legislation.
- Provide an alternative to litigation through alternative dispute resolution of consumer complaints.

Role of the AMVIC Board

The AMVIC Board provides oversight and direction for AMVIC's President and Chief Executive Officer and for AMVIC employees. The board is responsible for:

- Strategic planning, determining priorities and setting policy guidelines.
- Ensuring financial and operational viability by exercising fiscal oversight.
- Ensuring that operational and financial controls are functioning properly.
- Communicating AMVIC's benefits to consumers, businesses, government and other stakeholders.

The current Delegation Agreement identifies four categories of delegated activities. This strategic plan is organized and aligned with those four categories and adds governance as a fifth and separate strategic responsibility. The Delegation Agreement is expected to be reviewed in 2016. Governance or other organization functions may be considered for inclusion in an updated delegation agreement.

3. STRATEGIC PLAN PRIORITIES

The AMVIC board participated in a planning session in the fall of 2015. Trends and issues affecting Alberta's automotive industry were discussed, priorities were established and a strategic direction, supported by actionable plans, was developed. Thoughtful discussions were held throughout the session. Through those conversations three themes surfaced as organizational priorities:

1. *Operating Proactively*

The board is committed to continuing to clarify and confirm the mandate and scope of AMVIC and how the organization is able to both positively contribute to the industry and to work to protect and support Alberta consumers. The board strongly prefers to be proactive in its work by identifying and taking action to address trends and issues that may affect the organization, industry and citizens. It was felt that being proactive would contribute to an automotive industry that understands the rules and regulations, mitigates risk for the industry and consumers and supports the development and maintenance of improved relationships with key stakeholders.

The following strategic actions will assist in fulfilling the board's dedication to and focus on *Operating Proactively*:

- Defining the Scope of Licensing & Registration (pg. 7).
- Working with Municipalities (pg. 7).
- Understanding Legislation (pg. 10).
- Addressing Curbing (pg. 10).
- Focusing the Message (pg. 13).
- Strengthening the Organization (pg. 16).

2. *Compliance Oriented*

The board expressed a preference for policies and actions that encourage industry compliance with AMVIC regulations, as opposed to those that take a more punitive approach to those contravening the law. This approach requires that the industry be thoroughly educated on the expectations under the *Fair Trading Act* and on the consequences for meeting those expectations. It requires that AMVIC demonstrate the benefits realized when all stakeholders are in compliance. The board is committed to focusing its time and energy on implementing compliance-oriented tactics to create an environment where all understand and comply with the provincial regulations.

The following strategic plan actions are considered to relate directly to fulfilling the board's desire to be *Compliance Oriented*:

- Compliance-first Approach (pg. 9).
- Monitoring the Success of Compliance Officers. (pg. 10).
- Clarifying Mandate & Scope (pg. 16).

3. *Educate Stakeholders*

To improve AMVIC's effectiveness, the board recognized the important role for training and education of all stakeholders of Alberta's automotive industry. The industry needs continuous education so that they understand and are able to comply with the regulations that govern the marketplace in which they operate thus ensuring that it is fair and competitive. Alberta consumers benefit from understanding their rights and responsibilities when interacting with the automotive industry and from understanding the role AMVIC plays. AMVIC employees must also be up-to-date with their knowledge of the industry and of important trends and the skills needed to be effective in their roles. It is expected the board will continue to focus on developing programs and implementing approaches stakeholder education that improve the understanding of AMVIC, its mandate and the associated roles and responsibilities of stakeholders and consumers.

The following strategic actions are considered to relate directly to fulfilling the Board's focus on *Educate Stakeholders*:

- Reviewing Fees – Demonstrating the value of services for fees and the benefits to consumers when choosing an AMVIC dealer (pg. 8).
- Investing in Continuing Education (pg. 8).
- Developing Consumer Awareness (pg. 13).
- Involving Industry (pg. 14).

4. LICENSING & REGISTRATION

Current State

All automotive businesses in Alberta must be licensed and all salespeople must be registered by AMVIC. Currently, AMVIC licenses approximately 7,000 businesses and registers more than 9,000 salespeople. In the past year, the *AMVIC Online* portal was implemented offering around the clock quick and convenient service. Businesses and salespeople can self-manage their licensing and registration activities and complete required training online. Consumers are able to file complaints online. There has been a decrease in the total number of licensed motor vehicle businesses during the current economic downturn in Alberta. However, there continues to be new businesses entering the marketplace and the number of newly registered salespeople continues to grow. This is attributed to a high turnover of salespeople.

Trends & Issues

Still, there are many Albertans that do not know or understand their responsibility under the *Fair Trading Act* or the role that AMVIC plays. It may be that Alberta consumers do not see a need for AMVIC until they identify a problem that they are unable to resolve independently. AMVIC also has limited resources for communications and training given the size and geographic reach of the industry.

A number of strategic trends and issues that relate to licensing and registration have been identified, they include:

- Gaps in servicing some Alberta markets.
- Review licensing requirements to ensure all automotive businesses that should be licensed are licenced. This will enhance consumer protection and level the playing field in the industry.
- Licensing requirements, fees and policies that are not well understood within the automotive industry.
- A licensing and registration fee structure that requires review to ensure a sustainable funding model while delivering value to stakeholders.
- A fully operational and stable *AMVIC Online* portal that offers functionality for all stakeholders of the organization, particularly to address the needs of Investigations.

Key Strategies

Define Licensing & Registration Scope

Clarify scope of licensing requirements.

- Review the activities/businesses currently being licensed and identify gaps.
- Build on the Question & Answer documents and/or interactive tools on the website.
- Continue engaging government agencies with complementary scope and delivery channels.
- Review the fit between existing policy and legislation and trends in the industry (e.g. mobile mechanics).
- Consider stronger branding to make AMVIC more recognizable.

Work with Municipalities

Fill a gap in delivery by working with municipalities.

<ul style="list-style-type: none"> • Continue to work with municipalities, Alberta Municipal Enforcement Association, Alberta Urban Municipalities Association (AUMA), Alberta Association of Municipal Districts and Counties (AAMDC) and the Better Business Bureau (BBB); consider how to best leverage the relationships including the potential to involve municipal representatives in an Advisory Committee. • Determine if AMVIC should decentralize investigation or inspection staff outside of Edmonton and Calgary.
<p>Review Fees</p>
<p><i>Evaluate the basis for fee assessment.</i></p> <ul style="list-style-type: none"> • Study the current fee assessment process and evaluate if any changes should be considered. • Understand the demographics of licensees, specifically their size, the number of employees, etc.
<p><i>Review the renewal process.</i></p> <ul style="list-style-type: none"> • Evaluate the current fee structure, determine if it remains appropriate. • Introduce an incentive for licensees and registrants to renew and pay levies on time. • Establish and enforce incentives to pay on time/early and a system of consequences for those that are late.
<p><i>Demonstrate value of services for fees and benefit to consumer when choosing an AMVIC dealer.</i></p> <ul style="list-style-type: none"> • Offer training to AMVIC dealers. • Demonstrate benefit to dealer brand. • Continue to educate customer and make information available about the benefits of dealing with an AMVIC business, especially as it relates to protecting their rights as consumers.
<p>Invest in Continuing Education</p>
<p><i>Update training documents and implement user-friendly approach to continuing education.</i></p> <ul style="list-style-type: none"> • Develop new online training for licensed businesses other than salespeople which already requires a mandatory course. • Require periodic upgrade training for existing members to ensure they are informed of changes and are familiar with expectations. • Require salespeople who leave the industry for a period of time to retake the necessary <i>Fair Trading Act</i> training.
<p><i>Provide Alternate Dispute Resolution (ADR) Training for Consumer Services Team.</i></p> <ul style="list-style-type: none"> • Identify appropriate training programs and deliver to Consumer Services staff. • Add ADR training to new employee on-boarding training program.
<p>Expand AMVIC Online</p>
<p><i>Continue to develop the AMVIC Online portal to improve functionality and stability.</i></p> <ul style="list-style-type: none"> • Conduct a gap analysis and business requirements review to identify and describe required system functionality and capabilities with a priority to investigations and industry standards needs. • Continue to address system concerns. • Continue to develop and implement new releases with a priority to investigations and industry standards needs. • Continue to monitor and action plan stakeholder feedback on an ongoing basis.

5. COMPLIANCE & ENFORCEMENT

Current State

Relationships with industry stakeholders and licensees are improving now that there is a better understanding of the organization's focus on compliance. It is agreed that opportunities remain to improve relationships with all stakeholders to further the goal of regulatory compliance and creating a fair marketplace. AMVIC conducts thorough investigations that can lead to meaningful consequences for regulatory violations.

The introduction of the Industry Standards group in late 2014 enhances the compliance inspection approach. Educating industry members to achieve better compliance is a focus as well as improving the marketplace for consumers.

The senior manager of investigations, supported by a full investigations team, has increased organizational capacity and expertise to conduct investigations. A continued focus on compliance will help foster and promote positive and constructive relationships with industry.

Trends & Issues

Strategic issues and trends related to compliance and enforcement have also been identified, these include:

- There are challenges making constructive dialogue, issue resolution and gaining acceptance for the work of the Industry Standards group challenging.
- Implementing alternate dispute resolution provides an opportunity for complaints to be resolved to the consumer's satisfaction. It is important to note that whenever a potential breach is identified, the file is sent to investigations. All breaches are investigated. Since 2001 AMVIC facilitated consumer-industry negotiations have returned over \$26.4 million to Alberta consumers.
- Differing definitions of what "appropriate" enforcement ought to involve, specifically in consideration of the guidelines for, severity of and frequency of punishment.
- "Curbing" is seen as a threat to a fair marketplace where licensed consumers buying from curbers are assuming significant risk and dealers operate with a disadvantage.
- The outdated Mechanical Fitness Assessment (MFA) form is misunderstood by consumers and industry and thus is in need of review and redevelopment. Consumers often confuse the MFA with a vehicle inspection; which it is not. Many licensees feel they provide an inspection that is more thorough than an MFA and should not have to supply an MFA.
- Industry standards and investigations continue to work together to ensure the two departments are best positioned to reduce process duplication and increase efficiency.

Key Strategies

Compliance-First Approach

The Board prefers to take a compliance-first approach when dealing with AMVIC licensees and registrants. It is believed a compliance-first approach will improve working relationships with stakeholders and gain their commitment to achieving a fair marketplace.

- Continue to develop training programs for all licensees, including owners, managers, staff that educates stakeholders about the importance and need for compliance.
 - Clarify roles and obligations.
 - Understand the *Fair Trading Act*, Regulations, and AMVIC policies.
 - Provide a New Business Information Checklist (decision-tree) to help new owners determine what they need to comply with and what their interaction with AMVIC may/not be.
- Continue to develop and implement communications strategies and tools that educate the various stakeholder groups about the benefits of compliance and the consequences of non-compliance.
- Provide positive reinforcement and follow up to confirm, validate and encourage compliance.

Enforcement-Second Approach

The board has identified the need to develop parameters, guidelines and an approach related to infractions against AMVIC and enforcement of the Fair Trading Act.

- Consider introducing a Registrar role to be responsible for administrative enforcement activities and to evaluate legislation from other jurisdictions to determine what is possible in Alberta.
- Establish a process/chart to identify when enforcement is appropriate, this may involve a threshold, i.e., number of infractions, frequency of similar issues, etc. for enforcement:
 - Consider the use of a peer panel to review industry infractions and complaints.
 - Explore the option of an “Advisory Council”.

Monitor Success of Compliance Officer

The Compliance Officer role is formally introduced to AMVIC, the board identified the need to monitor its implementation and success.

- Leverage this role to improve relationships with industry and members.
- Establish performance metrics to evaluate success of the Compliance Officer.

Understand Legislation

The board has identified a need to clarify legislation and obligations as it relates to compliance and enforcement.

- Conduct review of current legislation to clarify and understand AMVIC obligations.
- Gain a better understanding of the direction and flow of funds received from administrative penalties.
- Review the *Fair Trading Act* and the *Automotive Business Regulations*, consult with Service Alberta and propose recommendations to clarify and incorporate changes to enhance them in support of the industry’s unique needs.
- Review the need for legislation that is specific to the automotive industry and related consumer protection consult with Service Alberta and propose recommendations.
- Develop training program for investigations and industry standards to specifically link legislation with business processes and roles and responsibilities.

Address Curbing

“Curbing” is recognized as a significant industry challenge and the Board must establish an approach to deal with these illegal activities and agents. Curbers are automotive sales businesses operating without the required AMVIC sales licence.

- Continue to use technological solutions to identify and take action against curbers.
- Continue to use administrative penalties as an enforcement tool.
- Continue to leverage media as a deterrent and other stakeholders.
- Evaluate partnering with Auctions under a Memorandum of Understanding (MOU) to share information regarding curbers as seller and buyers at auctions. Note that AMVIC does not regulate auctions.
- Evaluate partnering with Alberta Transportation under a MOU to share information and resources.

6. COMPENSATION FUND ADMINISTRATION

Current State

The compensation fund achieved a major milestone during the past year by reaching a funding level of \$4 million. This is the maximum funding allowed by AMVIC's bylaws. The compensation fund is funded by the board of directors authorizing the transfer of funds from general revenue to the fund. Few claims have been made against it. Now that the \$4 million target is achieved, numerous questions remain about how to sustain the fund and allow for reasonable access to the fund for consumers.

Trends & Issues

The board intends to address the following trends and issues related to the compensation fund:

- Now that the compensation fund has been in place for four years, compensation fund eligibility and reimbursement parameters and guidelines may need to be reviewed and redefined.
- Consumers need to wait for up to three years to be paid for a claim.
- The \$6.25 sales levy is a point of contention for some dealers.
- A stable and sustainable funding source for the compensation fund needs to be identified and described, including minimum compensation fund value and responsibility to contribute.
- A policy to guide how the compensation fund would be replenished in the event of a high number of claims at any time is needed. Consider an automatic trigger that allows the fund to be replenished when the compensation fund falls below a certain threshold.
- The public is becoming more aware of the compensation fund and its purpose however more efforts need to be made through consumer and industry stakeholder education.
- Legislative or bylaw changes may be required to implement changes to the compensation fund.
- Consider empowering AMVIC to develop additional alternate dispute resolution (ADR) strategies to obtain restitution for consumers and that punish violators when appropriate, while considering AMVIC's investment in undertakings and supporting the compliance goals of the organization.

Key Strategies

Draw Eligibility & Reimbursement

Review compensation fund eligibility criteria and update if deemed appropriate.

- Assess existing criteria against possible alternatives.
- Explore opportunities to enhance compensation fund flexibility to better support consumers, e.g., cover legal fees incurred; implement a quicker resolution approach similar to the insurance industry where adjusters assess damage and work to resolve matters.
- Understand the history of what types of cases have been paid out and what hasn't.
- Understand conditions that will increase the demands on the fund, e.g., the influence of economic cycles.

Funding Sources
<p><i>Establish sustainable funding plan and set minimum fund value.</i></p> <ul style="list-style-type: none">• Set a minimum fund value and develop a plan to sustain it.• Determine who should contribute to sustain the fund.• Determine how regular contributions to the fund should be made and where the funding comes from.• Establish parameters or criterion to identify when supplementary funding is required.• Evaluate the role, if any that ought to be played by the consumer. Propose recommendations for legislative changes if required.• Consider building a discretionary component into decisions about compensation (recognizing that it would not be simple or easy to control).• Evaluate by-law and Board policy changes that would be required.• Consider requiring licensees to post a bond, evidence of insurance or some other security to protect against high risk businesses.
<p><i>Communicate Compensation Fund Information.</i></p> <ul style="list-style-type: none">• Continue to communicate with consumers, licensed-businesses and other industry partners details about the compensation fund, its value, how to access it, etc.• Continue to clarify and communicate with consumers that all AMVIC licensed businesses are covered by the compensation fund.• Manage compensation fund cautiously with staged growth until better information about future uptake is available.
Alternate Dispute Resolution
<ul style="list-style-type: none">• Identify any legislation changes that may be required to support approaches to arbitration, mediation and dispute resolution.• Establish approach to dispute resolution that provides consumer restitution and enforces actions where required.

7. STAKEHOLDER EDUCATION

Current State

From developing training modules for salespeople to be delivered online to launching a new website and enhancing social media presence, AMVIC has undertaken efforts to update and improve accessibility of information for stakeholders in recent years. Consumers have a general awareness of AMVIC but it is agreed that additional education is required for the public to understand their rights, responsibilities and liabilities.

Trends & Issues

A number of strategic trends and issues relating to stakeholder education have been identified for action by the board, these include:

- Establish an open and productive relationship with the Minister of Service Alberta and understand the Minister's preferred direction for AMVIC and the automotive industry. Regular meetings should be held with the Minister and the President/CEO and board chair.
- Raising public awareness about AMVIC's role and mandate and consumer rights remains a challenge.

- Consumers are confused about mandatory fees. Legislative changes may be required to implement a standardized bill of sale or some other mechanism to clearly disclose that information.

Key Strategies

Focus the Message

The board identified the need to review and evaluate the message that AMVIC is communicating to see if it remains appropriate.

- Evaluate the message that AMVIC is currently delivering, consider its effectiveness and impact on target stakeholder groups.
- Validate and prioritize elements of the current message and develop new elements as required.
- Integrate messaging into ongoing communications and marketing campaigns where appropriate.
- Develop a message that describes AMVIC priorities and needs in preparation for meetings with the Minister.

Engage Industry to collaborate, prepare and deliver one consistent message to stakeholders.

- Lead an initiative to bring together various industry stakeholder group and provide a forum to work together to have a common message regarding Alberta's motor vehicle industry.
- Prepare a message that reflects the needs and priorities of the industry.
- Leverage the industry message in all communications and encourage other industry stakeholders to do the same and present a united front with a common voice.

Engage Government

The board identified the need to establish a relationship with the new Minister of Service Alberta and obtain input about vision, priorities, required changes and/or preferences.

- Meeting with minister to discuss and understand AMVIC's direction and identify preferences the minister may have for the organization.
- Continue to keep the ministry apprised of organizational initiatives, progress and success through appropriate and timely reporting of activities.
- Engage the ministry to support efforts to educate the public about AMVIC and its role through a public awareness campaign.
- Work with Service Alberta to understand its interpretation and application of the *Fair Trading Act*.
- Document and substantiate proposed legislation changes to strengthen and clarify AMVIC's role and mandate in regulating the automotive industry in Alberta.

Develop Consumer Awareness

Evaluate and implement a number of initiatives to educate consumers about AMVIC and consumer rights.

- Continue to develop, fund and deliver advertising campaigns targeting education about automotive consumer rights and responsibilities.
- Identify language composition of the province; translate and make available the AMVIC brochure to diverse groups.
- Enhance online presence and effectively use/place the AMVIC brand. Consider amending the AMVIC logo to include amvic.org.
- Consider a full rebranding of the organization.

Work to establish partnerships to expand the organization's network and communication channels.

- Engage Service Alberta to identify education opportunities, specifically including an AMVIC brochure/insert with driver registration renewals.
- Engage and educate all elected officials about the work AMVIC conducts.

- Target youth demographic by partnering with high schools and post-secondary institutions, specifically develop and deliver brief modules for the Blue Seal training and apprenticeship programs at NAIT and SAIT.
- Develop partnerships with Alberta Motor Association (AMA) and Jobs, Skills, Training and Labour Ministry, Immigration branch.

Require Fee Disclosure Transparency.

- Develop initiative to clearly and concisely show fee disclosure.
- Work with industry to implement a standardized approach to disclose costs associated with purchasing a motor vehicle.

Involve Industry

Involve and educate wide range of industry participants to understand rights, responsibilities and requirements.

- Require refresher training for agents that return to the industry after a prolonged absence and for those that have been in the industry to an extended time; determine appropriate timeframes.
- Develop initiative to train and educate non-sales industry members, include working with owners to gain support for the initiative and develop online training for non-sales industry members.

8. GOVERNANCE

Current State

AMVIC has a Delegation Agreement with the Minister of Service Alberta that empowers the organization to enforce and administer the requirements of the *Fair Trading Act* for Alberta's automotive industry. AMVIC is responsible to administer the *Fair Trading Act*, the *Automotive Business Regulation*; the *Cost of Credit Disclosure Regulation*, and the *Internet Sales Contract Regulation*. AMVIC is incorporated and organized under Alberta's *Societies Act* as a regulatory board for the purpose of exercising the delegated powers, duties and functions. As such, AMVIC is required to have members (a society) and a board of directors.

The AMVIC Society consists of nine members, four that are public and the rest that represent automotive industry associations active in Alberta – the Motor Dealers Association of Alberta, the Recreational Vehicle Dealers Association of Alberta, Auctioneers Association of Alberta, the Alberta Automotive Recyclers & Dismantlers Association and the Canadian Independent Automotive Association. The society has final authority over the bylaws and industry at large board appointments.

The AMVIC Board of Directors is responsible for setting organizational priorities, ensuring financial and operational viability, providing direction to and oversight for administration and communicating benefits to all stakeholders. The 13 director board is made up of seven industry and six public representatives. AMVIC's president/CEO reports directly to the board of directors.

The *Automotive Business Regulation* is enacted under the *Fair Trading Act*. This legislation establishes the requirements for licensing and registration, delineates codes of conduct, describes requirements about the compensation fund, defines requirements related to consignment sales, and provides information and authorities related to offences. Through the Delegated Agreement, the minister responsible for the Act has assigned these responsibilities to AMVIC.

Identified Trends & Issues

Although the board is working on improving overall governance, a number of governance related strategic issues and trends have been identified and include:

- The role and scope of the society is unclear. It would be beneficial to clarify and differentiate the roles and responsibilities of the board and the society. The board would also like to better understand the process to make appointments to the society
- The board would like to assess its present composition with respect to skills and representation. Then provide input to the minister and society members on the appointment of new board members regarding the skills required on the board.
- The structure of the board itself, specifically with respect to representation on committees, may need to be evaluated.
- The juxtaposition of having the president/CEO being tasked as the relationship builder with industry while also being responsible for investigations and enforcement. The contrasting roles may create unnecessary stress and challenges in various relationships.
- Legislative changes may be required to clarify and confirm the role of AMVIC, including its scope and mandate.
- AMVIC does not have a sustainable funding model.

- The \$6.25 sales levy is a point of contention for some dealers.
- AMVIC has developed the infrastructure to grow and the organization is poised to respond to various stakeholder demands and changes in the operating environment, i.e., auctions and to cover a vehicle to the end of its life cycle once it has been scrapped and crushed.
- AMVIC needs further work on a succession plan for the president/CEO.
- AMVIC needs to work on a succession plan for the board of directors.

Key Strategies

Clarify Mandate & Scope

Clarify the organizational mandate.

- Define the scope of the organization, where AMVIC starts and stops, specifically with respect to auctions, curbers, sub-prime, Mechanical Fitness Assessment, etc.
- Clarify the roles of other organizations like Service Alberta, auctions, and Alberta Transportation to identify areas of overlap and where gaps exist.
- Role related to complaints handling versus compliance and education.
- Define and document what compliance looks like– share this information with stakeholders.
- Work with stakeholders to fill identified gaps via use of MOUs.
- Get stakeholder buy-in by demonstrating value; obtaining support and encouraging participation.
- Identify and document any legislative or regulatory changes that may be required.

Strengthen Organization

Clarify Structure & Relationship with Society.

Lack clarity and understanding about the role and representation of AMVIC Society:

- Assess the relationship.
- Determine what, if any, changes may be required.

Create Terms of Reference.

- Prepare terms of reference for the board and a board calendar.
- Prepare terms of reference for board committees, including committee calendars.
- Identify additional terms of references that need to be developed and proceed with their creation.

Conduct Review of Select Bylaws.

- Review the term of director appointment bylaw, consider extending appointments to a maximum of three terms of three year.
- Review the board vacancy replacement bylaw, consider allowing replacement board members to serve a full term as a new board member.
- Evaluate opportunity for board to reappoint public members to additional terms.

Develop Succession Plan.

- Develop and implement a succession plan for members of the board.
- Develop and implement a succession plan for the president/CEO.

Board Skills & Make Up

Representation – Board composition.

- Confirm any gaps in representation – who else should be at the board table?
- Work with Service Alberta to fill three public member vacancies.
- Determine what appropriate representation is and how to achieve it.
- Identify and document any legislative or regulatory changes that may be required.

Skill Gap Assessment & Appointment Process.

- Assess skills of current board members to understand available resources, develop skills matrix.
- Identify skills that might benefit the board, take future oriented view.
- Clarify expectations about Board involvement in new member selection:
 - Work with Minister.
 - Determine if legislative changes are required.

Provide New Board Member Orientation.

- Prepare training materials to introduce and orient new members to the AMVIC Board, including roles, responsibilities, liabilities and expectations.
- Determine timelines to deliver new board member orientation and implement any additional supports that might be helpful.

Funding Model

Develop a sustainable and permanent funding model that is aligned with the mandate of the organization.

- Evaluate the role, if any that ought to be played by the consumer, in addition to the industry, to contribute to operational funding.
- Evaluate ways to mitigate against financial impacts resulting from possible economic downturns.