



BUSINESS PLAN



OMVIC 2024 Business Plan

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Introduction

The Ontario Motor Vehicle Industry Council (OMVIC) administers and enforces the Motor Vehicle Dealers Act, 2002 (MVDA) – a consumer protection statute. OMVIC is a not-for-profit corporation governed by a nine-member board of directors.

As the regulator of motor vehicle dealers and salespersons (registrants), OMVIC exists to protect consumers and enhance registrant professionalism. Consumers should know they are protected, and OMVIC ensures that registrants 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 approximately 30,000 salespersons in Ontario, OMVIC has a strong mandate, mission, and values to protect consumers and enhance registrant professionalism.



Corporate Overview

MANDATE

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

MISSION

To enhance trust and professionalism in Ontario’s motor vehicle sales industry and protect consumers through education, oversight, and enforcement.

VALUES

Consumer Focus: We are accountable and dedicated to consumer protection.

Professionalism: We are focused on enhancing trust in the vehicle sales industry through professionalism.

Integrity: We aspire to the highest standards, acting with integrity, fairness, and transparency.

Excellence: We strive to lead the way in impactful, proactive, and innovative regulation of the motor vehicle sales industry.

Governance

In early 2024, OMVIC's Board of Directors participated in developing a new strategic plan to guide activities for the coming three years. Board members and staff participated in workshops to reach a consensus on short and long term strategic directions. As part of this process, measurable objectives were defined. Key performance indicators were established to help monitor goal progression and achievement. The new strategic plan, reflected in this document, was completed in April 2024 and will be presented to

stakeholders during the June 2024 Annual Meeting. In 2023, the Consumer Advisory Council and the Industry Advisory Council were introduced to enhance OMVIC's governance model. In support of OMVIC's consumer protection mandate, these councils will meet quarterly in 2024 to provide independent advice to OMVIC on matters affecting the sector and strategies for increasing consumer and industry awareness and engagement. More information about these councils is available at omvic.ca.

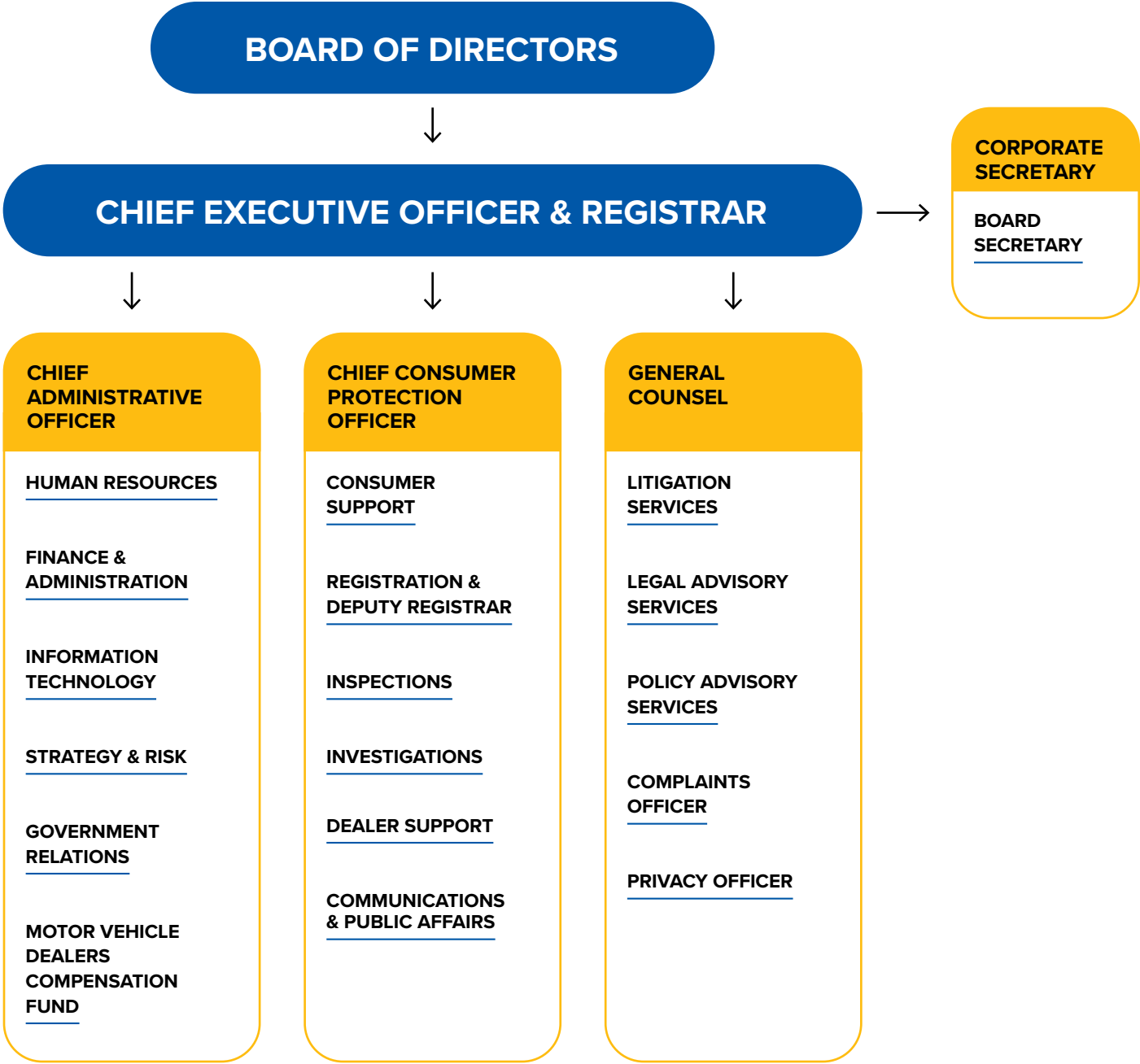


PHOTOGRAPH BY ISTOCK

Operations

OMVIC's CEO and Registrar leads the organization's overall management and administration, reporting to the board of directors. Over the last few years, OMVIC's leadership team considered the changes required to reach its full poten-

tial as Ontario's modern motor vehicle sales regulator. As a result, in 2023, the organization recruited a new Chief Consumer Protection Officer. This position reports directly to the CEO and Registrar and oversees consumer support, registration, communication, and enforcement.



Assessment of Impact of Auditor General of Ontario Audit

On December 6, 2023, the Office of the Auditor General of Ontario released its follow-up report on the 30 recommendations (with 70 action items) made in the December 2021 Value-for-Money Audit Report.

The report notes that as of October 20, 2023:

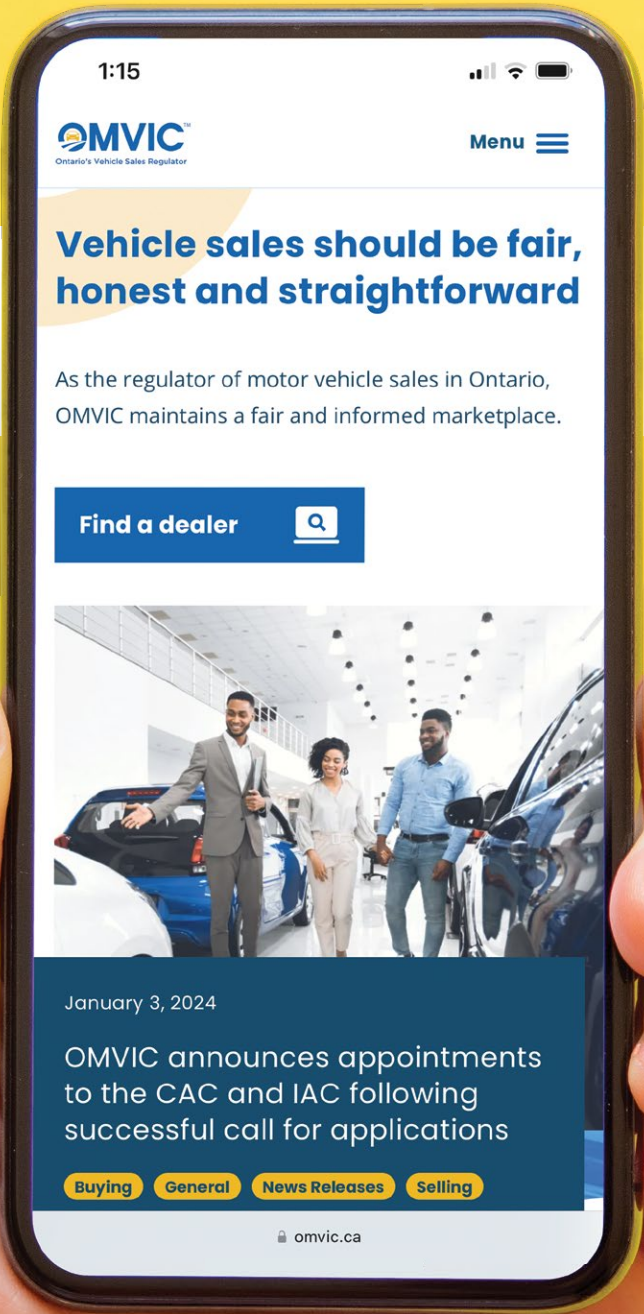
- OMVIC fully implemented 75 per cent of the recommendations specifically directed toward it during the 2021 Value-for-Money Audit.
- In addition, three per cent of the recommended action items were determined to be no longer applicable.
- Combined, OMVIC and the Ministry of Public and Business Service Delivery (ministry) fully implemented 56 per cent of the recommended actions.
- OMVIC and the ministry made progress in implementing 10 per cent of the recommended actions.

By December 31, 2023, OMVIC completed seven additional actions directed toward it. OMVIC’s implementation work to date includes:

- A new online registration portal that streamlines the application processes and improves registration wait times.
- Improved financial screening of new motor vehicle dealers to ensure that they have sufficient start-up capital to operate their business in a responsible and compliant manner.

- A new risk-based approach to conducting inspections that ensures that high-risk dealers are inspected more frequently.
- Strengthened oversight processes in OMVIC’s key operating departments to ensure consistency and timeliness of inspection, investigation, consumer support, and registration processes and services.
- Increased staffing levels in OMVIC’s key operating departments to improve its efficiency and effectiveness in protecting consumers and responding to industry needs.
- Improved consumer awareness and dealer education campaigns.
- Strengthened corporate governance by applying fixed term limits, higher consumer representation, and enhanced selection criteria for OMVIC’s board members.
- Greater transparency by publicly reporting on OMVIC’s website the complete results of consumer surveys, registration processing times, and number of completed inspections.

Since the release of the Auditor General’s report, OMVIC worked diligently to modernize and improve its processes and services. Going forward, three action items directed solely at OMVIC must be completed. We are confident that the changes we have made and continue to make will provide better protections to consumers and increase industry professionalism in Ontario.



Services

OMVIC provides the following services:

Consumer protection – Create a fair, safe, and informed marketplace for consumers by increasing awareness, enforcing, and administering consumer protection legislation. Provide education, complaint, and inquiry services to ensure consumers are well-informed before buying a vehicle.

Registration – Maintain administrative duties, including registering motor vehicle dealers and salespeople in the Province of Ontario. The registration process includes a careful screening of all applicants/registrants to ensure they meet the requirements stipulated in the MVDA. Applicants/registrants will be assessed to ensure they will operate with honesty, integrity, financial responsibility, and compliance with the law.

Handling complaints – Provide a service that educates and advises consumers about how to address issues regarding their motor vehicle purchases. Where possible, OMVIC staff can facilitate resolution services to try and assist complainants in resolving their issues.

Enforcement – Enhance registrant compliance enabled by a robust inspection program and appropriate application of administrative and/or enforcement curbsider activities.

Education – Inform consumers with educational resources, direct outreach, and awareness programs. Enhance registrant professionalism with the development and promotion of educational resources.

Complaints process

Consumer complaints are referred to the consumer support department. OMVIC receives inquiries from consumers where advice is offered, but the file is not escalated to a formal complaint process. On first contact with OMVIC, complainants are given information on how to resolve their dispute with the dealer and/or salesperson. The most common inquiries received relate to motor vehicle conditions, liquidated damages (which occurs when motor vehicle dealers are able to recover costs from the deposit after a consumer cancels a motor vehicle purchase), contract disputes, and misrepresentation (such as a failure to disclose a motor vehicle's accident history).

Utilizing the information provided by OMVIC, many common complaints are resolved directly between

the consumer and the dealer. More complex issues may require OMVIC to facilitate discussions to assist in resolving the dispute between the parties, or formally investigate the complainant's allegations and take the appropriate administrative action against the dealer and/or salesperson. OMVIC classifies this process as an escalated complaint and tracks the time it takes to complete each escalated complaint.

The time to handle an escalated complaint begins when a complainant provides all documentation to support their complaint and submits a signed OMVIC complaint process acknowledgement form (OCPAF). This begins the process for OMVIC to formally review the complaint details and determine whether voluntary resolution or a formal investigation of the complainant's allegations is appropriate. In this process, OMVIC provides the dealer and/or salesperson with a copy of the complaint and they are given an opportunity to respond in writing.

NOTE: OMVIC cannot compel or order a dealer to cancel a contract, return money, or carry out repairs.

OMVIC's role is to facilitate a voluntary resolution between the parties and/or conduct a formal investigation of the complainant's allegations to determine whether administrative action should be taken against the dealer and/or salesperson for breaches of the MVDA.

Translation services

OMVIC responds to all French inquiries and ensures French-language services are available for registrants and consumers. OMVIC provides pathways for Franco-Ontarians to access its programs and services through the website and phone system. The website layout was revised to enhance the visibility of available translation services, and functionality was added to the phone auto attendant that directs French speakers to receive support 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 work with consumers and OMVIC's consumer support department to help them resolve their issues when possible.

Strategic Goals

For the 2024-2026 planning horizon, OMVIC's time, effort, and resources focus on achieving the following strategic goals across three priority areas.

- 1

Consumer Protection:

Enhance consumer confidence through knowledge and awareness and by setting and enforcing standards of registrant conduct.
- 2

Registrant Professionalism:

Ensure professionalism is advanced through education and other resources while focusing on emerging technologies.
- 3

Organizational Excellence:

As a modern regulator, advance an inspired and collaborative culture, innovative organizational practices, and meaningful stakeholder relationships.

2024 Business Plan Activities



STRATEGIC GOALS AND OBJECTIVES

1. CONSUMER PROTECTION

Consumer protection is central to OMVIC’s mandate and is a primary focus over the coming three-year plan horizon. The organization will improve consumer awareness, perceptions, and confidence in Ontario’s motor vehicle sales industry, emphasizing effective marketing, education, resources, and regulatory activities that ensure a fair and positive process for consumers purchasing vehicles.

GOAL:	OBJECTIVES:
Enhance consumer confidence through knowledge and awareness and by setting and enforcing standards of registrant conduct.	1.1. Establish formal policy positions on compliance matters and develop an associated communications plan in 2025.
	1.2. Conduct a review of OMVIC’s existing brand/strategy and implement an updated branding and identity strategy by the end of 2026 to enhance consumer knowledge and awareness.
	1.3. Develop and implement innovative approaches to compliance issues by the end of 2026 to reduce the incidence of registrant misconduct.

PHOTOGRAPH BY ISTOCK

2. REGISTRANT PROFESSIONALISM

OMVIC continues to develop and enforce processes that ensure a high level of registrant professionalism, resulting in more honest and compliant business practices throughout the vehicle purchase process.

An important focus is providing registrants with timely and relevant education, information, and resources to support professionalism. Better leveraging technology to improve OMVIC’s oversight and enforcement is also a key strategy to improve OMVIC’s effectiveness in this important area.

GOAL:	OBJECTIVES:
Ensure professionalism is advanced through education and other resources while focusing on emerging technologies.	2.1. Identify and assess primary risks and opportunities of emerging technologies in 2024 to inform OMVIC education and compliance activities.
	2.2. Develop an implementation strategy in 2025.
	2.3. Implement the strategy in 2026 and conduct annual monitoring and revisions as necessary.

3. ORGANIZATIONAL EXCELLENCE

OMVIC’s success depends on the ability of its staff and systems to execute the organization’s goals and objectives.

OMVIC’s organizational focus over the coming three years will include fostering a united, effective, and positive staff culture and ensuring the organization has sufficient resources to carry out its mandate and strategic plan effectively.

Reviewing internal systems and strategically using new and emerging technologies to increase OMVIC’s effectiveness and efficiency will also contribute to the organization’s enforcement and consumer protection abilities.

Likewise, effective and positive strategic relationships with organizations representing key stakeholder groups will enable OMVIC’s success.

GOAL:	OBJECTIVES:
As a modern regulator, advance an inspired and collaborative culture, innovative organizational practices, and meaningful stakeholder relationships.	3.1. By the end of 2026, achieve a positive and engaged workforce and be recognized externally as an employer of choice.
	3.2. Develop and enhance a variety of organizational practices by the end of 2026 to support consumer protection initiatives.
	3.3. Strengthen key existing relationships with industry associations and consumer groups and identify new opportunities for collaboration by the end of 2026.
	3.4. Achieve long-term financial viability by the end of 2026.

Measuring Success

OMVIC’s progress toward meeting its strategic goals is monitored with key performance indicators tracked in a Balanced Scorecard (Appendix A). Management, the board, and the ministry review the scorecard each quarter.

Performance reporting related to registrant compliance, consumer protection, consumer awareness, and registrant/consumer satisfaction is also available on [OMVIC’s website](#).



PHOTOGRAPH BY ISTOCK

Resources Needed to Meet Strategic Goals

In developing the 2024 Business Plan, OMVIC assessed the financial, human, and other resources required to successfully deliver on these strategic initiatives.

Financial Resources

A deficit is budgeted for 2024 due to the carryover effects of the significant investment in human resources in 2022. Workload studies led to increased staffing to deliver on the recommendations set out in the 2021 Auditor General’s report.

Another factor leading to the budgeted deficit is due to transaction volumes and registration volumes, which are expected to remain below pre-pandemic figures. Lastly, operating expenses continue to be higher than in prior years due to inflation.

A smaller deficit is forecasted for 2025, and an even smaller deficit is expected in 2026 due to fee increases which took effect on April 1, 2024. The financial effect of the fee increases is modest in the 2024 fiscal year due to timing. The 2024 fee increases will be more fully realized in 2025 and in full effect in 2026.

While the bottom-line position is forecasted to improve over the next few years, OMVIC strives to maintain a six-month operating reserve. Even with the fee increase on April 1, 2024, OMVIC is unable to meet its reserve target. During fiscal 2024, OMVIC will prepare an additional fee analysis and determine when another fee adjustment will be required.

Human Resources

OMVIC conducted the first staff survey on Diversity, Equity, and Inclusion (DEI) in December 2022 to gauge the degree to which DEI is embedded in OMVIC’s culture. The data collected provided information on staff demographics and the staff experience at OMVIC.

In 2024, OMVIC will coordinate the delivery of DEI training for all staff. A second DEI survey will be conducted, along with staff focus groups, to assess current staff demographics and experiences. The results will highlight areas for improvement and will help to inform future action plans.

Information Technology Resources

In 2024, the IT department will continue its initiative to shift OMVIC toward a cloud-based environment and eventually retire its physical data center within

OMVIC premises.

The IT department remains committed to delivering on OMVIC’s transformational goals. In 2023, the IT department implemented a new customer relationship management (CRM) system – the Consumer Automotive Regulatory System (CARS) – as well as a new online portal for our registrants. In 2024, new system features and functionality will help to improve the CARS internal and external stakeholder experience. In 2024, the IT department will continue with infrastructure upgrades that improve system performance and support other teams’ technology goals, including upgrading OMVIC’s financial system to a newer, cloud-based version.

As the organization modernizes, the IT department continues to automate, improve OMVIC’s security footprint, and provide timely service for a seamless user experience.

Financial Forecasts



Revenues (\$ Thousands)	2024	2025	2026
	Budget	Forecast	Forecast
Transaction fees	12,857	15,942	17,095
Registration fees	6,925	7,455	7,530
Investment income	235	230	220
Interest and other	55	50	45
Transfer fees	769	851	860
Certification fees	320	320	320
Disciplinary penalties	100	110	116
Amort of deferred contribution	79	100	100
Total revenue	21,340	25,059	26,286
Expenses			
Salaries and benefits	18,451	19,042	19,705
Public awareness	2,120	2,440	2,000
Professional services	1,646	1,726	1,761
Occupancy	882	745	755
General and administrative	795	811	828
Per-diem allowances	454	463	472
Amortization of capitol assets	678	679	667
Government oversight fees	299	330	340
Telecommunications	251	256	261
Travel	420	420	409
Industry awareness	40	60	60
Total expenses	26,037	26,972	27,257
Excess of revenues over expenses before other income	(4,697)	(1,914)	(971)
Expense: OMVIC support to CF	129	-	-
Excess of revenues over expenses	(4,826)	(1,914)	(751)

Appendix A

2024 Balanced Scorecard

AREA	DEPARTMENT	DESCRIPTION	#	2024 FORECAST
Compliance	Registration	Number of new dealer applications processed.	1	1,100
		Number of new salesperson applications processed.	2	5,500
		Number of renewals processed.	3	19,000
	Complaint resolutions	Number of complaints handled.	4	750
		Percentage of complaints that result in successful conciliation.	5	40%
	Inspections	Number of completed inspections.	6	2,000
		Number of dealer site visits conducted by inspectors.	7	30
	Investigations	Number of charges laid against registrants and curbsiders.	8	1,200
		Number of entities charged.	9	120
		Number of charges laid against curbsiders.	10	700
	Registrar actions	Number of registrar actions.	11	750
	Financial - compensation fund	Compensation fund's unrestricted net asset balance.	12	\$8,000,000
		Percentage of compensation fund claim recoveries.	13	10%

Efficiency (turnaround time)	Registration	Average number of business days processing for new salesperson applications submitted online (including complete, incomplete, complex and non-complex applications and including staff follow up time to collect missing information and review).	14	20
		Average number of business days processing for all new salesperson applications submitted by email and mail (including complete, incomplete, complex and non-complex applications and including staff follow up time to collect missing information and review).	15	30
		Average number of business days processing for all new dealer applications (including complete, incomplete, complex and non-complex applications and including staff follow up time to collect missing information and review).	16	90
	Complaints	Average number of calendar days turnaround time for complaints handling.	17	45
	Inspections	Average number of years that elapse between dealer inspections.	18	3.0
	Discipline	Number of days turnaround time for a Discipline Tribunal Panel to issue a decision following the conclusion of a hearing.	19	60
Education and Awareness Initiatives	Communications (their rights and protections in buying a car)	Consumer awareness that buying from a registered dealer offers legal protections survey score.	20	43%
	Services	Awareness of the OMVIC brand survey score.	21	33%
	Compensation fund	% awareness that individuals may be eligible for compensation from MVDCF if they suffer a financial loss as a result of buying from an OMVIC-registered dealer.	22	18%



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