



Ontario Motor  
Vehicle Industry  
Council



*Committed to a fair marketplace...*

# 2003 Business Plan



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## OVERVIEW

OMVIC is a non-profit professional association of Ontario's 9,000 motor vehicle dealers and was established for the purpose of administering the Ontario Motor Vehicle Dealers Act, a consumer protection statute. OMVIC performs its responsibilities pursuant to an Administrative Agreement with the Ministry of Consumer and Business Services. The Council is government sanctioned, serves the public interest and membership is mandatory for Ontario's registered dealers.

### OMVIC's vision is simple: a fair marketplace

We promote a fair marketplace through innovation, enforcement and excellence in service.

## PRIORITIES



## Objectives

- Increased consumer confidence through compliance and mediation activities
- Increased accountability through implementation of a Code of Ethics, Standards of Business Practice and an open Disciplinary Process
- Consumer protection through pursuit of those who would prey on an unwary public
- Consumer awareness through dissemination of information concerning consumer rights via publications, articles and media interviews
- Dealer professionalism through certification programs for new dealers and salespersons

**OMVIC'S CODE OF ETHICS**

<b><i>INTEGRITY</i></b>	Conduct our activities with honesty, fairness and fiscal responsibility.
<b><i>DISCLOSURE</i></b>	Communicate all material facts and ensure our products and services are fully understood.
<b><i>MARKETING</i></b>	Guard against using any form of misleading advertising or innuendo in marketing our products and services.
<b><i>ACCOUNTABILITY</i></b>	Fulfill all contractual obligations promptly and completely and resolve legitimate claims without delay.
<b><i>COMPLIANCE</i></b>	Abide by all applicable laws and regulations and never knowingly do business with those operating outside these laws.
<b><i>COMPETITION</i></b>	Ensure fair and open competition and refrain from unjustly attacking competitors, their products and services or their business methods.
<b><i>PROFESSIONALISM</i></b>	Enhance our professional knowledge, skills and competencies throughout our careers.
<b><i>RESPECT</i></b>	Treat all people with equality and respect, regardless of gender, age, race or religion.
<b><i>CONFIDENTIALITY</i></b>	Hold all personal and financial information we receive in the strictest confidence.
<b><i>ENVIRONMENT</i></b>	Remain committed to a healthy coexistence with our environment.

## HISTORY AND ORIGINS

OMVIC is Ontario's first administrative authority created pursuant to the Safety and Consumer Statutes Administration Act. The Honourable David Tsubouchi, Minister of Consumer and Commercial Relations, delegated responsibility for the day-to-day administration of the Motor Vehicle Dealers Act on January 7, 1997. This delegation continues today under the Honourable Tim Hudak, Minister of Consumer and Business Services.

OMVIC was incorporated under the laws of Ontario and received its Letters Patent in October of 1996. Its founding Board was in place the following month.

OMVIC's creation is a result of the shared commitment by both dealers and government to improving consumer protection through higher industry standards and professionalism.

## LOCATION

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Toronto, Ontario  
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Facsimile: (416) 226-3208  
Toll free: 1-800-943-6002  
Web site: [www.omvic.on.ca](http://www.omvic.on.ca)  
Email: [omvic@omvic.on.ca](mailto:omvic@omvic.on.ca)

## BOARD OF DIRECTORS

**Peter Eatson, President**

Peterborough Volkswagen, Peterborough

**Jim Pears, Vice President**

Metro Chrysler Jeep, Ottawa

**Ken Peterson, Secretary Treasurer**

Ken Peterson Sales and Leasing, Thunder Bay

**Kevin Bavelaar**

Auto Showplace, Toronto

**Hugh Brennan**

Dixie Chrysler, Brampton

**Sue Corke**

Assistant Deputy Minister, Business Division  
Ministry of Consumer and Business Services

**Jeff Gray** (from January 2003)

Automobile Consumer Coalition, Toronto

**Gary Mackie**

Gary Mackie Chevrolet Oldsmobile, Tilbury

**Al McDowell**

Southbank Dodge Chrysler, Ottawa

**Gerd Reisenacker**

Greenbelt Volkswagen, Unionville

**Whipple Steinkrauss** (until January 2003)

Assistant Deputy Minister (retired),  
Ministry of Consumer and Commercial Relations

**Michael Turk**

Automobile Protection Association, Toronto



The Board is made up of nine motor vehicle dealers drawn from all segments of the industry: large and small, used and new, urban and rural. These industry representatives are joined by three consumer/government representatives appointed by the Minister of Consumer and Business Services. The responsibility of the Director under the Motor Vehicle Dealers Act is provided by a member of the Board of Directors appointed by the Minister. Board members are elected by dealers across the province.

An Executive Director is responsible for the day-to-day affairs of OMVIC and also performs the responsibilities of Registrar under the Motor Vehicle Dealers Act.

**THE BOARD’S ROLE IS TO:**

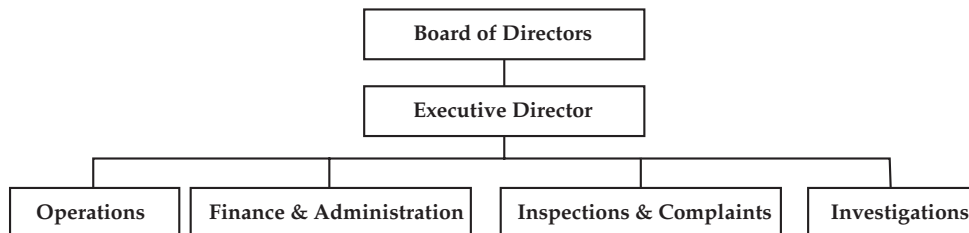
1. Work with the Executive Director in providing overall business direction through strategic planning, determining priorities and setting policy guidelines.
2. Ensure financial and functional viability of OMVIC by exercising fiscal oversight and determining fee-setting policies.
3. Ensure that OMVIC’s operational and financial controls are operating properly.
4. Work with the Executive Director to ensure that OMVIC has the necessary resources, competence, tools and organization to effectively fulfill its mandate.
5. Communicate and market the benefits OMVIC offers to consumers, registrants, members and government.

**COMMITTEES**

There are several active committees of the Board:

<i>Appeals</i>	Chair, Michael Turk
<i>Consumer Protection Advisory</i>	Chair, Jeff Gray
<i>Industry Professionalism</i>	Chair, Kevin Bavelaar
<i>Legislative Review</i>	Chair, Peter Eatson
<i>Management</i>	Chair, Peter Eatson
<i>Nominations</i>	Chair, Peter Eatson

**ORGANIZATIONAL STRUCTURE**



Approximately 45 staff provide OMVIC’s services, a number of whom work from regional home-based offices.

## OMVIC ACTIVITIES

### Registration

At the close of 2002 there were 8,779 dealers and 21,796 salespersons registered under the MVDA in Ontario. Each registration is for two years, renewable on the anniversary of registration. OMVIC processes applications for registration as well as renewals, information changes and records transfers of salespersons from dealer to dealer. OMVIC maintains a register of dealers and salespersons in Ontario that have qualified for registration under the MVDA.

By exercising the duties of the Registrar under the Motor Vehicle Dealers Act, OMVIC determines whether applicants qualify for registration and whether existing registrants continue to be qualified for registration. The Registrar has a responsibility to propose refusal or revocation of registration or to propose terms and conditions of registration as appropriate.

When the Registrar proposes to refuse or revoke registration, the affected applicant or registrant may request a hearing before the Licence Appeal Tribunal (LAT), an independent quasi-judicial agency of the Ministry of Consumer and Business Services. In such cases, the Registrar presents the case for refusal or revocation before a panel of the Tribunal. The panel may direct the Registrar to carry out the proposal, modify the proposal or set aside the proposal and replace it with its own order.

### Inspection

OMVIC's inspection staff conduct inspections of registered dealers and, as such, have right of access to business books and records. Inspections are conducted in order to ensure ongoing compliance with the MVDA.

The MVDA requires dealer registrants to conduct business from premises approved by the Registrar and sets out the requirement to have a lot, sign and a separate office for the conduct of business. The MVDA also sets out requirements for the maintenance of books and records at the registered premises. Dealers may only use the services of registered salespersons whose registrations indicate they are providing services to that dealer.

Under the MVDA, appropriately appointed inspectors have the right to inspect a dealer's premises, to view and photocopy books and records and to make inquiries regarding any complaint received about the dealer's conduct. A record is kept of all completed inspections and, as necessary, follow-up action is taken. Inspectors also prepare proposal files and present evidence at LAT.



### **Investigation**

OMVIC's investigations staff are appointed under the MVDA and the Provincial Offences Act. They are empowered to conduct investigations under several relevant statutes. As a result of those investigations, investigators may lay charges under a number of provincial statutes including the Motor Vehicle Dealers Act and the Business Practices Act.

OMVIC prosecutes offenders using the services of trained prosecutors. Investigators also collect evidence, interview witnesses, prepare court briefs and present evidence.

### **Inquiries and Complaints**

OMVIC staff handle inquiries from consumers, dealers, salespersons, applicants for registration, government and other stakeholders. Staff also offer a mediation service for complaints between consumers and dealers and between dealers themselves.

Consumers dissatisfied by a transaction with a registered dealer are advised of their rights. They are encouraged to settle the disagreement by contacting the dealer directly. If further assistance is required, OMVIC's staff will attempt to mediate the complaint. Often, dealers themselves will request OMVIC's assistance in resolving a dispute with either a consumer or with another dealer.

### **Dealer Professionalism**

By completing the new OMVIC Certification program, registrants can increase their level of professionalism. The program, which is mandatory for new dealers and salespersons, focuses on law and ethics and is a community college credit course. "Grandfathered" salespersons - those registered prior to the introduction of the certification course - are not required to enroll in the course, but certification is encouraged by OMVIC.

### **Consumer Awareness**

OMVIC promotes consumer awareness through the use of an information campaign, which includes helpful printed material, participation in media interviews, events and trade shows.

### **Disciplinary Process**

In December 2000 OMVIC enshrined its Code of Ethics, adopted in 1997, in its bylaws. The Code of Ethics is illustrated by Standards of Business Practice and enforced through an internal disciplinary process.

During 2002 13 discipline files were resolved. 11 of the 13 files were resolved through negotiated settlement while 2 went to a full hearing with administrative penalties and cost levied against the dealers involved.

OMVIC encourages anyone interested in concrete proof of the efficacy of self-management or of the dedication of registered dealers to ensure their peers meet the highest standards of honesty and integrity, to read the decisions of the remedial panels and discipline hearings available on OMVIC's web site.

### **Communications**

OMVIC's quarterly newsletter, *The Dealer Standard*, provides ongoing communication with the dealer community. Written features promote education and awareness by reporting OMVIC activities and industry news and events. OMVIC's website, [www.omvic.on.ca](http://www.omvic.on.ca), is marketed towards a consumer audience, but also provides content for dealers and new applicants.

### **French Language Services**

OMVIC makes an effort to be responsive to all inquiries received in the French language. An equivalent level of service will be provided in both languages whenever and wherever demand and customer service warrant. Bilingual staff are sought for key positions in order to ensure that French language inquiries, whether from dealers or consumers, can be dealt with quickly, courteously and effectively. As well, all correspondence received in French receives a response in French.

## BUSINESS OBJECTIVES: DEALER PROFESSIONALISM

Strategy	Performance Measure
Reduce or eliminate proportion of registrants who have not taken the OMVIC certification course through voluntary participation.	<p>Introduce incentive programs to encourage registrants to complete the course on a voluntary basis.</p> <p>Introduce programs to recognize both salespersons who have completed the course and dealerships where all registrants have completed the course, e.g. special designation on registration certificate, business card and OMVIC website.</p> <p>Market course benefits through renewal flyers, <i>Dealer Standard</i> articles.</p> <p>Target: 35% of registrants certified by end of planning period.</p>
Update/revise OMVIC certification course material to reflect new Motor Vehicle Dealers Act.	Course material revised when new regulations under the MVDA are finalized.
Review OMVIC's Standards of Business Practice.	The review will be completed concurrent to the completion of the new regulations under the MVDA.
Conduct dealer surveys in order to determine new ideas for enhancing dealer professionalism from dealers themselves.	Surveys designed, distributed via OMVIC's newsletter and results analyzed.
Enhanced communication between OMVIC and trade associations and stakeholders.	Key stakeholder groups (dealer associations, law enforcement agencies and consumer advocacy groups) invited to make presentations at OMVIC's annual board planning meeting.
Inspections: An inspection program which endeavours to inspect every registered dealer at least once during its registration period, in addition to employing risk management principles to target problem areas and review consumer and dealer complaints.	Implementation of a risk-based inspection program which balances routine inspections with targeted inspections.

## BUSINESS OBJECTIVES: DEALER PROFESSIONALISM

Strategy	Performance Measure
<p>Registrar's Actions: Effective registration and inspection processes which identify those who should not be registered or who require close monitoring through terms and conditions of registration.</p>	<p>The volume of Registrar's actions is predicted to remain steady through the planning period at approximately 850 actions yearly, although increased usage of OMVIC's internal disciplinary process may result in a reduction of Registrar's actions.</p> <p>Continue to protect consumers and the integrity of the dealer community by identifying high-risk applicants during the registration process.</p>
<p>Follow up with dealer community on issues of non-compliance by providing stats on offenders and the action taken by OMVIC. Provide details on the types of calls fielded by the complaints team so dealers can address issues internally.</p>	<p>Develop communications plan to report updates and stats.</p>
<p>Standardized contracts: increase level of disclosure, dealer accountability, compliance with law and OMVIC Standards of Business Practice.</p>	<p>Review and explore the following recommendations for bills of sale from the Industry Professionalism Awareness Committee:</p> <ul style="list-style-type: none"> <li>i) consumers should be warned there are no "cooling off" periods</li> <li>ii) consumers should always be provided with copy of safety standards certificate</li> <li>iii) explanation of branding terms should be provided</li> <li>iv) terms "conditional on financing/mechanical inspection" should be included in "comments" section of bill</li> </ul>

## BUSINESS OBJECTIVES: CONSUMER PROTECTION

Strategy	Measure
Produce and distribute consumer pamphlets to educate individuals about purchasing and/or leasing vehicles and the dangers of curbsiders.	<p>Results of consumer survey will determine what information needs are and how information should be presented.</p> <p>Continue to develop anti-curbsider ad campaign in local media.</p>
Provide more consumer protection information on OMVIC website including: glossary of terms, things to be aware of when buying or leasing, warranties, misconceptions regarding cooling off periods and deposit returns.	Consumers will be able to access helpful information on acquiring a motor vehicle and will be able to download brochures and buying aids.
Offer series of consumer awareness articles for publication to trade journals.	Research and write content and develop editorial schedule.
Encourage Ministry of Transportation to improve and enhance Vehicle Registration system, e.g. capturing odometer readings, titling, requiring sellers to effect vehicle transfers.	<p>Continue to lobby for changes to current practices.</p> <p>MTO considers and provides response to OMVIC recommendations.</p>
Complaint Handling: Provision of a no-cost mediation service for consumers and dealers as an alternative to litigation whenever possible.	OMVIC anticipates mediating approximately 1,500 complaints per year throughout the planning period.
Effective, professional complaint handling.	Complaint mediators to receive professional training.
Community outreach: Develop unique opportunities to speak with community groups or organizations about OMVIC and its consumer protection services.	Secure speaking engagements with neighbourhood and community groups. Provide hand-outs and encourage a question and answer period.

**BUSINESS OBJECTIVES: CONSUMER PROTECTION**

Strategy	Performance Measure
<p>Consumer Awareness</p> <p>Continue communications program to:</p> <ul style="list-style-type: none"> <li>• Increase awareness of OMVIC</li> <li>• Increase awareness of conducting business with registered dealers and the dangers of curbsider transactions.</li> </ul>	<p>Ensure web site has current consumer education information.</p> <p>Increase the number of trade shows OMVIC participates in.</p> <p>Continue to market consumer survey.</p> <p>Increase OMVIC's media presence.</p> <p>Offer articles for publication to assist consumers in the process of acquiring a motor vehicle. Topics include: buying vs. leasing, how to avoid curbsiders, consumer rights and the benefits of doing business with registered dealers.</p>
<p>Provide enhancements to the Compensation Fund program.</p>	<p>All enhancements will be part of the regulations review process taking place in 2003.</p>

## BUSINESS OBJECTIVES: CONSUMER SERVICE

Strategy	Measure
<p>Effective adoption of new technologies that will allow OMVIC to better serve the dealer and consumer communities through the internet.</p>	<p>In successive phases during the planning period, new services will be introduced which will permit dealers to access their own records in order to check, and to correct, their registration status and those of their salespersons. Policing authorities will be able to access necessary records.</p> <p>Review dealer application procedures with a view to improving customer service levels.</p>
<p>Review registration service levels to increase processing times for applications.</p>	<p>Review processing times for each type of application (new salesperson, new dealer, salesperson renewal, and dealer renewal). Improve turn around times where possible.</p>

## THREE YEAR FINANCIAL FORECAST

### ONTARIO MOTOR VEHICLE INDUSTRY COUNCIL

#### Three year Financial Forecast

(Fiscal years 2003 to 2005)

	2003	2004	2005
Revenues	\$ 5,065,969	\$ 5,128,953	\$ 5,128,953
Expenses:			
Salaries and benefits	2,695,053	2,748,954	2,803,933
Government oversight fees	220,000	200,000	200,000
Professional services	468,300	457,666	466,819
Communications	422,450	430,899	439,517
Travel	367,795	375,151	382,654
Amortization	369,080	351,587	371,004
Other operating expenses	221,050	225,471	229,980
Occupancy	208,497	212,667	216,920
Per-diem allowances	92,000	92,000	92,000
	5,064,225	5,094,395	5,202,827
Excess/(deficiency) of revenues over expenses	\$ 1,744	\$ 34,558	\$ (73,874)





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