



Vehicle Sales Authority
of British Columbia

Strategic Business Plan

For Fiscal Years
2016-17 to 2018-19





Message to the Minister from the Chair and President

February 23, 2016

The Honourable Mike Morris
Solicitor General and Minister of Public Safety

On behalf of the Board of Directors, the Registrar, the management and staff of the Vehicle Sales Authority of British Columbia (VSA), it is a privilege to present our Strategic Business Plan for the fiscal years 2016-17 to 2018-19.

Originally established as the Motor Dealer Council of British Columbia, the VSA was formed in 2004 as a delegated administrative authority to legislatively and administratively regulate the motor dealer industry by delivering public services for consumers and administering the *Motor Dealer Act* and the *Business Practices and Consumer Protection Act*, as it relates to the retail sale of motor vehicles.

This three year plan supports our mission to build confidence in the motor vehicle sales marketplace through consumer and industry education, meaningful stakeholder engagement and compliance with the Acts. The plan also reinforces our ongoing commitment to accountability and fairness in all our operations, including financial performance.

Past performance, the current operating environment and significant future risks have been considered in the development of this plan and the performance targets have been set based on a realistic assessment of our financial and human resource capacity.

Sincerely yours,

Graeme Roberts
Chair

Jay Chambers
President



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1. Corporate Overview

The Vehicle Sales Authority of British Columbia (VSA) is a regulatory agency authorized by the provincial government to administer and enforce the *Motor Dealer Act* and portions of the *Business Practices and Consumer Protection Act*, as it relates to the sale of personal-use motor vehicles.

As a not-for-profit organization, the VSA is led by an eleven-member Board of Directors of vehicle sales industry representatives, government appointees and members of the general public. Incorporated under the Society Act of B.C. in July 2003 as the Motor Dealer Council of British Columbia, the agency operates under a delegation agreement with the provincial government.

Vision

A professional motor vehicle sales industry serving responsible consumers

Mission

Continuing to build a successful motor vehicle sales marketplace through education and compliance

Values

INTEGRITY
RESPECT
TEAMWORK
EXEMPLARY SERVICE
ACCOUNTABILITY

Government Expectations

Responsibility for Consumer Protection

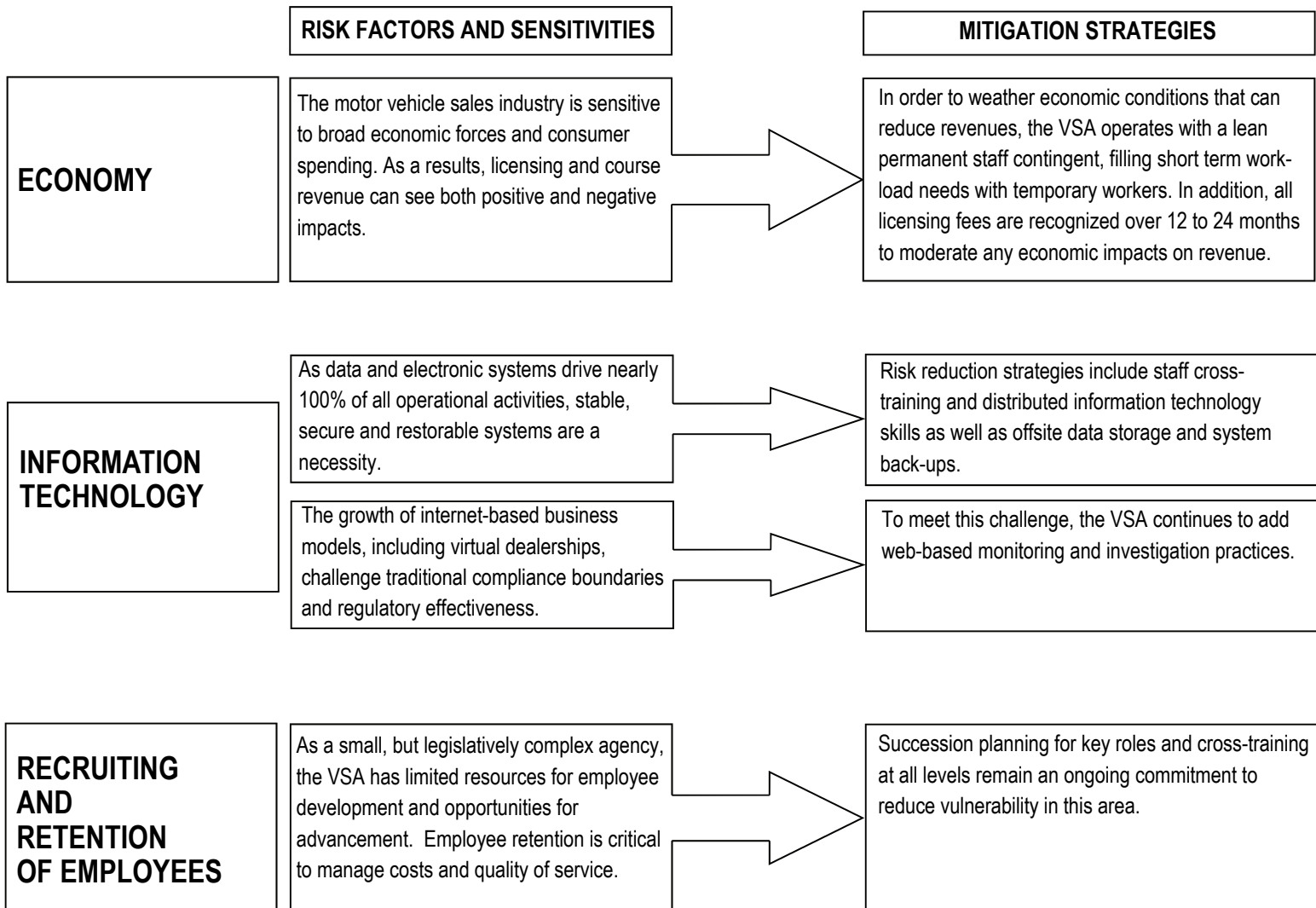
The primary responsibility of the VSA is to maintain and enhance consumer protection and public confidence in the motor vehicle sales industry.

Core Business Functions

The VSA's administrative functions are as follows:

- Registration and licensing of dealers and salespeople in the motor vehicle sales industry by a Registrar of Motor Dealers
- Inspection and investigation of Motor Dealers for compliance with the *Motor Dealer Act* and its regulations, and other consumer protection statutes on behalf of the Registrar
- Provision of information and assistance, including the voluntary and impartial mediation of disputes, to consumers and Motor Dealers regarding their rights and responsibilities under the Act and any other applicable consumer protection statutes
- Consumer education initiatives that provide information verbally, in printed materials, and via the internet, to raise consumer awareness of their rights and responsibilities when purchasing or leasing vehicles
- Motor vehicle sales industry education initiatives that provide information to help ensure a fair marketplace and to inform licensees and applicants about the requirements of licensees
- Administration of the Motor Dealer Customer Compensation Fund pursuant to the Act.

2. Risk Management





3. Goals, Strategies and Performance Measures

Confidence in the Motor Vehicle Sales Marketplace

Informed &
Educated
Marketplace

Stakeholder
Engagement

Compliant
Marketplace

Accountability
& Fairness

Stakeholders

Informed & Educated Marketplace	Stakeholder Engagement	Compliant Marketplace	Accountability & Fairness	Confidence in the Marketplace
A marketplace where both the public and motor vehicle industry are informed of their rights and obligations during the purchase and sale of a motor vehicle	Maintain confidence in the VSA with all stakeholders	A marketplace where motor vehicle transactions are completed in an open and transparent manner	Operate the VSA in a fair and fiscally responsible way while fulfilling our mandate	A marketplace where the public overwhelmingly chooses licensed motor dealers rather than other sources for vehicle purchases



Goal 1: Informed & Educated Marketplace

A marketplace where both the public and motor vehicle industry are informed of their rights and obligations during the purchase and sale of a motor vehicle

- Enhance existing strategies for public awareness, including partnerships with industry and other consumer agencies
- Increased visibility of the VSA in the marketplace
- Continue existing licensee certification and continuing education programs

Performance Measures	2015-2016 Forecast	2016-2017 Targets	2017-2018 Targets	2018-2019 Targets
1. Enhanced communications <ul style="list-style-type: none"> • Industry • Consumers 	<ul style="list-style-type: none"> • Over 40 Bulletins, Alerts and Reminders • Multiple consumer campaigns 	Enhanced effort sustained	Enhanced effort sustained	Enhanced effort sustained
2. VSA dealer decal licence with logo	Sustained	Maintain and add dealer ad option	Sustain	Sustain
3. Website <ul style="list-style-type: none"> • Unique combined visitors per month • Unique combined views per month • Active content 	New baseline 8,000 22,700 8.2%	+5% +5% Additional self-help features	+5% +5% Update as needed	+5% +5% Update as needed
4. Very good and good participant satisfaction ratings of learning offerings <ul style="list-style-type: none"> • Certification courses • Continuing Education • Combined 	92.6% 74.3% 87.5%	New webinar and CE platform 90% or above for all formats	90% or above for all formats	90% or above for all formats

Performance Measure Descriptions

1. Enhanced communications strategies as measured by a sustained level of effective external consumer activities, online self-serve assistance, consumer-oriented communication partnerships and the continual improvement of industry communication
2. Maintain and update the dealer decal licence
3. Increased website traffic by consumers and industry through quality permanent content and weekly updates for both audiences
4. Maintain quality certification and continuing education programs with favourable participant evaluations of 90% or higher



Goal 2: Stakeholder Engagement

Maintain confidence in the VSA with all stakeholders

- Engage in projects and initiatives that advance stakeholder confidence in the VSA

Performance Measures	2015-2016 Forecast	2016-2017 Targets	2017-2018 Targets	2018-2019 Targets
1. Industry Stakeholder Satisfaction: <ul style="list-style-type: none"> Salesperson 57%* Dealer 48%* 	Survey underway		+5% +5%	
2. Public Enquiry and Complainant Satisfaction	Limited abandoned file surveying initiated	Survey planned		

*Top 3 box rating of 8, 9 or 10 on a ten point scale in a 2014 Ipsos Reid Customer Satisfaction Survey

Performance Measure Descriptions

- Level of dealer, salesperson and industry association satisfaction and confidence in the VSA
- Level of public, complainant and claimant confidence in the VSA

Goal 3: Compliant Marketplace

A marketplace where motor vehicle transactions are completed in an open and transparent manner

- Continue to have trained and knowledgeable salespeople
- Implement a continuing education program
- Continue to monitor dealers to ensure compliance

Performance Measures	2015-2016 Forecast	2016-2017 Targets	2017-2018 Targets	2018-2019 Targets
1. % new salespeople compliant at 45 days	96%	100%	100%	100%
2. % of participants in continuing education as required	100%	100%	100%	100%
3. % of dealers visited every two years	85%	100%	100%	100%

Performance Measure Descriptions

- Percentage of new salespeople compliant with education requirements following a Conditional Licence application
- Percentage of existing salespeople completing required continuing education after five years of being licensed
- Percentage of dealers visited every two years to initiate proactive compliance action and strategies, if needed

*Risk-based inspection piloted in FY2015-2016



Goal 4: Accountability and Fairness

Operate the VSA in a fair and fiscally responsible way while fulfilling our mandate

- Effectively managing operating expenses
- Maintain a professional and engaged staff
- Provide exemplary service to licensees and the public

Performance Measures	2015-2016 Forecast	2016-2017 Targets	2017-2018 Targets	2018-2019 Targets
1. Meet the financial objectives set by the Board	Forecast to exceed budget	On Budget	On Budget	On Budget
2. Employee Engagement	Action taken on opportunities identified in survey*	Survey staff	Action taken on opportunities identified in survey	Action taken on opportunities identified in survey
3. VSA Service Satisfaction (see Goal 2)				

*Based on a 2014 Ipsos Reid Employee Engagement Survey

Performance Measure Descriptions

1. Meet the financial objectives as set by the board and government, including net income projections as well as all accounting and government audit requirements
2. Employee engagement as measured by survey
3. Licensee and public satisfaction in VSA service as measured by survey (see Goal 2)

Goal 5: Confidence in the Motor Vehicle Sales Marketplace

Increase the confidence of the buying public in the regulated vehicle sales marketplace

- Enhance consumer and licensee education
- Ensure industry compliance

Performance Measures	2015-2016 Forecast	2016-2017 Target	2017-2018 Target	2018-2019 Target
Confidence in the motor vehicle sales industry 67%*		Survey planned	+5%	+5%

*67% of recent vehicle buyers in BC reported a score of seven or above on a ten point scale in the 2013 Ipsos Reid Public Confidence Survey

Performance Measure Descriptions

A marketplace where the public overwhelmingly chooses licensed motor dealers rather than other sources for vehicle purchases due to confidence.



4. Financial Outlook

	2014/2015 Actual	2015/2016 Forecast	2016/2017 Budget	2017/2018 Forecast	2018/2019 Forecast
Revenue					
Dealer Licensing	\$2,225,569	\$2,229,867	\$2,230,000	\$2,230,000	\$2,230,000
Salesperson Licensing	<u>1,274,131</u>	<u>1,275,414</u>	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>
Total Licensing Revenue	\$3,499,700	\$3,505,281	\$3,505,000	\$3,505,000	\$3,505,000
Administrative Fees, Recoveries & Interest	\$355,041	\$321,599	\$321,000	\$321,000	\$321,000
Course Fees	<u>1,004,098</u>	<u>864,746</u>	<u>865,000</u>	<u>865,000</u>	<u>865,000</u>
Total Other Revenue	\$1,359,139	\$1,186,345	\$1,186,000	\$1,186,000	\$1,186,000
Total Revenue	\$4,858,839	\$4,691,626	\$4,691,000	\$4,691,000	\$4,691,000
Expenses					
Salaries and Benefits	\$2,673,424	\$2,802,237	\$2,972,373	\$3,031,820	\$3,092,457
Operating Expenses	<u>1,398,282</u>	<u>1,356,186</u>	<u>1,464,885</u>	<u>1,452,837</u>	<u>1,353,808</u>
Total Operating Expense	\$4,071,706	\$4,158,423	\$4,437,258	\$4,484,657	\$4,446,265
Operating Excess	\$787,133	\$533,203	\$253,742	\$206,343	\$244,735
Capital Asset Fund	\$111,225	\$89,793	\$107,560	\$139,832	\$162,914
Net Consumer Awareness Fund	<u>66,058</u>	<u>23,002</u>	<u>100,397</u>	<u>35,000</u>	<u>45,000</u>
Less: Total Amortization & Fund Activity	\$177,283	\$112,795	\$207,957	\$174,832	\$207,914
Total Excess (Deficiency)	\$609,850	\$420,408	\$45,784	\$31,511	\$36,821

5. Contact Information

Vehicle Sales Authority of BC
208 - 5455 152 Street
Surrey, British Columbia
V3S 5A5
Phone: 604-574-5050
Fax: 604-574-5883

Consumer enquiries
consumer.services@mvsabc.com
Phone: 604-575-7255 or toll free 1-877-294-9889

Motor dealer enquiries
licensing@mvsabc.com
Phone: 604-575-7253 or toll free 1-866-400-3529

Salesperson enquiries
salespersonlicensing@mvsabc.com
Phone: 604-575-7256 or toll free 1-866-400-3529

Certification and professional development courses
training@mvsabc.com
Phone: 604-575-7254 or toll free 1-866-400-3529

Motor Dealer Customer Compensation Fund
compensationfund@mvsabc.com
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Phone: 604-575-6171 or toll free 1-877-294-9889





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