



Ontario's Vehicle Sales Regulator

# 2020 Annual Report & 2021 Business Plan

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## MESSAGE FROM THE PRESIDENT AND CHAIR OF THE BOARD

Dear Minister,

On behalf of the Board of Directors, I am pleased to present OMVIC's 2020 Annual Report and 2021 Business Plan.

In the past 12 months, board members welcomed new faces and bid farewell to others. We welcomed four new elected members to our board at our latest AGM: Sohail Ahmed, Glen Fenwick, Tony Del Gobbo and Rob Leggat. We also said goodbye to Meredith Morris and Hugh Sisley. Ms. Morris served on the board for 16 years. Her tenure included two terms as president and four terms on the Executive Committee. I want to thank Ms. Morris and Mr. Sisley for their service, value and expertise they brought to the board during their tenures.

In 2020, OMVIC completed the first year of the *2020–2022 Strategic Plan*. We are well on our way to achieving the plan's four strategic goals:

- 1: Increase consumer protection and awareness
- 2: Increase registrant professionalism and accountability
- 3: Be a trusted and respected partner by engaging stakeholders
- 4: Increase organizational efficiency and effectiveness.

I want to thank our board for its adherence to these strategic goals and responsive governance. I am fortunate to serve with these dedicated professionals.

In an evolving automotive sector, OMVIC's board maintains its commitment to responsible stewardship of this organization. We provide governance, financial oversight and risk management. We ensure accountability to consumers and our partners at the Ontario Ministry of Government and Consumer Services.

OMVIC's transformation to become a modern regulator would not be possible without the bold leadership of CEO and Registrar John Carmichael. On behalf of the Board of Directors, I want to thank John for his visionary direction. John is committed to a fair and informed automotive sales marketplace. He drives considerable change to create innovation and embrace modern regulatory practices. Great leaders like John push us to new heights. Thanks to him, OMVIC is closer to its goals.

Despite the significant challenges facing our sector and our province, I am confident we have the right leadership to steer us on our path into the future. It was an honour to offer governance and oversight to an important consumer protection body through a pivotal year. I look forward to what comes next.

Yours sincerely,

Kevin Bavelaar  
President and Chair of the Board



## MESSAGE FROM THE CEO AND REGISTRAR

Dear Minister,

In 2020 I had the privilege of leading our team through a transformative year. The COVID-19 pandemic challenged us to find new ways to serve consumers and enhance industry professionalism. While the sector changed quickly to meet new demands, we required bold action to become a more modern regulator. It's what our team expected, and what consumers needed.

We share the vision of the Ontario Ministry of Government and Consumer Services, of delivering people-centered approaches to regulation, while driving cost savings, and ensuring consumers get excellent value. At its core, improved digital service delivery will enable faster, better and simplified services for Ontario consumers.

Modern, efficient regulators ensure the public remains educated and protected, and that businesses are treated fairly and respectfully during licensing, inspections or investigations. Using market scenarios, they map out, report and measure key performance indicators to ensure positive consumer protection outcomes. Modern regulators are committed to ongoing quality improvement and innovation. They work to streamline and enhance consumer-facing services. They collaborate with stakeholders and collect data to inform decision-making. OMVIC is on its way to meeting these goals. Our vision for equity, excellence and accountability positions us to continue our transformation.

To meet these goals, we worked towards implementing 18 recommendations from a 2018 organizational efficiency study. I am pleased to share OMVIC has already implemented five of the recommendations with 10 more on track for completion in 2021.

Ontario's automotive industry was hit hard during the first lockdown, in March 2020. Annual auto sales across Canada diminished by 20 per cent: about 1.5 million motor vehicles.<sup>1</sup> Ontario's sales fared little better, dropping by 25 per cent in 2020: nearly 190,000 units, the largest year-to-date decrease in any province.<sup>2</sup> Despite these challenges, there is a vibrancy to the sector, with new business models, more online sales and innovative business processes. OMVIC is working to ensure consumers and our registrants have the information they need to navigate the changing landscape.

Regulatory excellence drives our work. By pushing further to meet consumers' needs and drive industry professionalism, we can better deliver on our mandate.

Our achievements would not be possible without OMVIC's Board of Directors, leadership team, hardworking employees and invaluable partnerships with our consumer and industry groups. Thank you.

On behalf of OMVIC, I look forward to fostering a fair and informed marketplace for consumers, dealers and salespersons as our team looks towards a brighter future.

Yours sincerely,

John Carmichael, ICD.D  
CEO and Registrar

<sup>1</sup> Rebekah Young & Alena Brystova. "2020 Global Auto Sales." Scotiabank. January 27, 2021. <http://bit.ly/20ir4xt>

<sup>2</sup> Daniel Azarov. "Provincial Sales Year End 2020." Desrosiers Automotive Consultants. 2021/01/20. <http://bit.ly/3e7LeVt>

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# About the Ontario Motor Vehicle Industry Council (OMVIC)

OMVIC administers and enforces the *Motor Vehicle Dealers Act, 2002 (MVDA)*—a public protection statute on behalf of the Ontario Ministry of Government and Consumer Services (MGCS). OMVIC is a not-for-profit corporation governed by a 12-member board of directors.

As a regulator, OMVIC exists to protect consumers and enhance registrant professionalism. Consumers should know they are protected and that registrants—dealers and salespersons—will operate with honesty, integrity and fairness.



Conducting business as a motor vehicle dealer or salesperson requires OMVIC registration. With more than 8,000 motor vehicle dealers and 30,000 salespersons in Ontario, OMVIC has a strong mandate, mission and values to ensure consumers are protected, and registrant professionalism is enhanced.

**8,000+**

motor vehicle dealers

**30,000**

salespersons in Ontario





## MANDATE

**Maintain a fair, safe and informed marketplace for motor vehicle sales in Ontario.**



## MISSION

**We will take pride in the results of our commitment to a fair marketplace, achieved through innovation, enforcement, and excellence in service.**



## OBJECTIVES

**As the regulator, OMVIC exists broadly to protect the public interest and, more narrowly, to protect consumers. Consumers must have confidence that the motor vehicle purchasing process is regulated, fair and safe, and that they have rights to protect them if they encounter problems. To accomplish this, OMVIC's objectives are:**

- Consumer protection by pursuing those who would prey on an unwary public
- Consumer protection by delivering complaint conciliation and inquiry assistance
- Informed consumers educated by information and educational resources, direct outreach and awareness programs
- Registrant professionalism through certification programs for new dealers and salespeople and the availability of ongoing educational resources
- Registrant compliance enabled by a robust inspections program and appropriate application of administrative and/or enforcement activities
- Registrant accountability by administering a Code of Ethics (CoE), Standards of Business Practice (SoBP) and a transparent disciplinary process.



## VALUES

**To achieve its vision, OMVIC strives to be a diligent and modern regulator. Its work is guided and informed by beliefs and commitments including:**

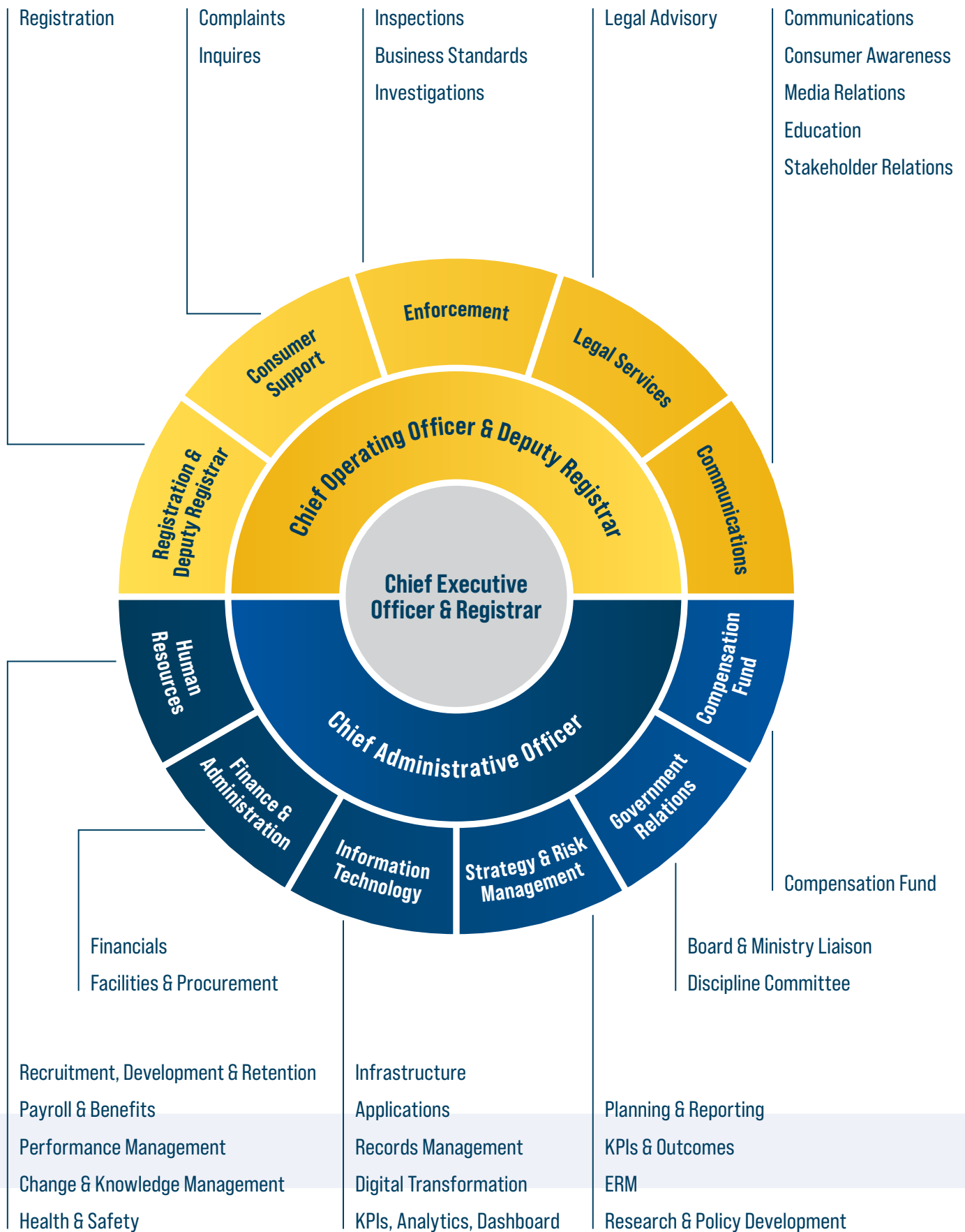
- Protecting consumers and acting in the public interest
- Acting respectfully and with integrity
- Taking fair, measured and appropriate action
- Monitoring industry trends, developments and issues
- Meaningfully engaging with consumers, registrants and stakeholders
- Ensuring value at every consumer, registrant and stakeholder point of contact
- Seeking the highest standards and performing best in class
- Continuing to adopt the practices of a "modern regulator" with the intention of applying best practices, including:
  - Dedication to the principles of consumer protection, transparency and operational independence
  - Employing risk-based compliance/enforcement activities
  - Enhancing registrant professionalism
  - Improving digital processes and automation
  - Engaging stakeholders
  - Employing data analytics and effective performance measures
  - Fostering a culture of innovation
- Seeking the highest standards and performing best in class
- Identifying major sources of risk to consumers and executing compliance strategies to address them
- Keeping abreast of consumer needs and expectations, and factors that impact vehicle sales
- Exploring and using technologies to increase, improve and/or expedite services and registrant engagement
- Communicating clearly to inform and educate
- Maintaining a work environment that fosters learning and adapting, job satisfaction, enjoyment and pride in accomplishment.

## CORPORATE OVERVIEW

OMVIC's Board of Directors provide strategic direction, financial control and governance oversight. The board is comprised of nine dealers from large and small businesses in new and used motor vehicle markets. They are elected by dealers across Ontario. There are also three public representatives who are appointed by the Minister of Government and Consumer Services. Directors' biographies, the board's code of conduct and a list of board committees are provided in *Appendix A*.

**The CEO and registrar leads OMVIC's overall management and administration, and reports to the Board of Directors. OMVIC's day-to-day functions are split into operations and administration teams.**





# OMVIC by the Numbers



**8,195**

dealers

**29,537**

salespersons

**679**

new dealer  
applications

**2,943**

new salesperson  
applications

**19,341**

total renewals

**2,136**

inspections  
conducted

**37**

discipline  
notices served

**1,054**

dealers supported with  
advertising assistance  
impose conditions

**473**

investigations  
opened

**20**

compliance warning  
letters issued

**796**

complaints  
closed

**531**

charges laid  
against **96 entities**

**950**

registrar  
actions taken

**346**

charges laid against  
**39 alleged curbsiders**

**37**

proposals to revoke,  
suspend, refuse or  
impose conditions

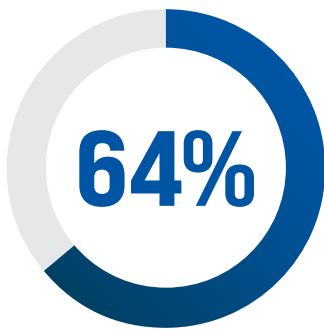


# \$1,526,278

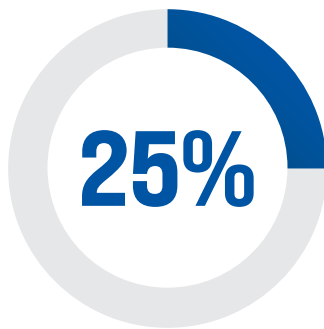
conciliation returned to consumers

26 of 44 compensation fund claims approved, total value paid to consumers

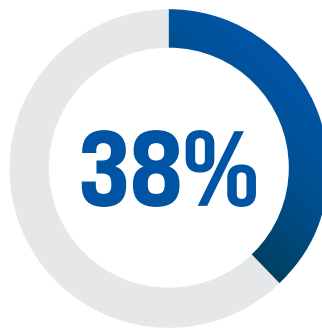
# \$400,000



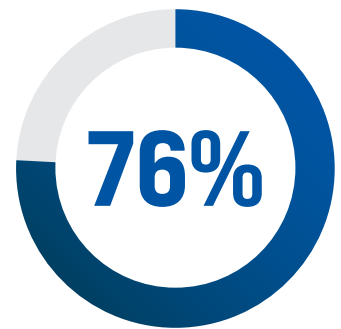
all-in pricing knowledge among Ontario car buyers



OMVIC brand awareness among Ontario car buyers



car buyers who know and understand what curbsiders are



car buyers who know motor vehicle dealers must be registered



Total revenue  
**\$21,296,792**

Total expenses  
**\$17,137,481**

**Consumer protection  
awareness are the  
primary drivers for  
decision-making**



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# Strategic Goals

To ensure employees' health and safety during the COVID-19 pandemic, OMVIC shifted to remote business operations in 2020 which had a significant impact on the organization. Despite the unprecedented challenges, OMVIC was steadfast in its commitment to Ontario's consumers and registrants.

In 2020, OMVIC and its board of directors set four strategic goals to guide priority setting, resource allocation, capability requirements and budgeting activities:

**01** ✓

**Increase consumer protection and awareness**

**02** ✓

**Increase registrant professionalism and accountability**

**03** ✓

**Be a trusted and respected partner by engaging stakeholders**

**04** ✓

**Increase organizational efficiency and effectiveness.**

These strategic goals will be achieved through operational activities. OMVIC's progress towards meeting these goals is monitored with key performance indicators that are tracked in a balanced scorecard (*Appendix B*). Management, the board and MGCS review the scorecard each quarter.

**In 2021, OMVIC will continually review and evaluate KPIs to ensure progress is being made towards achieving strategic goals and to inform data-driven decision making.**



## INCREASE CONSUMER PROTECTION AND AWARENESS

**Consumer protection and awareness are OMVIC's primary drivers for strategic decision-making. To address this goal, the organization focused on consumer education, consumer support and industry regulation.**

**Enhancing awareness about consumers' rights and the law are key tactics directed towards consumers, new and used car dealers and salespersons. In 2020, OMVIC adapted to identify and implement new ways to achieve this goal.**

### **Consumer education**

All registrants must satisfy OMVIC's all-in price advertising requirements by ensuring a new or used motor vehicle's advertised price includes all associated fees other than HST and licensing.

OMVIC's annual consumer awareness campaign promoted all-in price advertising to various consumer groups, through social and digital media, radio and television. The campaign encouraged consumers to take a picture of an advertised price, then to use the picture when shopping for a car to ensure they received the correct price. In 2020, a consumer survey reported 45 per cent of consumers were aware of all-in pricing requirements: nine per cent above the target.

At the pandemic's onset, the communications team developed a digital media campaign targeting consumers looking to buy motor vehicles online. The campaign's goal was to drive consumers to the new *OMVIC Buying a Car Online* webpage for information about buying motor vehicles remotely and from OMVIC-registered dealers.

Proactive outreach initiatives were also a priority. The communications team leveraged relationships with community and newcomer centres to support consumers looking to buy a car in Ontario for the first time. They were educated over webinars about their rights, and how to stay safe while purchasing a motor vehicle in Ontario. Over 12 months the team educated 479 consumers over 24 webinars.

Education is critical to OMVIC's mandate. In 2021, the communications team will review and enhance educational offerings provided through social media, blogs, e-newsletters and webinars. This will ensure consumers and registrants learn best practices and are offered meaningful and practical information about purchasing a motor vehicle. They will also seek to formalize engagement with newcomer centres and other vulnerable populations to focus on educating high-risk consumers.

## Consumer support

OMVIC's consumer support department offers information, support and a dispute-resolution service to empower consumers no matter which stage they are at in their purchase.

To maximize this consumer service, a risk assessment is integrated into the dispute-resolution program. When issues are identified, they are categorized to ensure high-risk items such as unpaid liens (a legal right or claim against property by a creditor) are quickly escalated to senior leaders for action.

The response to this consumer service has been increasingly positive in 2020, with consumers rating the customer service team with a 75 per cent grade for being knowledgeable, courteous and efficient when handling complaints—four per cent higher than OMVIC's target.

***"OMVIC is a very helpful service. They helped me fix the problems I had with a dealer and got me a refund. I hope OMVIC will continue helping more consumers. Thank you to everyone who handled my file!"***

—CONSUMER FEEDBACK

In 2021, the consumer support team will review survey delivery to ensure the team continues to accurately respond to consumer feedback. It will also increase its reporting of aggregate complaint data, to ensure OMVIC identifies and monitors trends efficiently, and detects future problems earlier.

OMVIC has also formalized its relationship with consumer support stakeholders through its Consumer Protection Advisory Committee. The committee meets regularly to discuss issues facing consumers and engages with stakeholders to recommend solutions. The group discussed six major consumer protection issues in 2020 and expects to address three more in 2021:

1. Clarifying and continuing to discuss *as-is* language for sales
2. Contract cancellation concerns
3. Updating OMVIC's premise policy

## Industry regulation

Risk-based regulation is a strategy to target activities posing the highest risk to consumers, while reducing the burden for lower-risk registrants to help level the marketplace. In 2020, OMVIC embarked on a refresh of its risk-based inspection process to focus on the highest risk to consumers and ensure an appropriate allocation of resources. Examples of high-risk practices include non-disclosures, poor motor vehicle conditions and dealer financial stability issues.

The enforcement team introduced a new role, a registrant advisory services officer, to respond to registrant inquiries and offer support with *MVDA* compliance. Inspectors also spent less time travelling and more time processing files by adopting a virtual inspection system to review dealer books and records and comply with public health guidelines. Despite the pandemic, the team conducted 2,136 virtual and in-person inspections in 2020: 136 more than its target.

The enforcement team, and the information it provides on the OMVIC website, improves registrant accountability by offering clarity about inspection and compliance requirements. In 2021, the enforcement team will continue to protect consumers by implementing additional risk-based measures to its inspection program.

Despite the pandemic in 2020, the team conducted

**2,136**

virtual and in-person inspections

**136**

more than their target

## INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY

The pandemic created unique education and compliance issues for registrants who needed to adapt to a new reality. OMVIC's commitment to maintain a fair and informed marketplace includes a responsibility to increase dealer professionalism, which helps to protect consumers. Registrant education, dealer support, registrar actions and enforcement were key priorities implemented by OMVIC to address this strategic goal.

### Registrant education

Modern regulators rely heavily on education programs to ensure registrant professionalism and widespread understanding of relevant legislation. The pandemic prompted the communications team to review and update education programs and initiatives, to ensure dealers understood how to comply with the law and stay safe by following provincial public health measures.

At the beginning of the pandemic, Dealer Bulletins were one tool OMVIC used almost weekly, to ensure registrants were fully informed of regulation and health and safety changes. COVID-19 operating guidelines were developed in collaboration with public health organizations, to ensure consumer and dealer health and safety.

OMVIC also leverages its enforcement and registration teams to ensure approved dealer applicants have the tools they need to practice sound financial management. In 2020, registrants requested practical tools to clarify compliance requirements and to guide their operations during the pandemic. These requests were addressed by the communications team which developed and distributed best practice guidelines to registrants. In the three months following their launch, the *best practice guidelines* generated 22 requests for educational webinars, out of 26 total webinar requests OMVIC received in the year.

This surge in engagement reinforced the success of this approach and led to the development of

additional best practice guidelines. In 2021, the communications team will develop new best practices focusing on compliance, such as clear advertising, submitting third-party warranties and disclosing material facts. Other best practices will focus on issues identified by internal and external stakeholders through consultation and engagement.

The communications team also plans to undertake a comprehensive review of the registrant certification course and exam, to ensure education materials reflect current operating practices, address registrant education needs and align with current trends in non-compliance.

### Dealer support

During 2020, OMVIC streamlined internal processes and procedures to remove redundancies and bottlenecks, and ensure employees were equipped to support registrants effectively and efficiently.

The registration team worked to optimize digital registration and renewals processes, to ensure frontline employees could respond quickly to dealer challenges and monitor applicant issues. In 2020, 88 per cent of dealers used online services for renewals. The registration team expects a two per cent increase in 2021. Salespersons used online services more frequently in the same period, with 93 per cent renewing online. The team projects a two per cent increase in 2021. The team will promote online services to registrants and assure them of quick, convenient support.

## Enforcement

Fair, measured enforcement ensures registrants see OMVIC as an effective regulator, rather than a barrier to business. Last year, using risk-based regulation, OMVIC struck a balance between a proactive and reactive enforcement posture. The enforcement team also developed improved analytical capability to better inform investigative decision-making and address misconduct.

Data from OMVIC's enforcement team shows dealer compliance is improving—almost 60 per cent of mystery-shopped dealers passed their assessment in 2020, a 15 per cent increase from 2019. While dealer pass rates improved, OMVIC's mystery-shop program identified that 41 per cent still failed to meet basic compliance levels outlined in the *MVDA*.

Major compliance issues varied from failure to meet all-in price advertising requirements to misrepresentations in advertising. As a result, 13 dealers were sent caution letters from OMVIC's business standards team, and 13 were forwarded for discipline. It is unlikely the pandemic created a direct, causal relationship between dealers and salespersons' non-compliance; however, it did impact OMVIC's ability to inspect and investigate non-compliance, because of issues related to employee safety.

Mystery shoppers conducted 63 dealer reviews at 61 locations (two dealers were reviewed twice) from July to December 2020, despite the ongoing pandemic. This included dealers in Oshawa, Whitby, Pickering, Barrie, Sarnia, Kingston and Ottawa.

From July to December 2020,  
mystery shoppers conducted

**63**

dealers reviews



**In 2021, OMVIC will expand its mystery shop program to include dealers in Waterloo Region, Haldimand-Norfolk, Grey Bruce County, Prescott-Russell, Huntsville-Gravenhurst-Bracebridge and Windsor.**

The use of stronger evidence, data, and risk mitigation strategies will continue to inform OMVIC's decision-making processes in 2021 to ensure a measured enforcement strategy, which is critical to becoming a modern regulator.

## BE A TRUSTED AND RESPECTED PARTNER BY ENGAGING STAKEHOLDERS



**Close relationships with stakeholders are critical for OMVIC to meet its mandate. By forging partnerships across the sector, OMVIC can better regulate the industry and make informed decisions. By understanding stakeholder priorities and challenges, OMVIC can develop innovative solutions to address regulatory challenges and guarantee long-term success within the sector.**

### **Implementation of a comprehensive stakeholder engagement plan**

To address OMVIC's awareness and partnership needs, the organization created a board-approved stakeholder engagement plan in 2020. This solidified a desire to create long-term partnerships with primary stakeholders in the consumer protection and automotive sales sectors, while setting the groundwork for secondary stakeholder relationships in law enforcement, insurance, banking and other related industries.

OMVIC executives also embarked on a listening tour across the province. They gained a better understanding of how registrants were impacted by the pandemic by visiting 15 new and used dealers. The executive team was pleased to be joined by the Honourable Lisa Thompson, Minister of Government and Consumer Services, on a visit to dealers in her riding.

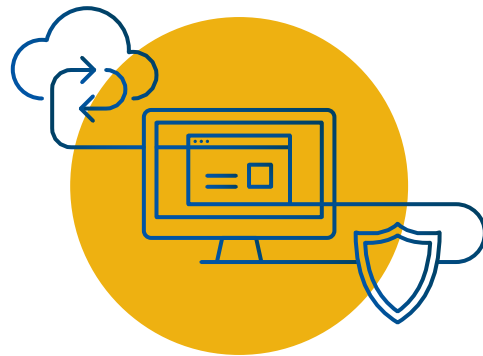
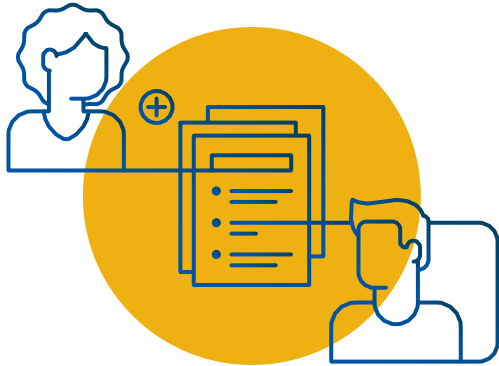
OMVIC will continue to deepen relationships with existing stakeholders in the motor vehicle and consumer protection industries, by creating opportunities for engagement and conducting wider outreach. It will also explore ways to develop closer ties to secondary stakeholders in law enforcement, and among government decision makers by showcasing OMVIC's value as a trusted partner. These initiatives should improve operational and reputational outcomes over time.





## INCREASE ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS

Despite the challenges posed by the global pandemic OMVIC remained committed to increasing organizational efficiency and effectiveness. The organization implemented several programs and initiatives enhancing organizational capacity, technology and fiscal accountability.



### Organizational capacity

Fiscal restraints forced OMVIC to implement a company-wide hiring freeze in spring 2020, hindering progress on enhancing organizational capacity. However, by December 2020 it returned to 110 employees, with plans to expand to 120 employees in 2021. Capacity at the leadership level was also increased to help realize the organization's strategic vision and offer guidance to front-line employees.

Employee turnover was nine per cent—two per cent higher than OMVIC's expectations; however, annual job satisfaction was positive at 83 per cent.

In 2021, OMVIC will explore ways to promote internal job opportunities to employees and assist them with career planning. Training procedures will be reviewed to ensure employees continue to perform, meet objectives and focus on professional development. OMVIC will also find ways to enhance the collection and analysis of data across the organization, to support evidence-based decision making and evaluation.

OMVIC is committed to ongoing quality improvement and will continue to identify opportunities to enhance efficiency and offer value for consumers and registrants.

### Technology

The information technology (IT) team played a key role in modernizing the organization's digital infrastructure in 2020 by increasing security, moving files to a cloud-based retention system and beginning migration to a new client relationship management solution. The new system, named the Consumer Automotive Regulatory System (CARS) will enhance efficiency and offer stronger data management. Implementation began in 2020 and will be completed in 2021.

CARS will include dashboards for key operational indicators to ensure OMVIC has easily accessible data. For example, it will offer enhanced digital tools for inspectors, and function as a repository for inspection findings to better manage and track case work.

The IT steering committee was tasked with implementing a strategic plan to optimize services and processes, such as a ticketing system to improve turnaround times for support issues. The committee led the development of digital resources for dealers and generated new ways to collect more meaningful data. Progress on both initiatives will continue in 2021. The steering committee plans to meet four times in 2021. The reduced frequency is a result of the declining urgency for new technology, which peaked at the pandemic's outset.



### **Fiscal accountability**

As a result of the pandemic's onset in March 2020, the finance team adjusted its forecasts and models to ensure the organization was financially sustainable into 2021. This included a review of the Motor Vehicle Dealers Compensation Fund (MVDCF) to ensure the fund's long-term sustainability. By continually reviewing the MVDCF's quarterly statements and cash flows, OMVIC can ensure the fund has a strong financial footing for 2021.

Reduced operational spending, and temporary reductions in employee compensation and hours, were necessary to maintain a strong financial position and ensure OMVIC could continue to deliver its mandate in 2020 and 2021. OMVIC expects to run an operational deficit until 2023, while the economy stabilizes and revenues return to pre-pandemic levels. In the meantime, close budget management will be required until revenues rebound to pre-pandemic levels, and prior-year operating reserves will help shoulder these projected short-term deficits.



### **OMVIC's risk management framework**

Enterprise risk management (ERM) is a critical element of OMVIC's strategic, business and audit planning cycles. OMVIC has an ERM system to identify, assess and mitigate real and potential risks while enabling appropriate responses to changes in the internal and external business environment.

The most significant risks facing OMVIC in 2020 were employee safety, data protection, technology access, change management, and the fiscal impact of the pandemic on operations.

**In 2021, OMVIC's  
continue to identify  
increase efficiency  
maximize their t  
consumers and e  
industry profess**

s team will  
tify ways to  
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ime to protect  
enhance  
ionalism.

# Executive: Operations & Administration Update

## Joanne Beaton, Chief Administrative Officer

OMVIC's administrative team had a productive but challenging year. Milestones included onboarding new leadership, starting the implementation of CARS and conducting financial modeling in an unprecedented global pandemic. The team celebrated many achievements and made headway on strategic objectives. I'm extremely proud of what we accomplished in 2020.

With competing priorities, the team will continue to identify ways to increase efficiency and maximize their time. Administrative teams and committees completed several projects in pursuit of becoming an effective, modern regulator. The 2020–2022 Strategic Plan contains four goals, one of which is focused on increasing organizational efficiency and effectiveness. As a not-for-profit corporation, resources are limited, and the administrative team strives to produce high-quality, credible information, and provide dependable, timely service to internal and external stakeholders.

**In 2021, OMVIC's administration team will continue to find new ways to work through the pandemic, to support employees' wellness and to share corporate progress reports on the efficiency study implementation. The launch of CARS in 2021 will be the first significant database improvement in 15 years and will create opportunities for real-time visibility of data and KPIs.**

**Maureen Harquail, Chief Operating Officer & Deputy Registrar**

Dramatic change was a major theme throughout 2020—at OMVIC, in the industry and across Ontario. I could not be prouder of the work our team accomplished despite overwhelming difficulties. It speaks to employees' tenacity and their dedication to consumer protection.

OMVIC's operations team made major strides in modernization efforts this year. Notably, the operations team's greatest efficiency gains came in August, when three teams joined to form the new enforcement team. With responsibility for inspections, business standards and investigations, the team brings field employees together under one leader, to create greater service efficiencies and cement our commitment to risk-based regulation.

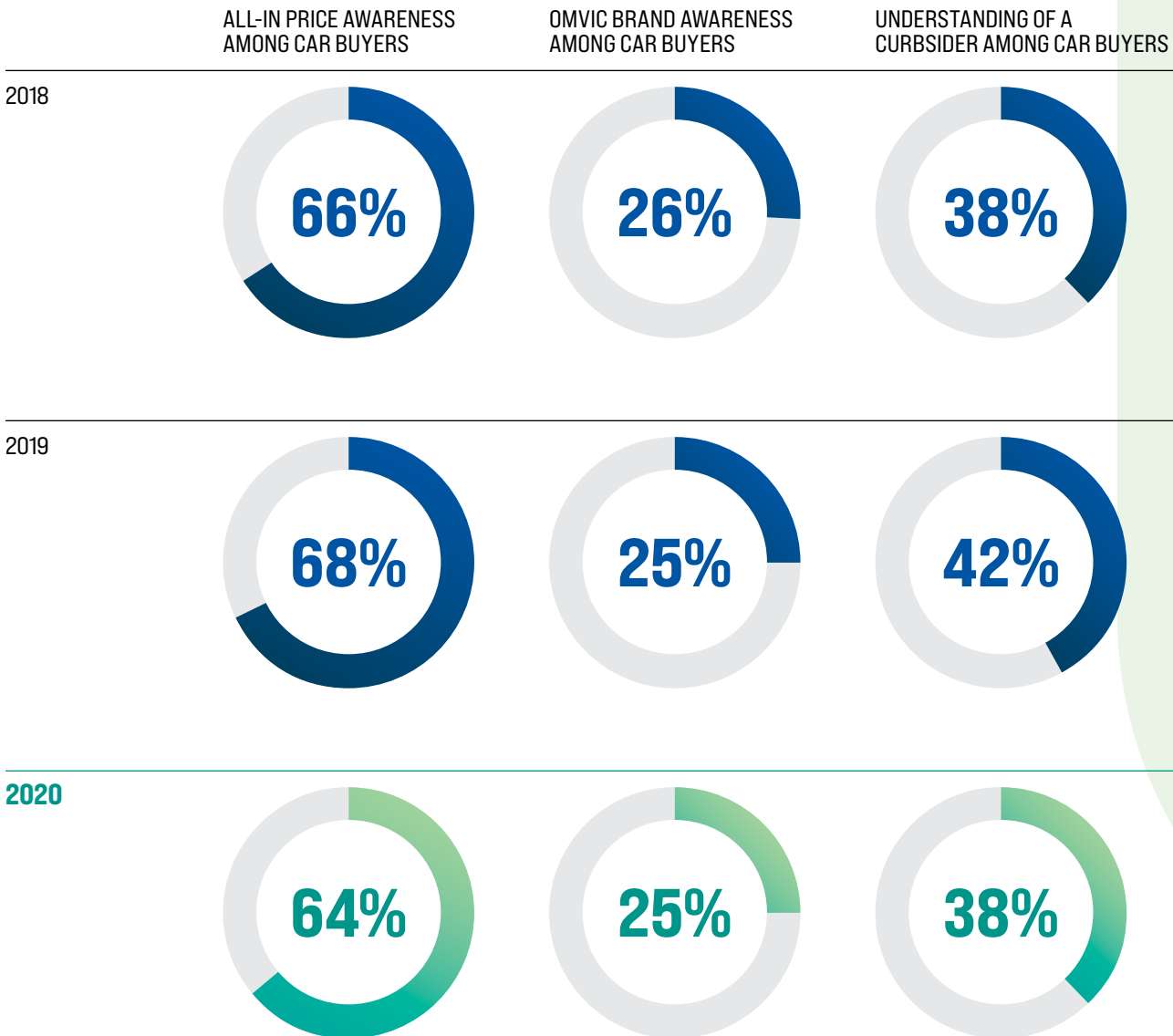
**Looking ahead to 2021, OMVIC's operations team will continue to modernize, find efficiencies and build on last year's successes. Ongoing work by the operations team will support the development and implementation of the new CARS system. With a hopeful return to normalcy in the future, the operations team is committed to sustaining its momentum moving forward.**

## COMMUNICATIONS

The communications team fosters two-way communication to build meaningful relationships with stakeholders and support the education of consumers and registrants about consumer rights and the law. The team also builds brand awareness and protects and promotes OMVIC's reputation.

In 2020, the team adapted to the changing environment and created a new consumer campaign to support buying cars online. The team maintained OMVIC's brand awareness, awareness of the risk posed by *curbsiders* (unlicensed dealers) and promoted all-in price advertising. Through advertising, media relations and education, brand awareness hit 25 per cent, exceeding expected targets by three per cent. Awareness of all-in price advertising remained constant, and car buyers who could accurately define a curbsider decreased from 42 per cent in 2019 to 38 per cent.

### AWARENESS:

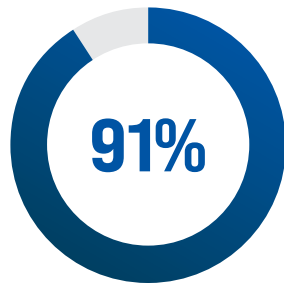




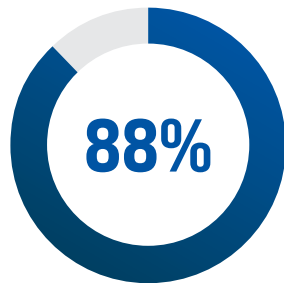
In response to COVID-19 and emerging stakeholder needs, communications worked with Georgian College to move the OMVIC certification course exam online. This new initiative received positive feedback from stakeholders and course pass rates remained stable:

CERTIFICATION COURSE PASS RATE

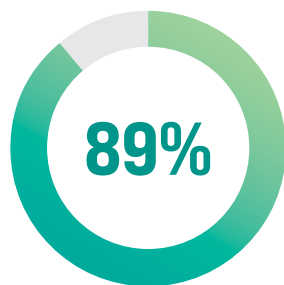
2018



2019



2020



**In 2021, the team will review and refresh the annual report and business plan, and consider ways to enhance OMVIC’s reporting to offer clearer outcome-based measures. It will also consider new ways to deliver consumer protection messages across communication channels, focusing on the most-vulnerable consumer groups.**

**The team expects to maintain all-in pricing advertising awareness and increase webinar frequency. It expects to decrease Dealer Bulletin frequency as pandemic restrictions are eased for consumers and registrants as 2021 progresses. The team will also continue with third-party mystery shops in 2021.**

**Translation services:**

OMVIC responds to all French inquiries and ensures French-language services are available for registrants and consumers. In 2020, OMVIC provided clearer pathways for Franco-Ontariens to access OMVIC’s programs and services through the website and phone system. The website layout was revised to enhance the visibility of translation services, and functionality was added to the phone auto attendant that directs French speakers to receive support in French. In 2020, OMVIC received 15 requests for services in French.



To help consumers, particularly new Canadians, navigate the car-buying process or access OMVIC’s complaints conciliation service, OMVIC offers free, on-demand translation services in more than 150 languages.

Consumers can access translation services through the website or by calling OMVIC. Translators will work with consumers and OMVIC’s consumer support team to help them resolve their issue when possible.

## CONSUMER SUPPORT

The consumer support team (formerly the complaints team) responds to consumer inquiries about purchasing a car, or issues with a recent motor vehicle purchase. The team helps consumers by offering free advice designed to help car buyers who may have been wronged by a registered dealer, or who need advice before purchasing a motor vehicle. Consumer support also helps OMVIC understand existing industry problems, and how to mitigate the risks they present.

Consumer support refined its complaints intake process in 2020, prioritizing serious issues for escalation, such as undischarged liens. Consumer support resolved 796 consumer complaints and helped return \$1,526,278 to consumers—356 fewer complaints and \$243,476 less than in 2019. OMVIC expected lower resolved complaints and restitution due to fewer car sales and consumer inquiries. However, despite the COVID-19 outbreak, the number of files escalated to the legal and enforcement teams for further scrutiny was on par with historical trends.

The team expects to see lower consumer satisfaction in 2021, as the pandemic continues to create challenges for consumers making purchases. OMVIC's ability to quickly resolve consumer complaints and secure restitution where appropriate, may be negatively impacted by anticipated staffing and financial challenges for dealers.

**To support digital transformation, the team will migrate the existing electronic consumer complaint submission form into OMVIC's new CARS system in 2021. This will enable employees to spend less time on administrative tasks, and more time working on consumer files, to improve the team's efficiency and quicken turnaround times for consumer support.**

**The team will continue to track and measure trends in consumer support inquiries. It will also search for new ways to build capacity by working with digital tools such as CARS, to automate processes that put consumers first and speed processing times. Process improvement will be reflected in the consumer satisfaction survey results and file completion times.**

### Managing complaints

Consumer complaints are referred to the consumer support team. On first contact with OMVIC, callers are given instructions to resolve complaints. The most common complaints are related to motor vehicle condition, liquidated damages, contract disputes and misrepresentation (such as a failure to disclose a motor vehicle's accident history). By following the instructions given by OMVIC, many common complaints may be resolved directly between the consumer and the dealer. More complex issues may require OMVIC employees' involvement to offer reasonable conciliation between the two parties. However, OMVIC cannot compel or order a dealer to cancel a contract, return money or carry out repairs—only courts have this authority.

If suitable resolutions are not achieved through the complaints process, consumers may consider civil action. If a consumer believes their complaint was not addressed appropriately, they can contact OMVIC's Appeals Committee of the Board of Directors. The committee is chaired by a board member appointed by the Minister of Government and Consumer Services. In 2020, only one appeal was filed with the committee.

***"When I contacted OMVIC I was forwarded to a case agent within one week and she worked her magic. The dealer went from not responding to contacting me and immediately reimbursing what was owed. Thanks, OMVIC!"***

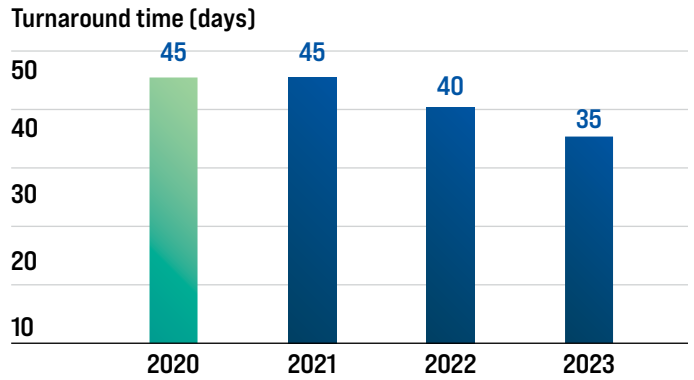
—CONSUMER FEEDBACK, JANUARY 2020

**COMPLAINTS RECEIVED:**

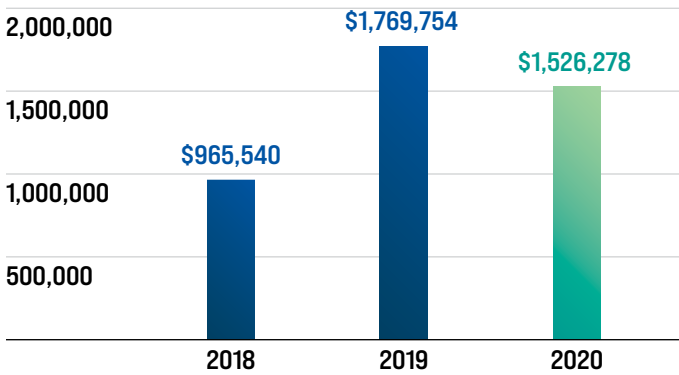
	ONLINE FORM	E-MAIL INQUIRIES	FORMAL COMPLAINTS*
2018	<b>1,432</b>	<b>1,828</b>	<b>1,192</b>
2019	<b>1,631</b>	<b>2,965</b>	<b>1,149</b>
2020	<b>1,516</b>	<b>4,477</b>	<b>809</b>

\*Formal complaints are complaints filed against dealers escalated to an OMVIC resolution support specialist for review and possible negotiation.

**COMPLAINT RESOLUTION TIMES WITH THREE-YEAR FORECAST:**

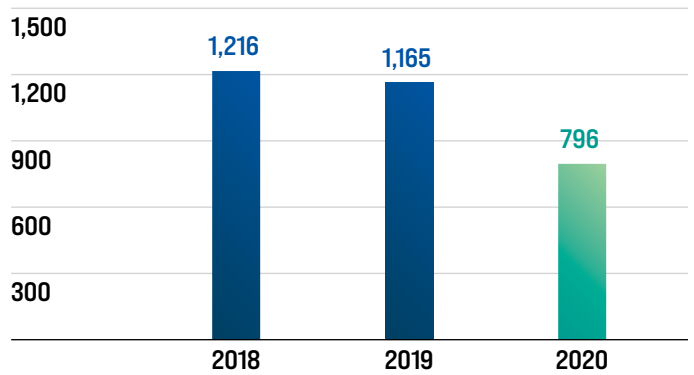


**MONEY RETURNED TO CONSUMERS OVER TIME:**



These amounts do not capture the value of repairs the consumer support team negotiated.

**COMPLAINTS RESOLVED OVER TIME:**



**CONSUMER SATISFACTION SURVEY RESULTS OVER TIME:**

	KNOWLEDGE	COURTESY	EFFICIENCY
2018	<b>4.0</b> <sub>/5</sub>	<b>3.8</b> <sub>/5</sub>	<b>3.5</b> <sub>/5</sub>
2019	<b>4.3</b> <sub>/5</sub>	<b>3.8</b> <sub>/5</sub>	<b>3.6</b> <sub>/5</sub>
2020	<b>3.9</b> <sub>/5</sub>	<b>3.7</b> <sub>/5</sub>	<b>3.5</b> <sub>/5</sub>

Data obtained from an anonymous electronic survey from consumers who participated in the complaints process. More than 800 surveys were sent in 2020, and 218 responses were received which represents a 27 per cent response rate.

## ENFORCEMENT

The enforcement team ensures registrants comply with the *MVDA* through proactive and reactive programs including inspections, mystery shops and investigations. It protects consumers from curbsiders, and aids law enforcement agencies with resources, awareness and evidence-sharing.

OMVIC's investigations team developed strong relationships with police services across Ontario. The team responded to 27 government agency and law enforcement assistance requests in 2020.

As part of its books and records inspections, the team reviews advertising, including monitoring for all-in price advertising compliance on websites, Google reviews, online marketplaces and social media. This work is critical to identify non-compliant dealers.

Efforts continued to build additional investigative capacity and capabilities. The team hired a court services officer in March to better oversee court liaisons and preparations. Three more investigators were hired to provide better service delivery in southern Ontario, the western Greater Toronto Area and eastern Ontario. A new investigations manager was also hired in late 2020 to improve investigative accountabilities and oversight.

Enforcement expects to respond to fewer inquiries about the dealer Code of Ethics and advertising requirements in 2021. Questions spiked as the pandemic hit, and the team expects numbers will return to more normal levels.

**In 2021, the team will review its inspection staffing requirements to ensure adequate province-wide coverage based on risk criteria, complaints data and geographic limits. It will also review scheduling to efficiently allocate resources, and to ensure high-risk registrants are inspected more frequently than low-risk registrants.**

**In 2021, a dealer support team will be created to offer timely, consistent advice to registrants, and expand OMVIC's ability to conduct inspections and provide compliance-related guidance to the dealer community. The team will continue to respond to inquiries from dealers about advertising and the Code of Ethics, to build registrant professionalism. Finally, it will consider ways to deliver an auto-theft program at the Canadian Police College to align closer with the team's law enforcement colleagues.**

In 2020, OMVIC's investigations team responded to

**27**

government agency and law enforcement assistance requests



	INVESTIGATIONS OPENED	CHARGES LAID	CHARGES BROUGHT AGAINST ALLEGED CURBSIDERS
2018	<b>351</b>	<b>350</b>	<b>220</b> charges against <b>18 alleged curbsiders</b>
2019	<b>330</b>	<b>778</b>	<b>428</b> charges against <b>39 alleged curbsiders</b>
2020	<b>470</b>	<b>547</b>	<b>353</b> charges against <b>39 alleged curbsiders</b>

	MYSTERY SHOPS	INSPECTIONS	PROPOSALS TO REVOKE, REFUSE OR SUSPEND REGISTRATION
2018	<b>39</b>	<b>2,491</b>	<b>90</b>
2019	<b>28</b>	<b>2,363</b>	<b>54</b>
2020	<b>63</b>	<b>2,136</b>	<b>43</b>

## HUMAN RESOURCES

The human resources (HR) team develops and implements best practices across the organization to generate a high performance, employee-oriented culture emphasizing empowerment, high standards and professional goal attainment. The team recruits employees, coordinates payroll, benefits administration, and manages professional development.

The team measures success with an annual employee engagement and satisfaction survey.

Employees reported greater overall satisfaction and engagement in 2020 compared to 2019. In response to the COVID-19 pandemic, HR implemented mental health initiatives, offering lunch and learn sessions to employees, while working with internal communications to keep everyone informed and engaged. While there were 36 training sessions for employees in 2020, the team expects to have six fewer in 2021 as the pandemic impacts employee and consultant availability.

HR expects job satisfaction may decrease in 2021 to 80 per cent, from 83 per cent in 2020, as the pandemic's challenges take their toll on employees. In anticipation of this, the team is working to establish policies and best practices to address working remotely, and to provide additional support for employees. For example, managers will be trained to more effectively manage remote teams. HR will also work closely with the communications team to ensure employees are engaged and informed about organizational initiatives.

**In 2021, HR will review the current organizational culture. The team will engage with employees to define a vision for the future which supports OMVIC's strategic goals and its transformation into a modern regulator.**



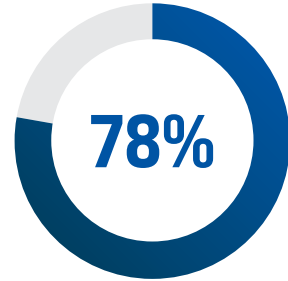
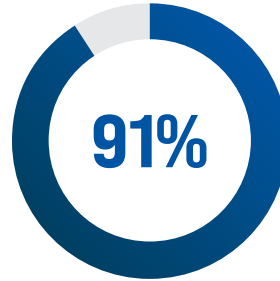
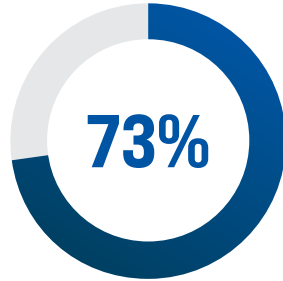
**EMPLOYEE SATISFACTION OVER TIME:**

RESPONSE RATE

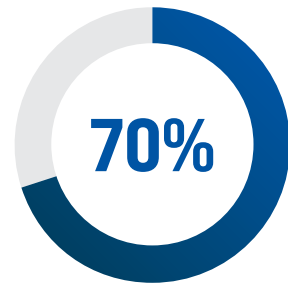
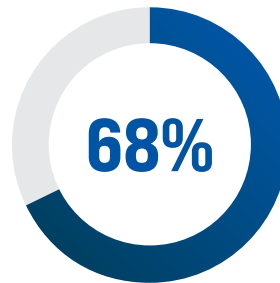
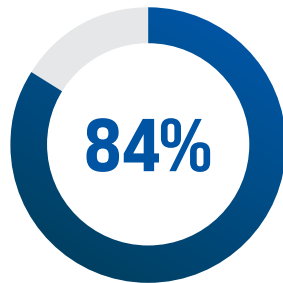
PROUD TO WORK AT OMVIC

OVERALL JOB SATISFACTION

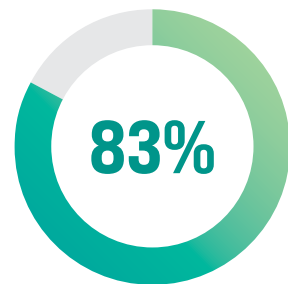
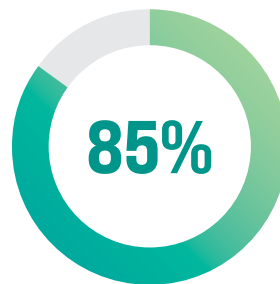
2018



2019



2020



## INFORMATION TECHNOLOGY

The information technology (IT) team offers a suite of technology-related services. It maintains OMVIC's technology infrastructure, mitigates security risks, implements processes to integrate with digital architecture and manages IT vendors to ensure value for money.

Last year, the team moved to a ticket-based system for internal support requests to ensure tasks are logged and resolved. IT closed 95 per cent of 3,819 tickets on time in 2020, beating its annual goal by 13 per cent. It expects it can deliver year-over-year progress in 2021. Ticket timing is determined on a priority basis, from one hour for emergencies, four hours for quick responses and normal responses within 24 hours. Most tickets fall within the 24-hour response time, with others negotiated between the team and the requester.

The phone system was transitioned to a hosted voice-over-internet-protocol (VoIP) solution, allowing employees to remotely access the tools they need while working at home. IT transitioned several systems to cloud based technologies like a hosted voice-over-internet-protocol (VoIP) solution and Office 365, allowing employees to remotely access the tools they need while working at home.

**IT remains committed to supporting OMVIC's transformational goals. In 2021, the team will fully implement CARS and support other teams' technology goals, including redesigning OMVIC's website, and increasing efficiency by finding new ways to automate employee functions.**





## LEGAL

OMVIC's legal team carries out the registrar's administrative actions and prosecutes offences under the *MVDA* and the *Consumer Protection Act, 2002*. The team engages in non-prosecutorial enforcement initiatives—like discipline—for specific and general deterrence. The team's approach to enforcement goes beyond just prosecution and revocation. The team also offers strategic advice to OMVIC's departments, senior management and the Board of Directors.

To meet COVID-19 challenges, the team adapted to an online environment for formal proceedings.

The legal team measures its success by whether OMVIC maintains a responsible, right-touch approach to carrying out administrative actions. The team ensures that prosecutions are just, and that strategic advice is accurate and furthers OMVIC's interests and statutory obligations.

For example, in 2020, legal successfully revoked registration for Hudson's Fine Cars Inc. for not paying off liens on motor vehicles traded in. Legal was notified of the allegations in late 2019 and quickly worked to immediately suspend the dealer's registration by November 2019, which stopped Hudson's Fine Cars Inc. from conducting business and exposing additional consumers to financial harm.

**In 2021, the legal team plans to continue to manage the growing backlog of *Provincial Offences Act*, Licence Appeal Tribunal and discipline cases. The backlog was caused by pandemic-related court and tribunal shut-downs while they moved to remote formats. The team will continue to make decisions publicly available, through case law reporting services via a third party.**

### **Notable regulatory, by-law and policy changes:**

OMVIC provided MGCS with comments to update the *Consumer Protection Act, 2002* in July 2020. In 2021, OMVIC and MGCS will engage in discussions with the goal of consulting on potential amendments to the *MVDA*.

OMVIC's By-law No. 1 was confirmed as amended at the 2020 annual general meeting. Specifically, by-law paragraph 66 was amended to include email as an acceptable form of notification to members. As a result of the pandemic, notices which had formerly been sent by mail or fax are now possible by email.



## MOTOR VEHICLE DEALERS COMPENSATION FUND (MVDCF)

The MVDCF is a consumer protection program. It compensates eligible consumers up to \$45,000 if they suffer financial loss from a motor vehicle purchase at a registered dealer. The fund helps maintain a safe marketplace for consumers by offering added financial security when buying a car from a registered dealer. New dealers pay a one-time \$300+HST fee into the fund to keep it solvent.

In 2020, 26 claims were paid by the fund's board of trustees, totaling \$400,000 in compensation to consumers. Fourteen claims paid against two used car dealers whose registration was immediately suspended and revoked were valued at \$254,000.

**The compensation fund is in its early phases of moving the consumer application process online to automate manual tasks, such as following up with consumers for additional documents. These efficiencies will reduce service barriers and simplify claim submission requirements, by offering step-by-step instructions.**

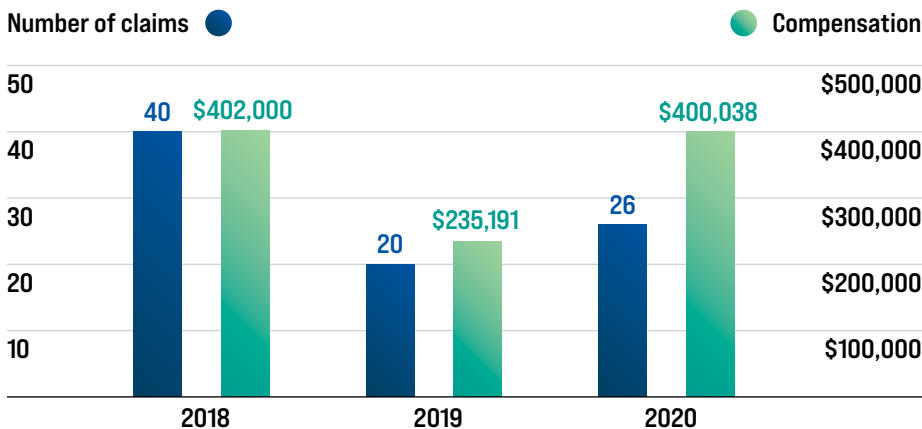
***"My application was approved, and, in a few weeks, I got my cheque for \$25,000. To be honest, until that point, I did not know anything about OMVIC or the compensation fund. Turns out, the fund was the answer to my prayers."***

—CONSUMER WHO RECEIVED \$25,000 IN COMPENSATION AFTER LOSING HIS MOTOR VEHICLE DEPOSIT AS A RESULT OF A DEALER'S INSOLVENCY

### MAJOR CLAIMS IN 2020:

DEALERSHIP	TOTAL CLAIMS PAID
1833111 Ontario Inc. o/a AutoShow Orillia 2011	<b>\$136,330</b>
Hudson's Fine Cars Inc.	<b>\$118,178</b>
<b>Total</b>	<b>\$254,508</b>

### COMPENSATION FUND CLAIMS OVER TIME:





### **Hudson's Fine Cars Inc.**

Immediate suspensions are used when serious consumer harm is imminent. For example, unpaid liens put consumers at risk because they may be forced to continue making payments on a motor vehicle's lien that *should* have been paid off by a dealer.

In 2019 a salesperson at Hudson's Fine Cars admitted to not immediately paying off liens. This resulted in Hudson's Fine Cars' immediate suspension and license revocation. The MVDCF's board of trustees approved seven consumer claims for unpaid liens on traded-in motor vehicles in 2020. A total of \$118,178 was paid to the seven consumers, relieving them of a debt that should have been paid by the dealer.

## REGISTRATION

The registration team processes new dealer and salesperson applications to ensure applicants meet legislative standards for honesty, integrity and financial responsibility. The team helps maintain industry professionalism and keeps consumers safe, by screening for issues and problematic business models before they enter the industry. The registrar determines whether new applicants meet requirements for registration, and if existing registrants will continue to be registered.

In 2021, OMVIC anticipates that the registrar will take 1,000 actions—an increase of 50 from 2020. This estimate can be attributed to a more robust risk-based enforcement program, which focuses on registrants that pose the greatest risks to consumers.

The registration team introduced a new model to enhance service excellence by offering services online so dealers, salespersons and new applicants can apply, modify or renew their registration digitally. The team tracks digitally filed applications and transfers to ensure processes are effective and efficient. By December 2020, 70 per cent of salesperson transfer applications and 61 per cent of new salesperson applications were filed online, 20 and 10 per cent more than expected, respectively.

Throughout 2020, the team ensured all new dealers received a copy of OMVIC's *Financial Best Practices* document to set them up for success. In 2021, the team will find ways to review and enhance *best practices* to ensure the dealers have the right tools to operate responsibly and maintain compliance with the *MVDA*.

As the pandemic continues to cause challenges for the sector, the team expects a drop in registrant satisfaction from 90 per cent to 80 from backlogs and delays at OMVIC. The team expects processing times for new salesperson applications to increase to 3 days in 2021 from 2.6 in 2020, as application volumes increase. To meet this challenge in 2021, the registration team will focus on automating additional components in the registration process to make it more efficient, such as digitizing existing forms and streamlining procedures. The team will make registration requirements clearer for new applicants, dealers and salespersons and offer greater transparency, by clarifying the application process and results.

Registrant satisfaction may also decrease further with CARS' release and deployment as OMVIC employees and stakeholders navigate through the new online process in 2021.

The team will engage and work with new applicants and current registrants who propose new and unique business plans throughout 2021. When possible, and within the requirements specified under the *MVDA*, the team will foster competition in the sector by allowing new business models, while ensuring consumer interests are protected. For example, if the team receives a proposal for a new business model, a questionnaire is used to solicit additional information and understand the applicant's vision. The team may also set up a meeting to review the plan and advise the applicants about what they can do under the *MVDA*. The team will continue to track non-traditional business model applications to identify trends in the sector.

### Registrar Actions

The registrar took 950 actions in 2020, 293 fewer than in 2019. Registrar actions included proposals to refuse or revoke registration, and the inclusion of terms and conditions on registration. Fines of \$141,250 (from 32 matters) were imposed or negotiated in 2020, and 30 dealers were also required to take further education courses having breached the Code of Ethics. Immediate suspensions are one of the most serious regulatory actions the registrar has authority to take. The registrar did not issue any immediate suspensions in 2020.



In 2021, the registration team will continue to review ways it can support OMVIC’s risk management framework by adding terms and conditions to registrants when appropriate. Circumstances in which OMVIC may apply terms and conditions include: concerns around financial stability, lack of background and experience in the industry, past conduct that raised concerns and possible challenges with an applicant’s interested or associated persons.

**REGISTRANT SATISFACTION SURVEY RESULTS OVER TIME:**

	KNOWLEDGE	COURTESY	EFFICIENCY
2018	<b>4.7</b> <sub>/5</sub>	<b>4.7</b> <sub>/5</sub>	<b>4.6</b> <sub>/5</sub>
2019	<b>4.8</b> <sub>/5</sub>	<b>4.7</b> <sub>/5</sub>	<b>4.7</b> <sub>/5</sub>
<b>2020</b>	<b>4.8</b> <sub>/5</sub>	<b>4.8</b> <sub>/5</sub>	<b>4.7</b> <sub>/5</sub>

**APPLICATION PROCESSING TIMES (DAYS):**

	NEW SALESPERSONS (ACTUAL/ TARGET)	NEW FRANCHISE DEALERS (ACTUAL/ TARGET)	NEW NON-FRANCHISE DEALERS (ACTUAL/ TARGET)
2018	<b>3.1</b> <sub>/3</sub>	<b>N/A</b> *	<b>N/A</b> *
2019	<b>2.6</b> <sub>/3</sub>	<b>6.6</b> <sub>/10</sub>	<b>23</b> <sub>/35</sub>
<b>2020</b>	<b>2.6</b> <sub>/3</sub>	<b>8.0</b> <sub>/10</sub>	<b>25</b> <sub>/35</sub>

In 2019, dealer application processing times were split by business type. COVID-19 mitigations strategies like reduced staffing hours impacted processing times for 2020.

\*Until 2019, the processing times for applications for new franchise and new non-franchise dealers were not recorded. In 2018, target processing times for new dealer applications was 42 days. Actual time was 33.8 days.

## STAKEHOLDER RELATIONS

OMVIC recognizes the importance stakeholder engagement plays in achieving its mandate. The department worked closely to foster two-way communications and deepen relationships with consumer protection and industry stakeholders. COVID-19 resulted in an increased need for stakeholder interactions.

Notably, OMVIC delivered two survey reports to the Government of Ontario which involved extensive consultation and collaboration with key industry stakeholders. The surveys provided a snapshot of consumer and industry confidence in the automotive sector, garnering almost 5,000 registrant responses, to support the Government of Ontario Jobs and Recovery Committee. The survey results were also highlighted in the national media.

The surveys found dealers and salespersons struggled to cope with closures in March and April 2020. Sixty per cent of respondents reported that between April and May, sales decreased by 51 per cent or more. Almost 60 per cent said they laid off more than half of their employees, but two-thirds of those dealers planned to recall up to 25 per cent of furloughed employees by summer. However, only 39 per cent of franchise dealers expected their business to return to pre-pandemic staffing levels by the end of August.

By the fall, dealers and salespersons recovered somewhat, with registrants reporting a more positive economic outlook. Many suspected greater consumer confidence would be a primary driver for the sector's recovery in the coming months.

To grow its relationship with provincial decision-makers and members of provincial parliament, the stakeholder relations and communications teams collaborated to better inform constituency offices about OMVIC's services, highlighting the support the regulator provides to consumers. These initiatives will continue into 2021 to ensure the team helps to meet OMVIC's awareness and trust objectives.

**In 2021, the stakeholder relations team will engage stakeholders, other regulators and experts. It aims to learn about the potential impact of various new online or non-traditional dealer business models. This way OMVIC can make informed recommendations to the government on legislative and regulatory changes needed to welcome certain applicants to the industry.**

**The team will also find new ways to meaningfully engage with stakeholders across the automotive industry, ensuring OMVIC can make decisions based on solid intelligence and evidence. For example, OMVIC will expand its relationship with the Ontario Provincial Police to help combat fraud in the marketplace and build a more effective partnership for the enforcement team.**

As COVID-19 vaccinations increase and cases decrease, the urgency for these meetings will diminish. The number of stakeholder events hosted by the CEO was higher than planned in 2020. This was a result of the new motor vehicle dealers engagement program in which the CEO conducted visits to motor vehicle dealers across the province to gain feedback on the impact of COVID-19 and the status of the industry as a whole.

In 2021, the number of stakeholder events will likely decrease, due to pandemic-related uncertainty about scheduling events. As COVID-19 vaccinations increase and cases decrease, the urgency for these stakeholder meetings will also diminish.



**Finance plays a critical role in supporting OMV's digital transformation, drive more efficient operations and reduce costs at lower costs.**



crucial role  
VIC's continued  
aiming to  
ent outcomes

# Financials

OMVIC's finance team manages the organization's fiscal resources by planning, budgeting and reporting results while implementing internal controls. Through the annual budgeting process, the team plays a crucial role supporting OMVIC's continued transformation, aiming to drive more efficient outcomes at lower costs. The finance team ensures departments are adequately funded and resourced.

Finance adds value through data analysis; it ensures that teams have accurate fiscal evidence to secure OMVIC's solvency, that the executive team can set direction with accurate reporting, and that registrants can easily access payment tools.

Financial highlights in 2020 included the introduction of new temporary controls and processes to ensure OMVIC's continued operations within COVID-19's constraints. The controls focused on achieving financial tasks by limiting physical contact for employees and registrants.

Forecasts and modelling were also prepared to manage risk, and guide decision making under OMVIC's mitigation strategies, to combat the pandemic's financial effects. The models and forecasts identified potential opportunities and risks. For example, the team identified where operational spending could be curtailed to help with hiring decisions, manage cashflow and optimize funds.

Finally, a new automated system was implemented for approving, storing and paying employee expenses and vendor invoices. This supported the finance team's vision for paperless operations, and removed manual processes, to allow the finance team more time for analysis and reporting work to aid decision-making. In the future, OMVIC's finance team plans to be fully automated and paperless to reduce waste and costs, and to make OMVIC a more efficient regulator.

**In 2021, finance will continue its work to streamline, modernize and automate processes to ensure OMVIC has the resources it needs to meet its objectives and mandate. It will also cut total income spent on general and administrative expenses by 0.5 per cent, through further automation and streamlined processes.**

## 2020 AUDITED FINANCIAL STATEMENTS OVERVIEW

Overall, for 2020, OMVIC reported a net surplus of \$4,159,311 which was due to COVID-19 mitigating strategies related to curtailing operating expenditures and staffing. These strategies were enacted based on dealer shutdowns during the pandemic's first wave lockdown. The net surplus was also due to the organization experiencing a significant positive swing in investment income by year-end.

Total revenues were \$21,296,792 compared to \$21,701,063 in the prior year. The decrease was due to the effects of COVID-19 causing significant reductions in registration fees received in the fourth quarter. The decrease in registration fees is expected to continue into 2021.

Registration fees reported in OMVIC's financial statements reflect registration fees and transaction fees from actual motor vehicle sales. When COVID-19 was first declared a pandemic in Canada, dealerships were ordered to close which meant no actual car sales. This reduced the transaction fee component of registration fee revenues for OMVIC. Transaction fee revenues are earned when there is a vehicle transaction such as a sale or lease of a vehicle. When dealers reopened, vehicle transactions were still depressed. Hence, transaction fees for 2020

were \$765,000 lower than 2019, representing 76,500 fewer vehicle transactions.

OMVIC dealer registrants report their transaction fees for the 12-months prior. Therefore, a decrease in transaction fees occurred in 2020 but are reported in 2021. Also, industry experts provided market studies and predictions indicating motor vehicle sales and leases will continue to decline into 2021.

Investment and other income increased to \$1,552,118 in 2020 from \$818,000 in 2019. Investment income is recorded on an accrual basis and includes interest, dividends, net realized gains (losses) on sale of investments and net unrealized gains (losses).

Total operating expenses were \$17,137,481 compared to \$18,079,896 in the prior year. The main contributors to the decrease were hiring freezes, temporary salary reductions, reduced travel, professional fees and public awareness spending as part of COVID-19 mitigation measures.

At the end of fiscal 2020, total assets were \$28,194,092 compared with \$24,311,793 in 2019, including \$26,453,866 in cash and investments for the year.

### REVENUES BY SOURCE:

REVENUE SOURCES	2020	2019	2018
Registration fees	<b>\$18,734,297</b>	\$19,687,406	\$19,777,633
Transfer fees	<b>\$560,700</b>	\$679,875	\$551,700
Certification course fees	<b>\$256,675</b>	\$361,405	\$374,960
Disciplinary fines	<b>\$113,775</b>	\$75,150	\$67,850
Amortization of deferred contributions	<b>\$79,227</b>	\$79,227	\$79,227
Investment and other income	<b>\$1,552,118</b>	\$818,000	\$321,307
<b>TOTAL</b>	<b>\$21,296,792</b>	<b>\$21,701,063</b>	<b>\$21,172,677</b>

## EXPENSES BY SERVICE AREA:

SERVICE AREA	2020	2019	2018
Investigations	<b>\$2,644,356</b>	\$2,626,161	\$2,401,075
Registration	<b>\$3,001,489</b>	\$2,974,544	\$2,542,428
Legal services	<b>\$2,659,444</b>	\$2,919,080	\$2,505,960
Compliance	<b>\$2,483,498</b>	\$2,264,220	\$2,154,589
Communications	<b>\$2,006,569</b>	\$3,002,036	\$2,708,733
Information technology	<b>\$1,393,852</b>	\$1,378,772	\$1,310,088
Complaints and inquiries	<b>\$1,605,365</b>	\$1,502,991	\$1,170,472
Governance	<b>\$880,241</b>	\$1,091,279	\$964,090
Compensation fund	<b>\$397,717</b>	\$253,273	\$179,800
Discipline	<b>\$64,950</b>	\$67,540	\$43,455
<b>TOTAL</b>	<b>\$17,137,481</b>	<b>\$18,079,896</b>	<b>\$15,980,690</b>

The 2020 audited financial statements overview is drawn from OMVIC's audited financial statements. **Please click [this link](#) to read the audited financial statements.**



## FINANCIAL FORECASTS

REVENUES	[\$ THOUSANDS]		
	2021	2022	2023
Registration and Transaction fees	17,545	18,099	18,767
Transfer fees	548	555	563
Certification fees	369	372	374
Amortization of deferred contribution	79	79	79
Interest and other	110	110	110
<b>TOTAL REVENUE</b>	<b>18,651</b>	<b>19,215</b>	<b>19,893</b>



	[\$ THOUSANDS]		
EXPENSES	2021	2022	2023
Salaries and benefits	13,449	14,342	14,829
Public Awareness	2,000	2,000	2,000
Professional services	1,100	1,117	1,140
Travel	474	478	482
General and administrative	688	698	705
Occupancy	913	927	940
Per-diem allowances	490	500	510
Amortization of capital assets	358	368	378
Telecommunications	283	287	293
Government oversight fees	235	260	272
Industry awareness	120	320	320
<b>TOTAL EXPENSES</b>	<b>20,110</b>	<b>21,297</b>	<b>21,869</b>
Excess of revenues over expenses before other income	(1,459)	(2,082)	(1,976)
Investment income	616	616	616
OMVIC support to MVDCF	175	175	175
<b>NET</b>	<b>(1,018)</b>	<b>(1,641)</b>	<b>(1,535)</b>

## APPENDIX A: BOARD OF DIRECTORS BIOGRAPHIES, CODE OF CONDUCT & COMMITTEES

### **Kevin Bavelaar, president and chair**

AUTO SHOWPLACE, VAUGHAN, TERM EXPIRES 2022 AGM

Kevin Bavelaar started in the used car business in 1989 as a salesperson in a medium-sized independent dealership. He was promoted to general manager in 1990. In 1993, he started Auto Showplace and has since been involved in all aspects of automotive remarketing. As Auto Showplace's owner, he is familiar with the challenges of running a medium-sized independent car dealership, including marketing, strategic planning, risk management and financial responsibility.

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### **Paul Tinney, vice president**

PAUL TINNEY AUTO SALES, PETERBOROUGH, TERM EXPIRES 2021 AGM

Paul Tinney's father started a used-vehicle dealership in 1950. As a teenager, he worked at the dealership jockeying cars and performing odd jobs. This experience generated an interest in the automotive industry.

In 1993, Tinney established a wholesale and retail dealership, Paul Tinney Auto Sales, which he still operates today.

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### **Rodney Jackson, vice president**

MINISTERIAL APPOINTEE, TERM EXPIRES FEBRUARY 15, 2022

Rodney Jackson was a member of provincial parliament from 2011 to 2014 and was appointed to the provincial shadow cabinet as official opposition critic for community and social services, the third-largest ministry in the province. He served as the watchdog for the 2015 Pan-Am Games and is the recipient of the Queen's Diamond Jubilee Medal in honour of significant contributions and achievements as a Canadian.

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### **Matt Rispin, secretary-treasurer**

NORTH TORONTO AUCTION, INNISFIL, TERM EXPIRES 2021 AGM

The automotive remarketing business has helped satisfy Matt Rispin's entrepreneurial passion for the past 20 years. In 2003, Matt and his partners opened North Toronto Auction (NTA) and have succeeded in developing it into the largest independent auction house in Canada. NTA is recognized as a pioneer of the hybrid auction model, specializing in both wholesale and public auctions.

### **Cliff Pilon, dealer representative**

GOLD FLEET SUBARU/SUZUKI, NORTH BAY, TERM EXPIRES 2021 AGM

Cliff Pilon entered the automotive industry in 1981 and has proudly served on OMVIC's board since May 2006. He has been the dealer principal of Gold Fleet Subaru in North Bay for more than 31 years. A hands-on approach, coupled with daily interaction with his businesses and learning and adapting to technology, social and environmental changes, helps keep him in tune with the ever-changing landscape.

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### **Glen Fenwick, dealer representative**

GLEN FENWICK SUBARU & GLEN FENWICK HYUNDAI, TERM EXPIRES 2023 AGM

Glen Fenwick is the dealer principal of Glen Fenwick Subaru and Glen Fenwick Hyundai. He is a second-generation member of the automotive sales industry. He previously sat on the Board of Directors for the OADA/TADA. He is a Past Vice Chair of OMVIC's Discipline and Appeals Committee. His goal has always been to use his experience to support our industry and our consumers in the best possible way.

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### **Mohamed Bouchama, ministerial appointee**

CONSULTANT AND FORMER EXECUTIVE DIRECTOR, CAR HELP CANADA, TERM EXPIRES FEBRUARY 15, 2022

Mohamed Bouchama, former executive director of Car Help Canada, has been helping Canadians with purchasing and repairing cars for more than 20 years. He began his career in consumer advocacy with the Automobile Protection Association, where he helped thousands of Canadians resolve automotive issues.

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### **Rob Leggat, dealer representative**

TEAM HONDA POWERHOUSE OF MILTON, TERM EXPIRES 2023 AGM

Rob Leggat is the Managing Partner/General Manager of Team Honda Powerhouse of Milton. Since he took over the dealership in 2010, they have won the Honda President's Challenge six times. His career in the automotive sales industry began in September 2003 when he joined Leggat/Mountain Saturn Saab. He transitioned to sales management in 2005 and worked there until 2008.



### **Robert McMillan, dealer representative**

VOLVO OF MISSISSAUGA, TERM EXPIRES 2022 AGM

Robert McMillan is an award-winning automotive industry expert with more than 35 years of experience owning and operating dealerships and leading and serving on multiple boards of directors, including as President of the Canadian International Autoshow.

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### **Sandy Di Felice, ministerial appointee**

SDF STRATEGIES, TERM EXPIRES FEBRUARY 15, 2022

Sandy Di Felice spent 15 years as an executive in the automotive industry advancing reputation, public policy, advocacy, stakeholder relations, risk management, strategic planning and corporate and product brand marketing. Her responsibilities spanned the sales, finance and manufacturing operations for global brands.

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### **Sohail Ahmed, dealer representative**

MOMO CARS, INC., TERM EXPIRES 2023 AGM

At 18 years old, after selling his first start-up, Sohail Ahmed registered with OMVIC to start his next venture, a car dealership in Niagara. While learning the industry from the ground up, he grew the business over the next decade into a large dealership, collision centre and full-service centre. He was named one of Auto Remarketing's 40 under 40 in 2015 for his unique vision of the automotive industry.

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### **Tony Del Gobbo, dealer representative**

NEWMARKET HYUNDAI, TERM EXPIRES 2022 AGM

Tony Del Gobbo has a combined 38 years of automotive experience. He is president and owner of Newmarket Hyundai, Orillia Hyundai, Cambridge Mitsubishi, Mountain Mitsubishi and Collingwood Hyundai. He is also vice-president and owner of HWY 11 Dodge, Chrysler, Ram and Orillia Motorsports. He has also served on the TADA board previously (2010–2014) and on the Hyundai National Dealer Council (2001–2010).

### **Board Member Code of Conduct**

Board members follow a code of conduct.

Members must:

- Review materials provided for board and committee meetings in advance of all meetings
- Be prepared to participate in meetings of the board and its committees and subcommittees through informed and reasoned discussion and questions
- Consult stakeholders as necessary without violating confidentiality
- Encourage fellow Board members to participate in meetings
- Respect views of fellow Board members even if those views vary significantly from their own
- Make decisions that serve the best interests of OMVIC's objects and priorities
- Demonstrate respect, courtesy and professionalism while fulfilling his or her duties and responsibilities as a Board member, including interactions with other Board members, officers and employees, and external stakeholders
- Make decisions which serve the best interests of OMVIC rather than their own or any group or association
- Avoid or declare real or perceived conflicts of interest
- Conduct themselves in accordance with applicable law, the Code of Conduct, and the Confidentiality policy
- Conduct their businesses in accordance with the Motor Vehicle Dealers Act, 2002, and other laws which apply to their business
- Ensure sound fiscal management of OMVIC.

### **Board committees**

- Appeals Committee
- Audit, Finance and Risk Committee
- Communications Committee
- Executive Committee
- Nominating Committee
- Regulatory Affairs Committee

## APPENDIX B: BALANCED SCORECARD

### Fiscal Year 2021 Targets (Forecasts)

OMVIC has developed a set of metrics to measure progress in achieving strategic goals and objectives. Progress is monitored through internal quarterly scorecards. Key 2021 metrics for OMVIC are listed below.

### STRATEGIC GOAL 1: INCREASE CONSUMER PROTECTION AND AWARENESS

Objective	#	Measure	2020 Actual	2021 Forecast
1.1 Consumer complaints are addressed fairly, professionally, and efficiently	1	Monitor consumer satisfaction that complaint handler is knowledgeable, courteous and efficient based on average survey score	75%	70%
1.2 OMVIC receives information allowing it to take appropriate administrative/compliance/enforcement action	2	Provide conciliation services to consumers and track number of complaints handled	796	900
1.3 Improved consumer awareness of their rights when purchasing a motor vehicle	3	Maintain awareness of all-in-pricing	45%	44%
	4	Produce consumer-focused publications (Consumer Lines and blogs)	63	50
	5	Provide consumer education/awareness seminars and events (e.g. newcomer centres, libraries, schools)	24	35
1.4 Better awareness of OMVIC as the regulator and trusted authority on information and consumer protection for vehicle purchases	6	Monitor awareness of the OMVIC brand	25%	22%
1.5 Consumer concerns are prevented	7	Respond to inquiries about advertising and code of ethics from dealers & ad agencies	1,054	300
	8	Conduct compliance inspections and track number of inspections	2,136	2,300

### STRATEGIC GOAL 2: INCREASE REGISTRANT PROFESSIONALISM AND ACCOUNTABILITY

Objective	#	Measure	2020 Actual	2021 Forecast
2.1 Improved compliance and higher levels of registrant professionalism and accountability	9	Monitor number of registrar actions	950	1,000
2.2 Reduced recidivism	10	Metrics to be considered	TBD	TBD
2.3 Reduced illegal vehicle sales (curbsiding)	11	Monitor total # curbsiders charged (charges)	346	300
2.4 A fairer playing field for all registrants	12	Track the number of mystery shops conducted by external parties	4	2

### STRATEGIC GOAL 3: BE A TRUSTED AND RESPECTED PARTNER BY ENGAGING STAKEHOLDERS

Objective	#	Measure	2020 Actual	2021 Forecast
3.1 OMVIC viewed as responsive, anticipating industry and consumer challenges	13	Track the number of issues discussed by the Consumer Protection Advisory Committee	6	3
3.2 OMVIC viewed as a regulator that listens and engages with all stakeholders	14	Track the number of stakeholders meetings (such as government, industry, training institutions and consumer groups)	123	80
3.3 Stakeholders acknowledge and value OMVIC's track record, effectiveness, efficiency, and expertise	15	Track average of GOOGLE reviews scores on a 5 point scale	2.3%	2.5%
3.4 Successful initiatives and projects with a broad group of stakeholders that, where appropriate, advance OMVIC's mandate	16	Track the number of stakeholder events hosted by the CEO	15	12

### STRATEGIC GOAL 4: INCREASE ORGANIZATIONAL EFFICIENCY AND EFFECTIVENESS

Objective	#	Measure	2020 Actual	2021 Forecast
4.1 Higher service satisfaction levels from registrants	17	Monitor registrant satisfaction with our registration services (based on knowledge, courtesy & efficiency scores)	96%	80%
4.2 Increased efficiency through continued shift to digital services/communications	18	Track online services usage by Dealers (renewals)	88%	90%
	19	Track online services usage by Salespeople (renewals)	93%	95%
4.3 Staff that understand and embrace OMVIC's consumer protection mandate	20	Track the percentage of staff that passed OMVIC certification course	92%	90%
4.4 Safe, inclusive, open, and trustworthy culture	21	Track staff job satisfaction	83%	80%
4.5 High functioning professional staff	22	Track the average of staff performance review scores so that on average staff are at minimum "meeting expectations" with a review score of at least 60% on average	80%	60%
4.6 High functioning and skilled Board	23	Track average board member perception that board members function effectively as a team	82%	85%
4.7 Institutional knowledge retention	24	Track % of staff turnover	9%	6%
4.8 Business continuity	25	Monitor % of system uptime including online services, website and telephony	99.9%	99.9%
4.9 A regulator staffed and resourced to effectively deliver its mandate	26	Maintain efficient turnaround time for new salesperson complete applications (average # of days)	2.6	3
4.10 Implement a Strategic Technology roadmap	27	New: Track percent of applications/systems migrated to the cloud	35%	70%
	28	Track number of completed IT Steering Committee projects	15	18
4.11 Staff supported by external expertise	29	Track the number of workshops, meetings and trainings facilitated by external consultants	36	30
4.12 A regulator digitally equipped to effectively deliver its mandate	30	Track the % of implementation of a new customer relationship management system	40%	100%
4.13 Continued financial viability and accountability	31	Track income utilization ratio (% of total income spent on general and administrative expenses)	3.3%	2.8%
4.14 A regulator enabled financially to effectively deliver its mandate	32	Track current ratio (OMVIC's ability to pay short-term obligations within one year)	3.9	3.8



Ontario's Vehicle Sales Regulator

[omvic.ca](https://www.omvic.ca)

1-800-943-6002

65 Overlea Blvd.  
Suite 300  
Toronto, Ontario  
M4H 1P1



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