



ALBERTA MOTOR VEHICLE  
INDUSTRY COUNCIL

# 2023 - 2026 Business and Financial Plan

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## Introduction

The Alberta Motor Vehicle Industry Council (AMVIC) was created in 1999 as Alberta's automotive industry regulator. AMVIC is a public agency, subject to the *Alberta Public Agencies Governance Act*, committed to investing in operations that will continue to increase its effectiveness.

A fair marketplace for consumers and businesses with a strong focus on compliance, education and communication is the number one priority. The goals and activities outlined in this plan are intended to create well-informed consumers, a level playing field for businesses and increase regulatory compliance across the automotive industry.

This three-year business plan outlines AMVIC's continued commitment to its mission to protect the public interest and promote trust and confidence in the Alberta automotive industry.

## 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*. AMVIC 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 alternative dispute resolution services.

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 education 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 long-lasting 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.

As outlined in the strategic plan, we believe the following factors may have a significant impact on the organization:

- AMVIC's revenues are trending downward due to lower vehicle sales, fewer business licences and fewer salesperson registrations resulting from:
  - Significant production decreases across North America due to:
    - the ongoing semiconductor shortage in the manufacturing sector;
    - a shortage of batteries for electric vehicles;
    - cross-border manufacturing issues; and
    - supply chain disruptions that are expected to continue in the short-term.
  - Reduced inventory of new and used vehicles for sale, including recreation vehicles.
- An uncertain economic environment is impacting typical patterns of behaviour. Notable increases in interest rates, fuel prices, and the cost of living along with overall market volatility are increasingly impacting the automotive industry and compliance. The automotive industry is observing the following trends as a result of market volatility:
  - Positions of negative equity are increasing which is expected to impact consumer borrowing in the future.
  - Economic pressures are contributing to lower industry compliance, which poses a risk to consumers.
  - Supply challenges are spurring new consumer behaviours such as paying over MSRP in order to secure a purchase.
  - An increase in price sensitivity across the industry.
  - A decreasing interest in car ownership as a result of economic conditions, environmental choices, etc.
  - An increased interest in car sharing services, subscription-based vehicle ownership, and vehicle ownership pools is expected to impact demand for AMVIC's services.
- Emerging technologies continue to shape the future of the automotive industry and will require AMVIC to re-evaluate risks impacting customers:
  - Cybersecurity and privacy concerns are expected to take on a greater focus for regulators.
  - Automotive design that continues to shift to a software/technology enabled focus. Automotive repair businesses may see an increased focus from regulators.
  - Growth in online sales and demand for innovative online and cloud-based purchasing options are increasing. Consequently, we must ensure that government is aware of any

potential gaps in consumer protection legislation resulting from newly evolving sales practices.

- Direct order vehicles sales channels may reduce the role of sales associates and raise regulatory questions for AMVIC. The impact of these sales models may also have a significant impact on licensing revenue for AMVIC.
  - Younger, technically savvy generations will play a key role in driving the transformation of the automotive industry.
  - With the increase in online sales originating outside of the jurisdiction and delivered directly to consumers (without an importer or distributor within the jurisdiction), new legislative and enforcement approaches are required to hold the out-of-jurisdiction business responsible for managing its product and complying with Alberta regulations.
  - “Vulnerable populations” (those vulnerable to unfair practices) may be increasingly targeted through online ads, communications and aggressive sales tactics.
- Continuously changing political landscape.
    - This requires AMVIC to work with government to adapt and align to changing political interests.
    - Building a strong and trusting relationship with government remains of utmost importance.
  - Curbing remains a problem and risk to consumer protection.
  - Ways of communicating and educating consumers are changing.
  - Social marketing communication is increasingly a primary way for consumers to become informed and educated. AMVIC must expand their communication channels to capture this online audience.

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 the mandate.

## Strategic priorities of the AMVIC board

**AMVIC is an organization guided by the following:**

### **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 the vehicle sales levy have not been adjusted since 2011.

In the wake of declining revenues, AMVIC must look to the strategies available to ensure its long term financial sustainability. Challenging this is the increasing need for greater consumer and industry education as well as more inspections and enforcement capabilities to increase compliance which will help reduce risks to consumers.

The funding model must allow AMVIC to adapt to changing business practices in the automotive industry while being financially sustainable.

### **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.

### **Priority 3: Foster consumer, industry and government relationships**

This priority is about continuing our focus on developing strong and trusted relationships with stakeholders and developing our reputation as a trusted source of information for consumers, industry and government.

### **Priority 4: Improving compliance outcomes to ensure a fair marketplace**

This priority is about meaningfully increasing compliance through education, partnership with industry, risk-based approaches to consumer protection, and enforcement of legislation. Our compliance and re-inspection efforts should focus on the areas that are most likely to drive consumer protection outcomes.

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.

## Operational resilience

- Organizational optimization
- Sustainability

### GOAL 1: Financial stewardship

The AMVIC business model requires adequate financial resources appropriately allocated to execute its delegated responsibilities. Provided there is sufficient funding, the choices and trade-offs we make about where to direct our resources (education, prevention, communication, inspections, compliance, enforcement, and Compensation Fund) should be made in the context of impact on protecting consumers.

#### Objective 1.1

Continue to work with leadership at Service Alberta and Red Tape Reduction to review revenue sources and introduce strategies to ensure financial sustainability.

#### Outcome

- Sufficient financial resources are in place to support the implementation of all delegated responsibilities and the Compensation Fund.

#### Targets

- Balance between revenues and expenditures while achieving operational goals.
- Implement the funding recommendation from the Compensation Fund review to ensure the sustainability of the fund in future years.

#### Objective 1.2

Manage the allocation of resources.

#### Outcome

- Resources are deployed to provide an optimum operating balance between efficiency and effectiveness.

#### Targets

- Staffing is adjusted as necessary to match levels required for optimum service delivery.
- Review employee total compensation structure.
- Regular monitoring and forecasting of operating revenues and expenditures to determine if spending on initiatives may occur or whether restraint must be applied.
- Equipment is upgraded and aging technology is replaced to support improved customer service delivery.

### **Objective 1.3**

Reduce financial risk to AMVIC.

#### **Outcome**

- Levy payments and business licence and salesperson registration renewal fees are paid on time.

#### **Targets**

- Increase incidence of on-time quarterly levy payments.
  - The Open Regulate system sends up to seven reminders to automotive business licensees to submit their quarterly levy payments on time. The forecast is 85 per cent on-time payments for 2023 – 2024.
- Increase on time renewal of business licences.
  - The Open Regulate system sends up to eight reminders to automotive business licensees to renew their annual business licence on time. The forecast is 75 per cent on-time renewals for 2023 – 2024.
- Improve on time renewals of registered salespeople.
  - The Open Regulate system sends up to eight reminders to registered salespeople to renew their annual registration on time. The forecast is 70 per cent on-time renewals for 2023 – 2024.



## Mandate

- License and register
- Inspect and enforce

### **GOAL 2: Perform the delegated responsibilities of the Director of Fair Trading**

AMVIC's delegated authority is to regulate the automotive business industry and enforce consumer protection legislation. AMVIC works to protect Alberta automotive consumers from unfair business practices, and towards building trust, confidence and regulatory compliance in the automotive business industry to provide a fair marketplace.

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#### **Objective 2.1**

Increase compliance in the automotive industry.

##### **Outcome**

- Improved compliance in the automotive industry will better protect consumers and establish a level playing field for the automotive industry.

##### **Targets**

- When the funding and revenue plan is approved, increase industry education efforts through additional inspections and investigations.
- Add two industry standards officers to bring the number of positions from four to six.
- Return to more normal levels of business travel for inspections and investigations.
- Additional communication and education staff will increase the level of education for industry and consumers.

#### **Objective 2.2**

Conduct an efficient licensing and registration administration under the *Consumer Protection Act* and the Automotive Business Regulation.

##### **Outcome**

- The licensing department operates to ensure appropriate suitability of business owners and salespeople.

##### **Targets**

- Licensing advisors contact new applicants within two business days following receipt of the business licence or salesperson registration applications.
- A methodical and critical evaluation of all applicants ensures appropriate suitability of business owners and salespeople.
- New business licences are issued on average in 30 days.
- New salesperson registrations are issued on average in 14 days.

### **Objective 2.3**

Conduct inspections, investigations and enforcement as required under the *Consumer Protection Act*, the Automotive Business Regulation, the Cost of Credit Disclosure Regulation and the Internet Sales Contract Regulation.

#### **Outcome**

- Automotive businesses and salespeople in Alberta are licensed and registered, and comply with required legislation and regulations.

#### **Targets**

- Industry standards conduct 360 inspections during fiscal 2023 – 2024 to educate licensees and monitor regulatory compliance. Inspections will be either comprehensive on-site inspections or preliminary virtual inspections.
- Prepare quarterly reports to provide data and analysis of compliance levels for the various classes and categories of business licences.
- Reduce curbbers (unlicensed sellers) and provide quarterly reports on results.
- Develop enforcement and intelligence partnerships to analyze threats to consumers, identify trends and collaborate on joint investigations.
- Maintain Memorandums of Understanding with 13 external enforcement agencies and government partners. Eight of these agreements are renewed in fiscal 2023 - 2024.

### **Objective 2.4**

Establish formal and informal education programs for industry and consumers in relation to the automotive business industry.

#### **Outcome**

- There is a formal and informal educational component to every interaction with industry and consumers.

#### **Targets**

- Communications and industry standards collaborate on bulletins targeted towards industry and consumers based on areas of non-compliance.
  - Issue monthly consumer and industry bulletins on relevant topics.
- All salesperson applicants successfully complete the mandatory educational component of the registration process to understand the legislation requirements within Alberta.
  - Successful course completion requires a final mark of 80 per cent or higher for the Salesperson Registration Course.
- Industry standards conducts telephone, webinar and in-person sessions to provide education on legislation and best business practices for industry.
- Conduct an annual advertising campaign directed at consumers, advising them of AMVIC's free advice and resources.

## Collaboration

- Satisfied consumers
- Engaged industry
- Supportive government

### **GOAL 3: Foster positive and productive stakeholder relationships that earn relevance, influence and impact**

AMVIC's regulatory responsibilities require our continued focus on developing strong and trusted relationships with consumers, industry and government. These relationships are the foundation to providing consumer protection in the automotive industry. We approach this priority with a willingness to listen, reflect and learn together.

#### **Objective 3.1**

Increase consumers' awareness of consumer rights and protections as well as AMVIC's ability to assist in the resolution of consumer complaints.

##### **Outcome**

- Consumers are provided with information and tools to prepare them to purchase or repair a vehicle and assist them in the resolution of problems and disputes.

##### **Targets**

- Build awareness of consumer protection legislation and the existence of AMVIC as the regulator and trusted authority on vehicle purchases and repairs.
- Provide consumers with information to understand their rights and protections through the AMVIC website, monthly consumer bulletins and AMVIC's social media presence. Consumers' level of accessing these resources is measured and reported quarterly.
- Target education efforts towards vulnerable consumers.
- Address consumer complaints professionally through a fair and transparent process.
- Encourage the resolution of consumer complaints, using alternate dispute resolution (ADR) when appropriate and provide a quarterly report on ADR results.

#### **Objective 3.2**

Work with industry to understand regulations and best practices.

##### **Outcome**

- Members of the automotive industry are educated and well informed.

##### **Targets**

- Educational materials are produced in collaboration with industry standards and consumer services to ensure information on legislation and best practices addresses current issues in the marketplace.
- Monitor industry trends and issue articles or bulletins that address any issues of concern.
- Information to industry is provided regularly through industry bulletins, the AMVIC website, social media and the Impact quarterly newsletter.

- Meet with industry associations to foster ongoing dialogue and solicit industry input on key initiatives.
- Virtual or on-site presentations, training and question and answer sessions are held at licensee business locations to educate and promote compliance.
- An educational component is included during each inspection.
- Educational sessions include industry marketing teams and provide information on advertising legislation.
- Findings letters are sent to every business after first inspections to correct regulatory non-compliance.
- Warning letters are sent after second inspection or administrative action will occur if significant regulatory non-compliance is found.
- Progressive enforcement measures are used to enforce consumer protection legislation.
- Administrative reviews are scheduled and administrative review decisions are issued on a timely basis.

### **Objective 3.3**

Work with government to ensure alignment between AMVIC and the Government of Alberta.

#### **Outcome**

- A positive and collaborative relationship with government is sustained.

#### **Targets**

- Hold meetings at least quarterly with Service Alberta and Red Tape Reduction officials, to discuss government priorities, ongoing strategic and operational issues.
- Implement government policy (e.g. reduce red tape by reviewing and streamlining points of contact with businesses, salespeople and consumers).
- Make recommendations to Service Alberta and Red Tape Reduction officials to improve legislation and regulations.
- Submit a Business and Financial Plan to the Minister at least 60 days prior to the end of the fiscal year.
- Work with Service Alberta and Red Tape Reduction staff to ensure the appropriateness and effectiveness of all communication and education materials for consumers and industry.

## Impact

- Exemplary processes
- Innovation

### GOAL 4: Pursue excellence in public agency operation

AMVIC is a high-performing public agency that is transparent and accountable. As a leading public agency that operates with excellent governance and operational practices, including management of the Compensation Fund, AMVIC sets a strong foundation for a high-performing organization.

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#### Objective 4.1

Effective administration of the Compensation Fund.

##### Outcome

- The Compensation Fund is administered efficiently and effectively.
- Consumers' eligible losses are compensated on a timely basis.

##### Targets

- Implement recommendations from the Compensation Fund review in the appropriate timelines, as approved by the Minister of Service Alberta and Red Tape Reduction.
- Update the bylaw as recommended by the review, as well as the Compensation Fund policy and standard operating procedures as required.
- Acknowledge claims as they are received.
- Adjudicate each claim as to eligibility.
- Recommendations are made to the CEO as claims are concluded.

#### Objective 4.2

All policies, standard operating procedures, practices and handbooks are maintained and up to date.

##### Outcome

- A consistent delivery of service both internally and externally.

##### Targets

- Policies and standard operating procedures in all departments are reviewed and updated as required.
- Review the regulations regarding AMVIC's authority to license auction businesses.
- Collaborate with the Office of the Alberta Ombudsman on the resolution of complaints made to their office.
- AMVIC's Emergency Preparedness and Crisis Management Plan is reviewed quarterly and updated as required.
- All standardized internal and external communications, templates and forms are reviewed annually and revised as required.
- An internal risk assessment and tracking system continues to operate with the management risk committee meeting semi-annually to identify areas of risk and remedial actions.
- Submit an annual Risk Report to the AMVIC board of directors.

- Effective administration of the *Freedom of Information and Protection of Privacy Act* (FOIP).
- Administration of FOIP is supported through ongoing improvements to business processes and controls.
- Cloud computing capability is in place to support remote and flexible work arrangements.

### **Objective 4.3**

Assess service delivery within the corporate work environment.

#### **Outcome**

- A consistent delivery of service both internally and externally.

#### **Targets**

- Employee survey is scheduled for Q4, results are shared internally and actions are initiated where appropriate.
- An annual internal report card is provided to employees that recognizes positive changes at AMVIC during the previous year.
- Quarterly reports are produced by each department summarizing meaningful performance indicators, measures and trends.
- Staff performance is measured through an annual performance management system.
- Salesperson applicants are surveyed to provide feedback on the Salesperson Registration Course and customer service experience.
- New business licensees are surveyed to provide feedback on the licensing application process and the level of customer service provided by licensing advisors.

### **Objective 4.4**

Increase professionalism and knowledge base for all staff.

#### **Outcome**

- Staff training and professional development are sufficient for each staff position.

#### **Targets**

- Educational requirements are met to ensure professional designations are maintained.
- In-house training is provided to staff (e.g. Code of Conduct, Respectful Workplace Policy, etc.).
- Investigations staff are enrolled in ongoing specified training (e.g. courses from the Canadian Police Knowledge Network).
- Knowledge and best practices are shared with peer regulatory agencies (e.g. OMVIC and VSA).
- Gale online certification courses are utilized based on area of business and interest.
- Staff are provided information to support customer service practices.
- Licensing team is provided information to assist salesperson applicants in navigating the online education courses.
- Alternate dispute resolution level one training is provided to consumer services staff.
- Training is continued for designated FOIP coordinators and annual training for all staff to support compliance and reduce breaches.
- A management development and succession plan is in place.
- Staff productivity expectations and measures are regularly monitored.

## Performance measures and indicators

This section of the Business Plan identifies measurement of two types of activities. Firstly, there are performance measures pertaining to action conducted by AMVIC employees, for example how long it takes to complete tasks such as the length of time to issue a business licence. Secondly, there are performance indicators that pertain to input requests received, including the number of consumer complaints, and applications for a business licence and a salesperson registration. Although the volume of performance indicators is not directly controlled by AMVIC, it is important these are reported as they provide an indication of the scope of activity required to carry out the delegated responsibilities.

### Licensing and registration

Licensing (businesses) and registration (salespeople) administration under the *Consumer Protection Act* and the *Automotive Business Regulation*.

Performance measures	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Average number of days to process a new business licence application.	35	30	30	30
Average number of days to process a new salesperson registration.	19	14	14	14

Performance indicators	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Total number of business licences issued.	7,583	7,800	7,900	8,000
Number of new business licences issued.	790	820	830	840
Total number of salesperson registrations issued.	10,303	10,750	11,000	11,200
Number of new salesperson registrations issued.	2,315	2,350	2,400	2,500

### Reporting and renewals

Performance indicators	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Percentage of licensed businesses that renew on time.	66%	75%	80%	80%
Percentage of licensed businesses that report and pay sales levies on time.	75%	85%	85%	85%
Percentage of registered salespeople who renew on time.	60%	70%	72%	75%

## Compliance and enforcement

Investigations, claims and enforcement arising from complaints under the *Consumer Protection Act*, the *Automotive Business Regulation*, the *Cost of Credit Disclosure Regulation* and the *Internet Sales Contract Regulation*.

Performance measures	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Total consumer complaints resolved through alternate dispute resolution (ADR).	225	200	200	200
Consumer complaints investigated, completed or closed.	686	700	725	750
Number of meetings held with external intelligence and enforcement agencies.	5	6	6	6
Curber files investigated (unlicensed businesses).	70	50	50	50
Licensee field inspections.	402	360 <sup>1</sup>	450	500

<sup>1</sup>The number of annual inspections is reduced due to a return to more comprehensive on-site inspections, which take longer to conduct than the remote online inspections during the COVID-19 pandemic.

Performance indicators	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Total consumer complaints handled by consumer services officers.	2,391	2,500	2,600	2,600
Total consumer complaints assigned by consumer services to investigations.	563	600	600	700
Total consumer complaints assigned by consumer services to industry standards.	44	100	100	100
Total number of Crime Stopper tips.	40	50	50	50

## Compensation Fund administration

Establishment and administration of the Compensation Fund.

Performance measures	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Maintain the fund at the maximum level established by AMVIC Bylaws.	\$4 million	\$4 million	\$4 million	\$4 million
Adjudicate claims in accordance with the Automotive Business Regulation and Bylaw 2 Compensation Fund.	100%	100%	100%	100%



## Administrative enforcement

AMVIC is responsible for administrative enforcement actions made by the Director of Fair Trading (as delegated) under the *Consumer Protection Act* Section 136(5). This includes administrative reviews as well as other progressive enforcement and administrative decisions.

Performance measures	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Average number of working days to schedule and hold a licencing administrative review upon receipt of an application review report.	7.5	9	9	9
Average number of working days to schedule and hold an investigation administrative review upon receipt of an application report.	15	19	19	19
Average number of working days to issue a written administrative review decision after an administrative review is held.	1.5 (Lic.) <sup>1</sup> 4 (Inv.)	2 (Lic.) 10 (Inv.)	2 (Lic.) 10 (Inv.)	2 (Lic.) 10 (Inv.)

<sup>1</sup>Lic. means licensing and Inv. means investigations.

## Communications and education

Establishment of communications and educational programs for consumers and industry members in relation to automotive businesses.

Performance measures	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Proactive awareness activities: newsletters, industry and consumer bulletins, news releases.	31	48	48	48
Consumer and industry events.	N/A <sup>1</sup>	5	5	5
Level of public awareness of AMVIC (measured by survey).	N/A <sup>2</sup>	47%	N/A	50%

<sup>1</sup>The COVID-19 pandemic eliminated opportunities for face-to-face interaction with consumers. These interactions have resumed as it is safe and appropriate to do so.

<sup>2</sup>Last measured in 2020-2021 as 47%; was not measured in 2021-2022.

Performance indicators	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Annual number of website sessions (purposeful visits).	313,866	325,000	330,000	335,000

## Human resource development

Investment in development of AMVIC staff and directors.

Performance measures	Last actual 2021 – 2022	Target 2023 – 2024	Target 2024 – 2025	Target 2025 – 2026
Hours of out of office staff training.	358.4	200	200	200
Hours of in office staff training.	577.5	600	600	600

## Three year financial plan

	2021-22 Actual	2022-23 Forecast	2023-24 Budget	2024-25 Target	2025-26 Target
<b>Operating Budget (\$'s)</b>					
Revenues					
Licence fees	1,964,635	1,923,560	1,935,000	1,940,000	1,943,000
Registration fees	1,177,200	1,138,600	1,165,000	1,170,000	1,172,000
Course fees	432,960	432,280	442,880	443,000	445,000
Sales levy	2,508,944	2,353,363	2,463,625	2,530,000	2,575,000
Investment revenues	66,300	135,760	161,840	130,000	110,000
Other	15,715	15,600	-	-	-
<b>Total revenues</b>	<b>6,165,754</b>	<b>5,999,163</b>	<b>6,168,345</b>	<b>6,213,000</b>	<b>6,245,000</b>
Expenses					
Labour	4,699,542	5,038,902	5,349,977	5,505,000	5,663,000
Office expenses	322,693	345,796	340,731	345,000	345,000
Insurance	7,798	9,232	9,480	9,000	9,000
Telecommunications	77,282	78,184	77,381	79,000	80,000
Professional development	841	10,298	15,000	15,000	15,000
Travel	58,355	79,066	94,050	95,000	95,000
Communications	25,764	165,671	126,212	127,000	130,000
Legal fees	60,814	97,265	99,800	100,000	100,000
Professional services	10,752	16,253	21,800	22,000	24,000
Finance charges	132,883	132,631	133,700	135,000	136,000
Audits	25,190	24,675	23,625	24,000	24,000
Rent	367,678	367,332	320,267	312,000	312,000
Amortization	79,594	74,841	48,421	30,000	5,000
<b>Total operating expenses</b>	<b>5,869,186</b>	<b>6,440,146</b>	<b>6,660,443</b>	<b>6,798,000</b>	<b>6,938,000</b>
<b>Operating surplus (deficit)<sup>1</sup></b>	<b>296,568</b>	<b>(440,983)</b>	<b>(492,098)</b>	<b>(585,000)</b>	<b>(693,000)</b>

<sup>1</sup>Operating deficits are funded by AMVIC's unrestricted net assets. Refer to the schedule of net assets on the following page.

	2021-22 Actual	2022-23 Forecast	2023-24 Budget	2024-25 Target	2025-26 Target
<b>Capital Investments (\$'s)</b>					
Technology	-	-	-	-	-
Furniture, fixtures & leasehold improvements	-	-	-	-	-
<b>Total capital investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Three-year financial plan (continued)

	2021-22 Actual	2022-23 Forecast	2023-24 Budget	2024-25 Target	2025-26 Target
<b>Compensation Fund (\$'s)</b>					
Investment revenues	43,943	96,836	121,474	113,000	102,000
Administrative expenses	225,353	149,074	161,748	163,000	165,000
Administrative expenses in excess of investment revenues	(181,410)	(52,238)	(40,274)	(50,000)	(63,000)
Claims paid	(323,393)	(195,633)	(250,000)	(250,000)	(250,000)
Claims recovered	82,000	35,210	-	-	-
Net claims paid	(241,393)	(160,424)	(250,000)	(250,000)	(250,000)
Net Compensation Fund	(422,803)	(212,662)	(290,274)	(300,000)	(313,000)

	2021-22 Actual	2022-23 Forecast	2023-24 Budget	2024-25 Target	2025-26 Target
<b>Net Assets (\$'s)</b>					
<u>Unrestricted net assets (including capital assets)</u>					
Opening unrestricted net assets	4,485,014	4,358,779	3,705,134	2,922,762	2,037,762
Operating surplus (deficit) <sup>1</sup>	296,568	(440,983)	(492,098)	(585,000)	(693,000)
Compensation Fund administrative expenses in excess of revenues <sup>2</sup>	(181,410)	(52,238)	(40,274)	(50,000)	(63,000)
Transfers to the Compensation Fund for net claims paid <sup>3</sup>	(241,393)	(160,424)	(250,000)	(250,000)	(250,000)
Closing unrestricted net assets	4,358,779	3,705,134	2,922,762	2,037,762	1,031,762
<u>Restricted funds</u>					
Restricted operating fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Sustainability fund	600,000	600,000	600,000	600,000	600,000
Innovation & technology fund	500,000	500,000	500,000	500,000	500,000
Total restricted funds	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
<u>Compensation Fund</u>					
Opening Compensation Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Net claims paid	(241,393)	(160,424)	(250,000)	(250,000)	(250,000)
Transfers from unrestricted net assets for net claims paid <sup>3</sup>	241,393	160,424	250,000	250,000	250,000
Closing Compensation Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

<sup>1</sup>Operating deficits are funded by AMVIC's unrestricted net assets.

<sup>2</sup>Expenses associated with administering the Compensation Fund are reduced by investment revenues. The excess of the administrative expenses over investment revenues of the Compensation Fund are then charged to AMVIC's unrestricted net assets.

<sup>3</sup>Transfers to maintain the net assets of the Compensation Fund at a \$4.0M balance occur from AMVIC unrestricted net assets. The transfers are made upon resolutions by the AMVIC Board of Directors.