



ALBERTA MOTOR VEHICLE  
INDUSTRY COUNCIL

# AMVIC Strategic Plan 2024 – 2025

## 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 2024-2025 AMVIC Strategic Plan.

As a public agency, AMVIC is committed to consistent implementation of its delegated responsibilities. Paying close attention to compliance, education and communication remains critical in our efforts to create well-informed consumers and a level playing field for automotive businesses. AMVIC has developed a strong relationship with the Government of Alberta, which has given AMVIC a foundation of respect and trust.

At the same time, we must respond to new opportunities to innovate our approach to deliver our mandate and we have taken a critical look at the resources required to continue to do that. In response to the changing environment, we must expand our capabilities to increase compliance in the automotive industry and to 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 mission and 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*.

### **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**

To protect consumers and industry from unfair practices in the automotive business industry.

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 an ever-changing environment, primarily as a result of the COVID-19 global pandemic. As industries re-align to the new circumstances, we believe our organization will be impacted by the following factors:

- The automotive industry continues to experience market volatility driven by the following:
  - Global supply chain challenges: Disruptions in global supply chains can impact the availability of vehicles and parts. Consumer protection may involve ensuring fair pricing when supply is severely limited.
  - Market competition: Increased competition among dealers can benefit consumers, but it may also lead to aggressive marketing practices and pricing strategies. Similarly, cost pressures on automotive dealers and repair shops may be growing. Protecting consumers from deceptive practices will remain crucial.
  - Regulatory compliance: In Alberta, many automotive businesses are operating in a manner that is non-compliant with the *Consumer Protection Act* and the Automotive Business Regulation.
- A challenging economic environment is impacting consumer behaviour. Notable increases in interest rates and inflation are contributing to growth in average consumer debt. Positions of negative equity are increasingly common. Developing consumer awareness of these issues is taking on greater importance.
- Consumers are generally unaware of consumer protection laws and regulations that are in place to protect them. Increasing Albertan's awareness of AMVIC and its mandate to educate and support consumers remains an important focus.
- An increase in "vulnerable populations" (those vulnerable to unfair practices) may be increasingly targeted through online ads, communications and aggressive sales tactics.
- Curbing remains as a problem and risk to consumer protection.
- Emerging technologies continue to shape new opportunities for both AMVIC and licensees; continually assessing these with a view to consumer protection will be required given the fast changing nature of these advancements.

- Cybersecurity and privacy concerns are expected to take on a greater focus for regulators. This is especially the case as AMVIC begins to explore the potential use of AI (artificial intelligence) in delivering its mandate.
- Automotive design that continues to shift to a software/technology enabled focus.
- Growth in 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.
- 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.

Addressing the challenges and opportunities that emerge from this evolving strategic environment is at the core of the AMVIC Strategic Plan.

## What does this mean for AMVIC?

Overall, the environment is signalling that risk has increased significantly over the past few years and that the decisions AMVIC makes today will impact the organization for years to come. This emphasizes the importance of being agile, adaptable and forward looking to better understand emerging changes to the industry. The runway for some of these needed shifts may be lengthy which means AMVIC must tackle many of these emerging challenges through focused and clear priorities. Furthermore, the future of automotive industry regulation continues to reinforce the need for meaningful, two-way engagement with key stakeholders (consumers, industry and government) to understand and align at the level of interests.

While AMVIC must be prepared to meet the industry’s current regulatory challenges, it must also confront the reality of online sales and the digitization of the automotive industry. New ways of conducting business may necessitate a level of modernization to legislation and regulation as to what constitutes a “level playing field” for sellers and consumers. AMVIC must look at all dimensions of the business as to the impacts of online sales on the industry and the potential consequences to AMVIC’s revenue.

Ultimately, this implies a focus for AMVIC on the following:

- Analyze and understand how online sales impact the automotive industry and what this means for regulation and consumer protection and AMVIC’s financial model.
- Continue to modernize the communications and public education strategies of AMVIC. There is opportunity to expand existing education channels to reach a larger audience to increase awareness of consumer protection laws and regulations.
- Working with government to ensure AMVIC’s continued financial sustainability.

## 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 government, consumers and industry alike. We do this by operating with a steadfast focus on our mission and mandate.

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, industry and government alike.

## Strategic priorities

AMVIC is accountable to the Minister of Service Alberta and Red Tape Reduction 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 plan reflects our commitment to the long-term success of AMVIC and outlines our strategic priorities for the 2024 – 2025 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: Improving compliance outcomes to ensure consumer protection and a fair marketplace

This priority is about meaningfully increasing compliance through education, innovation, partnerships 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.

Our efforts to achieve this priority will include:

- Work collaboratively with automotive businesses in understanding the legislative requirements, changes to legislation, and provide help in being compliant with the *Consumer Protection Act* and other relevant legislation and regulations.
- Focus AMVIC's limited resources on highest risk businesses and most vulnerable consumers, identified through the use of data.
- 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.

## Priority 2: 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.

Our efforts to achieve this priority will include:

- Develop a systematic approach to collect and use industry input and feedback.
- Collaborate with trade associations, industry participants, educational institutions, consumer protection groups, regulators and enforcement organizations.
- Continue to enhance a positive, value-adding relationship with Service Alberta and Red Tape Reduction and the Minister. Work with government to implement policy initiatives and make recommendations to improve legislation and regulation.
- 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 better equip consumers in understanding their rights and protections.
- Target education efforts towards vulnerable consumers.

## Priority 3: Financial stewardship to achieve operational excellence

Recent adjustments to the vehicle sales levy and single business licence class fee will equip AMVIC with new financial resources with which to accomplish our mandate. This priority is about ensuring AMVIC's resource allocation choices achieve optimal consumer and industry protection outcomes with the resources available.

Our efforts to achieve this priority will include:

- In accordance with the Automotive Business Regulation, we will prepare a three-year business and financial plan for the Minister of Service Alberta and Red Tape Reduction.

- Develop a sustainable economic model for AMVIC in order to have the capacity to adapt to an evolving industry business environment.
- Operate with excellent governance and operational practices to set a strong foundation for a high-performing organization.
- Ensure financial resources are available for enduring possible future volatility in the automotive marketplace.

#### Priority 4: Innovate AMVIC's business model and approach

During the 2024 - 2025 strategic planning cycle, AMVIC will begin to develop a new strategic priority focused on exploring new technologies that will enhance AMVIC operations, with particular emphasis on improving compliance across the sector.

This priority is about:

- Creating the conditions in which new technologies, including artificial intelligence (AI) and machine learning, can be explored. This includes dedicating discussion resources to understand how new technologies may enhance compliance, enforcement and customer service as well as understanding the risks inherent in these kinds of technology.
- Exploring collaboration possibilities with other government agencies or departments.