



ALBERTA MOTOR VEHICLE
INDUSTRY COUNCIL

AMVIC STRATEGIC PLAN

2022 – 2023

Message from the Board Chair

On behalf of the Board of Directors and the management and staff of the Alberta Motor Vehicle Industry Council (AMVIC) I am proud to present the 2022 – 2023 AMVIC Strategic Plan.

As a public agency, AMVIC's priority is to ensure consistency in implementation of its delegated responsibilities. A strong focus on compliance, education and communication efforts remains critical in our efforts to create well-informed consumers and a level playing field for automotive businesses. A strong relationship with the Government of Alberta has given AMVIC a foundation of respect and trust. This is now the time to take a critical look at our resources and capacity in order to continue to fulfill our mandate. We must expand our capabilities in this changing environment to increase compliance in the automotive industry and provide effective consumer protection.

This strategic plan outlines AMVIC's continued commitment to our mission to protect the public interest and promote trust and confidence in the automotive industry in Alberta.

Our mandate

AMVIC is a delegated regulatory board created by the Automotive Business Regulation in accordance with Section 136(5) of the *Consumer Protection Act*. The council regulates the automotive business industry in Alberta through the powers delegated to it under the *Consumer Protection Act*.

AMVIC is responsible for maintaining a mandatory licensing program for automotive businesses and a registration program for automotive business salespeople, educating industry on regulatory compliance, informing consumers of their rights and enforcing consumer protection laws. In addition to protecting Alberta consumers from unfair business practices and working towards building trust and confidence in the automotive business industry, AMVIC is also responsible for:

- Fostering open and clear communication in the automotive business industry and supporting an honest exchange of information among industry, government and consumers.
- Assisting the automotive business industry to build best business practices upon the framework of the *Consumer Protection Act* through education, compliance and enforcement of legislation.
- Providing alternatives for resolution of consumer complaints.

With respect to the automotive business industry in Alberta, AMVIC has been delegated the following powers, duties and functions of the Director of Fair Trading under Section 136(5) of the *Consumer Protection Act*:

- Licensing and registration administration under the *Consumer Protection Act* and the Automotive Business Regulation.
- Investigations, inspections and enforcement under the *Consumer Protection Act*, the Automotive Business Regulation, the Cost of Credit Disclosure Regulation and the Internet Sales Contract Regulation.
- Administration of the Compensation Fund.
- Establishment of formal and informal educational programs for industry and consumers in relation to the automotive business industry.

What our environment is signalling to us

Along with the rest of world, AMVIC and the automotive industry find themselves navigating the ever-changing environment associated with a global pandemic. There have been direct and indirect impacts to the automotive industry and consumers, meaning AMVIC must operate as a nimble, adaptable, learning organization as conditions continue to evolve and shift. Above all, consumer protection remains the core focus for AMVIC and the strategic plan must take into account new perspectives. We believe the following factors may have a significant impact on our organization:

- AMVIC's revenue is trending downward due to lower vehicle sales, fewer business licences and salesperson registrations.
 - Significant production decreases across North America are due to:
 - the pandemic,
 - the semiconductor shortage in the manufacturing sector continues,
 - a shortage of batteries for electric vehicles, and
 - cross-border manufacturing issues.
 - Reduced inventory of new and used vehicles for sale, including recreation vehicles.
- Providing a safe work environment for staff.
 - The COVID-19 pandemic has prompted a shift to flexible work arrangements, primarily working from home. The AMVIC offices (Edmonton and Calgary) remain closed to the public and all interactions are done online, via telephone or in a virtual environment.
 - AMVIC will continue to evaluate the challenges and opportunities created by this work environment as it relates to AMVIC's desire to operate with excellence in customer service.
 - As AMVIC's intent is for employees to return to the office environment, strategic considerations must include ways in which a flexible work model can support the achievement of AMVIC's mission and mandate.
- Fewer opportunities for in-person interactions with stakeholders and consumers.
 - A continued focus on stakeholder communication has been positive in AMVIC's relationships with its many and diverse stakeholders, including AMVIC's shareholder, the Government of Alberta.
 - Future strategic considerations must look at ways to sustain these enhanced stakeholder relationships (collaboration) with fewer resources and no direct, face-to-face interactions.
 - AMVIC has identified the need to continuously leverage new technologies, such as targeted social media marketing to serve and protect consumers and industry.
- Move to a hybrid model of conducting inspections to include in-person inspections as well as virtual, preliminary and comprehensive inspections.
 - Need to increase compliance.
 - Need to address backyard mechanics and curbers (unlicensed sellers).
- Increase in consumers shopping online for vehicles.
 - Accelerated growth in online sales will require AMVIC to re-evaluate the risks for consumers in a digital environment.

- As Alberta's automotive industry continues to evolve, the board and management team will need to keep up with their understanding and education, in terms of AMVIC's delegated responsibilities, duties and functions under the *Consumer Protection Act* with respect to their mandate.

Strategic direction: our vision for AMVIC

Our vision guides our decisions, helps us set priorities and encourages us to align our efforts as we work to make AMVIC an effective, highly-valued public agency.

We are committed to building an AMVIC that operates with the trust and confidence of consumers and industry alike. We do this by operating with a steadfast focus on our core purpose and daily practice of our core values.

We envision an organization defined by the following:

- A strong focus on consumer and industry education as a major driver of consumer protection.
- Continuous improvement in processes, training and regulatory practices.
- A high level of compliance in the industry we regulate.
- Strong government and industry relationships that contribute to better consumer protection outcomes, working proactively with all stakeholders.
- A strong customer service mindset, approach and culture that positions AMVIC as a helpful organization to consumers and industry alike.

Strategic priorities

AMVIC is accountable to the Minister of Service Alberta and as a regulatory agency is assigned to protect consumers and the automotive business industry from unfair practices. We achieve this by meeting the requirements of the mandate and roles document.

In addition to those responsibilities, this strategic plan reflects our commitment to the long-term success of AMVIC and outlines our strategic priorities for the 2022 – 2023 fiscal year. These strategic priorities provide guidance to AMVIC to identify operational priorities for the coming year. We are committed to the following four strategic priorities:

Priority 1: Financial stewardship

AMVIC requires adequate financial resources to effectively execute its delegated responsibilities and deliver its mandate. AMVIC is funded independently of the government, and is given the authority in Section 136(8) of the *Consumer Protection Act* to collect money by way of fees and levy. These fees and levy have not been adjusted since 2011.

In the wake of declining revenues, AMVIC will prepare a funding and revenue plan to increase assessments in order to continue to fulfill its responsibilities within the mandate and roles document. Increasing consumer and industry education, the number of inspections and

expanding our enforcement capabilities will lead to increased compliance which will help reduce risks to consumers.

Our efforts to achieve this priority will include:

- In accordance with Automotive Business Regulation, we will prepare a three-year business and financial plan for the Minister of Service Alberta.
- In accordance with the mandate and roles document, we will submit a funding and revenue plan to the Minister for review and approval of the levy and fees collected by AMVIC to carry out the powers, duties and functions designated to it.
 - A proposed funding and revenue plan will be developed and presented to the Minister.

Priority 2: Improve the Compensation Fund

This priority is about ensuring the Compensation Fund continues to work effectively for consumers and focusing on opportunities for the Fund to improve. AMVIC maintains a Compensation Fund for consumers who have suffered an eligible financial loss as the result of a transaction with an AMVIC-licensed business that is out of business or is otherwise unable to compensate the consumer. The fund was established on Jan. 1, 2012 and has paid 150 consumers a total of \$1,381,479 (as of March 31, 2021).

Our efforts to achieve this priority will include:

- As per Ministerial direction, assess the recommendations from the Compensation Fund review conducted by KPMG and implement changes to improve operation of the Compensation Fund.
- Ensure financial stability in regards to funding the Compensation Fund.

Priority 3: Foster consumer, industry and government relationships

This priority is about continuing our focus on developing strong and trusted relationships with stakeholders.

Our efforts to achieve this priority will include:

- Increase consumer awareness of AMVIC as the regulator and trusted authority on information and consumer protection for vehicle purchases and repairs.
- Expand the availability of educational information to equip consumers in understanding their rights and protections.
- Target education efforts towards vulnerable consumers.
- Develop and implement an industry relationship strategy to enhance engagement with government, trade associations, industry participants, educational institutions, consumer protection groups, regulators and enforcement organizations.
- Develop a plan to enhance a positive, value-adding relationship with Service Alberta and the Minister. Work with government to implement policy initiatives and make recommendations to improve legislation and regulation.

Priority 4: Increase regulatory compliance to ensure a fair marketplace

This priority is about increasing compliance through education and enforcement of legislation. AMVIC has the authority to inspect all licensed automotive businesses in Alberta; an authority that directly serves to manage risks to consumers by reducing the impact of a non-compliant business. AMVIC must ensure it operates with consistency, transparency and continuous improvement. Decisions will be made to direct our resources (education, communication, inspections, compliance and enforcement) to best impact protection outcomes.

Our efforts to achieve this priority will include:

- Assist automotive businesses in understanding the legislative requirements and provide help in being compliant with the *Consumer Protection Act* and other relevant legislation and regulations.
- A focus on advertising legislation as it continues to be the area of lowest compliance.
- Develop a compliance plan to educate and explain legislation, including measures with targets and metrics.