ANNUAL REPORT 2023/24

VSA

VEHICLE SALES AUTHORITY OF BC

The Vehicle Sales Authority of British Columbia acknowledges the traditional territories of the many diverse Indigenous Peoples in the geographic areas we serve.

The offices of the Vehicle Sales Authority of British Columbia are situated on the traditional, ancestral and unceded territory of the Á,LEN̓ENEĆ ŁTE (WSÁNEĆ); qicəy (Katzie); qʷɑ:nƛən (Kwantlen); scəwaθenaʔɬ təməxʷ (Tsawwassen); Se'mya'me' (Semiahmoo); and S'ólh Téméxw (Stó:lō) people.

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A Message from the Chair & President

The Honourable Mike Farnworth, Minister of Public Safety and Solicitor General

On behalf of the Board of Directors, the Registrar, the management, and the staff of the Vehicle Sales Authority of British Columbia ("VSA"), it is a privilege to present the Annual Report for the year ending March 31, 2024. By the end of the fiscal year, the VSA delivered on key initiatives such as our online dispute resolution platform, online consumer complaint portal, our revamped case management process, trained all staff and the Board of Directors on Right Touch Regulation Principles, revamped and enhanced our cyber security posture, commenced a review of our funding model, and launched a consumer bulletin.

The work we do for British Columbians could not be achieved without our people. From recruitment to performance management, we continued to develop our people to deliver on our mandate and foster a safe and positive work environment. Our employee engagement survey saw a 95% participation rate, with 100% of those surveyed recommending the VSA as a place to work.

The industry continued to grow this past year. We saw 38 dealerships added to the province, with a corresponding increase in the number of salespersons. Our social media and consumer awareness campaign was successful, with our recent survey finding 21% unaided awareness of the VSA which is greater than the 11% unaided awareness from two years ago and our goal of 13.5% unaided awareness in 2023/24.

Our consumer services teams saw a 22% increase in requests for services from consumers, 4,086 from 3,359 in the prior year. Consumer enquiries were up 18% over last year (2,936 versus 2,490) and the number of formal consumer complaints were up 32% (1,146 versus 867). This past year dealership inventory had mostly stabilized and there were less consumer concerns of dealers selling over MSRP, or not being able to deliver a vehicle in a timely manner. The top concerns involved the mechanical condition of vehicles, financing, warranties, deposits, and failure to make damage disclosures.

Our inspection team continues our proactive regulation through our inspection program and industry outreach through liaison visits. Liaison visits provide an informal way for the VSA to interact with the industry, provide education on legal duties, and suggest best practices. Last year, 86% of the industry members surveyed said they would or have sought best practice advice from the VSA. This is up from 70% in 2022/23. Through proactive outreach like this, the VSA proactively pursues an industry providing a compliant consumer transaction.

Finally, we completed system upgrades to ensure fairness check stops were embedded in our complaint and investigation processes, and we are expanding those check stops to inspections and licensing processes.

We are proud of the hard work the VSA staff have done this year to deliver on our mandate.

Message approved and signed by:

Ian Christman
President & CEO

Mark Bakken
VSA Board Chair

VSA
VEHICLE SALES AUTHORITY OF BC

KEY METRICS 2023/24

Human Resources

97%
of VSA staff understood the VSA strategic plan and how their roles align with it

100%
of VSA staff would recommend the VSA as an employer

Consumer Services

4,086
Total public issues received by the VSA

Licensing

1,670
Dealer licenses at year end

8,767
Salesperson licenses at year end

Investigations

651
Total Investigations

313
Were deemed to be unsubstantiated

Industry Standards

940
Total Inspections

89%
Pass Rate

Professional Development

2,403
Salesperson & Wholesaler Courses

7,761
Continuing Education Courses

VSA Purpose & Values

The essence of why the VSA exists, how we operate, and what we aspire to is reflected in our Purpose Statement. As we align our Strategic Plan and fiscal year 2023/2024, with the challenges presented to us, we realize that our purpose and reason for being here is more relevant and needed than ever before.

Our focus of engaging and educating industry and consumers provides stability and safety during times of change and challenge. We are playing an increasingly larger role as a regulator and educator.

Purpose Statement

We build public confidence in the motor dealer industry in BC by engaging and educating industry and consumers, and by ensuring a safe and reliable motor vehicle buying experience.

Values

People

Throughout the 2023/2024 fiscal year, the VSA's Human Resources department put in significant effort to support our team and introduce key initiatives for our staff. We are proud of the many accomplishments achieved over the past year, including:

- Introduction of the Healthcare Spending Account as a new addition to the employee benefits package.
- Achieving a high level of engagement and strong results in the annual staff engagement survey.
- Launching an updated Performance Management Plan (PMP), incorporating feedback from end users.
- Providing training to managers on the new PMP and the process for conducting thorough and effective performance reviews.

Engagement Survey

In a similar fashion to last year, all VSA staff participated in an employment satisfaction survey. The participation rate for the survey was 95%.

Highlights

- 97% of VSA staff understood the VSA strategic plan and how their roles align, a 4% increase from 2022/23.
- 100% of VSA staff would recommend the VSA as an employer.

These numbers serve as a testament to the hard work, productivity, and collaboration demonstrated by the VSA team.

HR Initiatives: Recruitment

The HR team prioritized recruitment efforts this fiscal year, introducing the Business & Policy Analyst role. This new position is responsible for conducting policy and business analysis at the Vehicle Sales Authority of BC (VSA) to support its regulatory and business operations.

HR Initiatives: Retention & Satisfaction

It was a strong year for the VSA, with both employee retention and satisfaction rates reaching 92%.

HR Initiatives: Performance Management Plan (PMP)

We conducted multiple huddles with team members to gather collective feedback and update the existing PMP. Upon implementing the updates and rolling out the new forms, training was provided to ensure staff and supervisors could complete a comprehensive performance review.

HR Initiatives: Staff Training Sessions

Numerous workshops were provided for staff, including those managing stress, PEACE training, and Right-Touch Regulation.

Revamped Committees & Initiatives

The joint Health & Safety Committee welcomed new members this year, with training planned and completed for all committee members. Additionally, the Social Committee led several ongoing initiatives, including a Summer BBQ, Potluck, Halloween, and Christmas events, and an organized clothing donation drive.

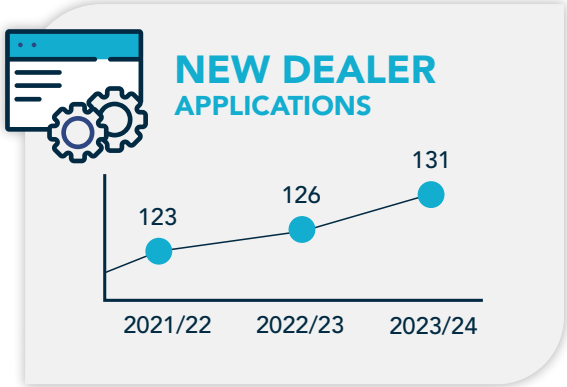
Licensing

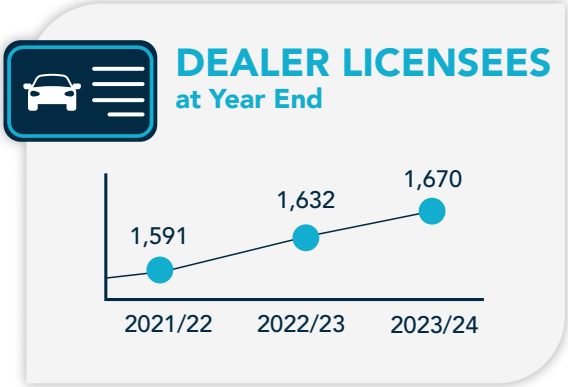
The Licensing team continues to maintain industry leading service standards by prioritizing responsive communications with licensees and other VSA stakeholders. With VSA investments in technology, team members can meet industry demands for timely communications regarding their licensing needs, either working remotely or in the office. This fiscal year has seen a continued growth trend in vehicle sales licensees.

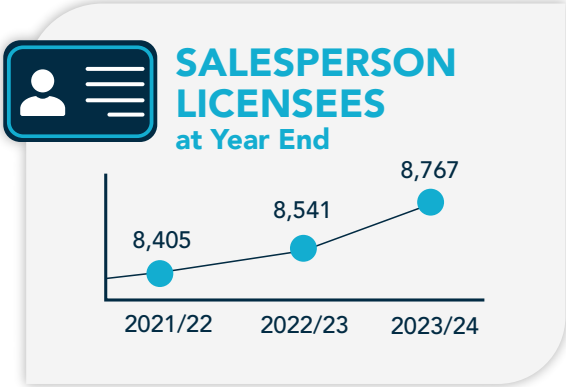
The VSA developed and launched the Dealer Portal, now accessible through the VSA website. This innovative tool allows licensed dealers to log in using their assigned dealer number, enabling dealership representatives to renew their motor dealer licenses, renew salespeople working at their dealership, and view licensing information.

In the spirit of continually improving efficiency, the Licensing team started testing and planning the soft-launch of online dealer renewals.

The Licensing team will uphold service standards while managing the ongoing increase in the number of licensees across the province.







Professional Development

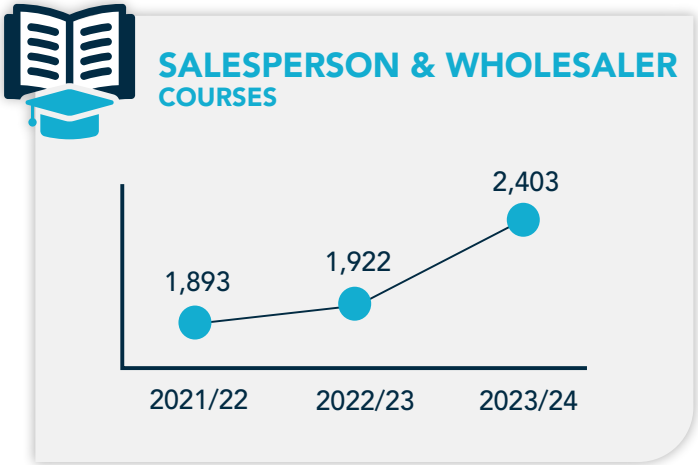
The VSA is committed to education as a primary strategy in supporting industry compliance for our stakeholders which consist of consumers, industry, and government. We provide Licensing courses based upon provincial motor vehicle legislation for individual Salespeople and Wholesalers. Once someone is licensed, we support additional growth and development through annual Continuing Education (CE) courses. Over the years, these courses have covered a wide array of topics and legislation.

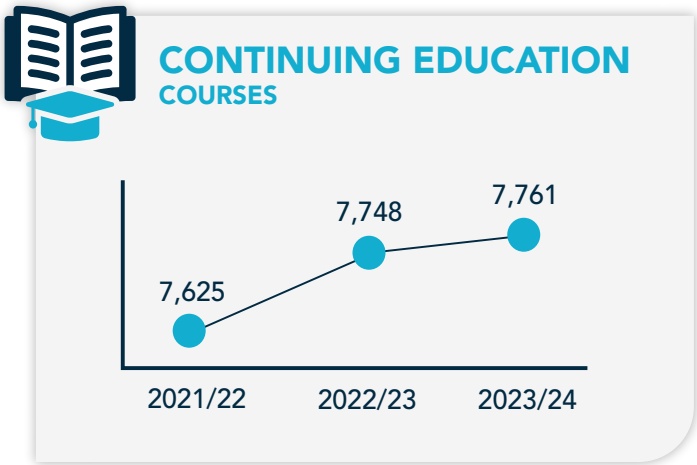
Our online self study learning format allows students to access courses at their convenience from anywhere within Canada at their own pace and at their preferred study time. We offer a dedicated schedule of invigilated exams that allow students the opportunity to book an exam time to suit their individual needs.

Our CE subject matter is chosen based upon top trending issues requiring VSA intervention over the previous year. This methodology ensures that relevant education is provided to the entire industry in a timely manner. In the 2023/2024 Fiscal Year, the subject matter was "The Customer Experience and Compliance" to align with current industry needs as identifed through increased consumer concerns regarding purchase experiences with respect to industry compliance.

It is important to note that we are experiencing the highest volume of student course completions for our sales, wholesale and continuing education courses in the last four years with an increase of 27% over 2021/2022 statistics.

In the 2023/2024 fiscal year, the following number of courses were delivered:





Communications

During the 2023/24 fiscal year, the VSA was very active on the communications front, emphasizing an increase in stakeholder awareness. Beyond the regular communications that industry stakeholders have come to expect, additional initiatives were taken on with the goal of increasing consumer awareness levels.

Aligning with the VSA's strategic goal of "enhancing VSA credibility with stakeholders" and "increasing consumers' awareness of their legal rights and the VSA's role," numerous projects over the past fiscal year aimed to further these objectives.

Consumer Awareness Survey

A 2024 research study was conducted with the help of IPSOS. The study revealed several key insights, including a 21% unaided awareness of the VSA amongst British Columbians —up from 11% two years prior, and significantly exceeding the goal of 13.5%. Awareness increased to 53% among individuals who purchased a vehicle within the past five years, while over one-third of those who visited a dealership in the past year recalled seeing the VSA logo or Code of Conduct.

41%
Aided Awareness of the VSA

21%
Unaided Awareness of the VSA

+95%
Increase in Unaided Awareness

Social Media Plan

The VSA's long anticipated social media plan was set in motion, hitting the ground running with great success. Aiming to enhance consumer awareness and engage with a province-wide audience, the organization's social media presence across Instagram, Facebook, and LinkedIn all saw drastic following and engagement increases. By posting on a daily basis with content that is engaging, educational, or promotional of VSA services, a strong foundation has been established for continued social media efforts.

Employee Engagement Plan: The Hub

To help empower staff with easy to access tools for success, a specialized online platform, aptly named the 'Hub', was launched internally for VSA staff. The Hub serves as a one-stop resource connecting employees, fostering culture, and providing access to critical information, such as department manuals, committee updates, upcoming events and more.

Vancouver International Auto Show

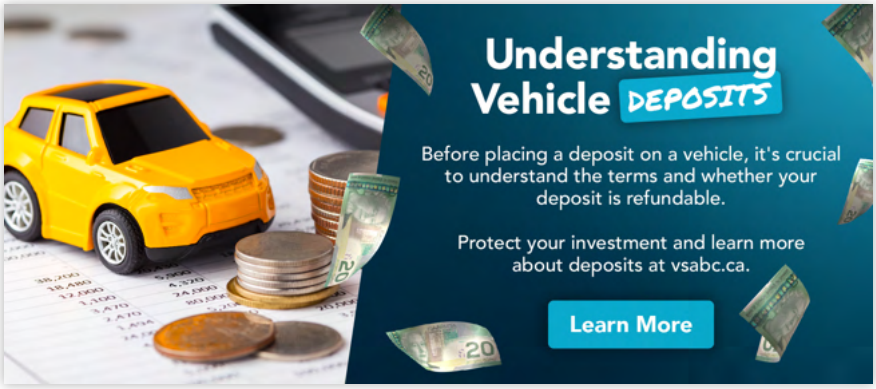
The VSA participated in the 2024 Vancouver International Auto Show (VIAS) at the Vancouver Convention Centre. With a booth set up showcasing the VSA's services, licensing opportunities, website, and social media profiles, nearly 10,000 free VSA branded reusable bags were handed out. Over the five days, almost 130,000 spectators attended, engaging in meaningful conversations on a variety of important topics, including what the VSA's role is and how we can help.

SEO Optimization

To assist both consumers and industry licensees in discovering our new website, **vsabc.ca**, we implemented search engine optimization (SEO) strategies with the help of an outside marketing agency to boost visibility. As a result, there was a significant increase in website impressions, clicks, and overall engagement.

Consumer Bulletin

This year saw the launch of the VSA's Consumer Bulletin. Building on the VSA's social media plan, this email newsletter is an educational resource providing consumers with vehicle purchasing tips, consumer protection information, automotive news updates and directs people to pertinent information on the website.



Consumer Services

The Consumer Services Team serves as the frontline contact for all consumers reaching out to the VSA. The team receives and responds to province-wide public questions and concerns related to the Motor Vehicle Industry in BC. The team assists with providing consumer information, complaint handling, and dispute resolution. In 2023/24, Consumer Services responded to 4,086 public issues:

- 2,936 enquiries involved assisting the public with information about vehicle purchasing, consumer rights and resolving disputes with VSA licensees.
- 1,146 were formal consumer complaints, which represents a 32% rise in complaints compared to the previous year. The top issues included:
    1. Misrepresentation of Mechanical Condition
    2. Misrepresentation of Credit Financing
    3. Misrepresentation/Non-Disclosure of Damage
    4. Misrepresentation of Deposit
    5. Warranty

Over the course of the last fiscal year, tthe Consumer Services team saw the successful launch and implementation of three critical new services and platforms:

Connector

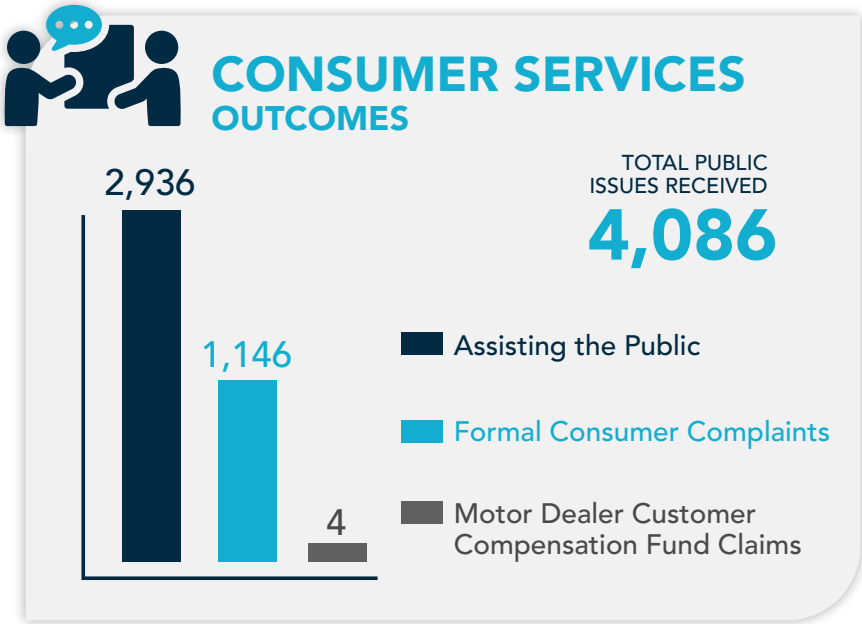
The VSA's Online Dispute Resolution Platform, Connector, is a safe and secure online platform that assists in parties coming together to negotiate an outcome.

My Self-Help

My Self Help is an online platform which is helps consumers receive information on issues they are having with a Motor Dealer based on answers they provide to simple questions.

Online Consumer Portal

The VSA's online Consumer Portal allows consumers to submit their complaints simply online and also provides case file status updates.



Industry Standards

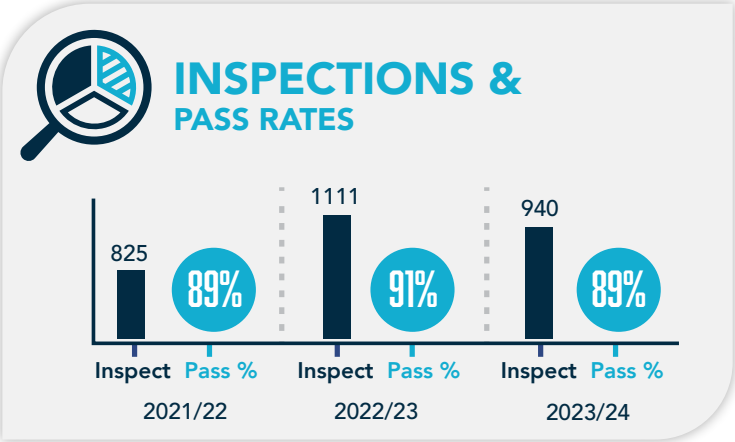
The Industry Standards (IS) team inspects the VSA Licensees province-wide for compliance with the requirements of the Motor Dealer Act and its regulations, certain sections of the Business Practices and Consumer Protection Act and promotes industry professionalism and best practices.

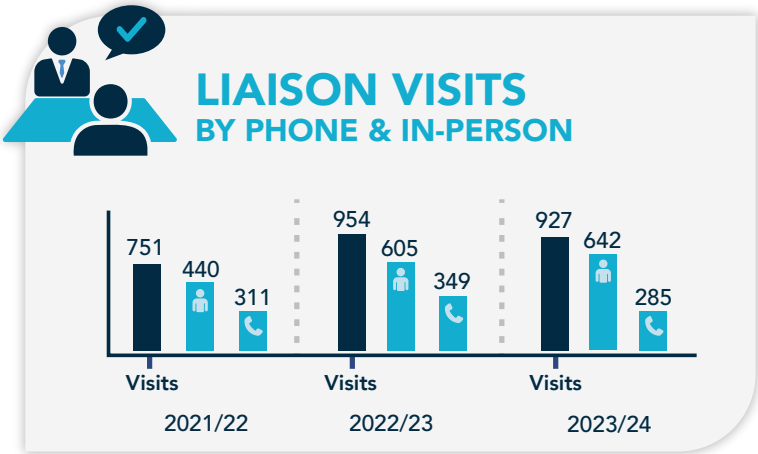
The IS team had another busy year, with over 2,000 interactions among industry stakeholders, including liaison visits and inspections conducted both in person and electronically. The average inspection pass rate for 2023/24 was 89%.

In fiscal year 2024, the IS team expanded with the addition of a new officer.

We aim to be a trusted resource for VSA Licensees seeking information on best practices, and the latest Industry Satisfaction Survey revealed that 86% of respondents have either sought or would seek guidance from the VSA on best practices, up from 70% the previous year.

In line with our commitment to improving services, the IS team also introduced a complimentary Advertising Guidelines Workshop for Motor Dealers, available on a voluntary basis.





Investigations

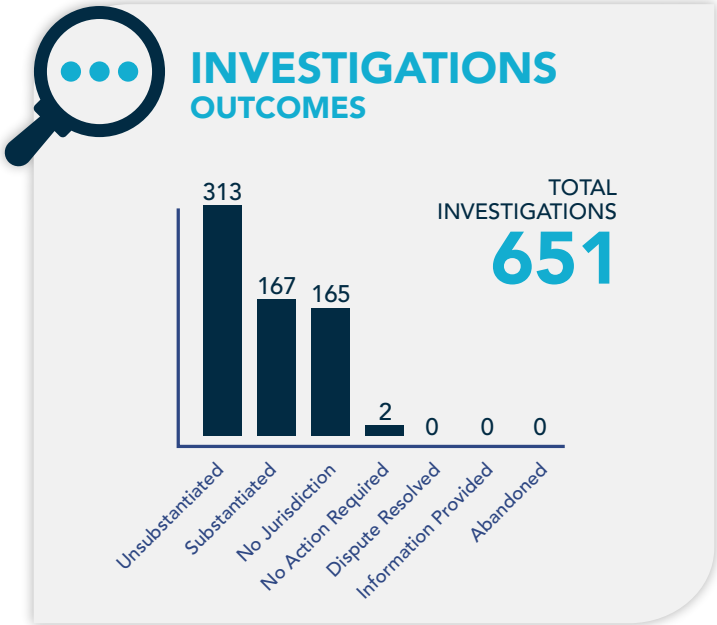
The VSA Investigations team examines complaints against licensees through the authority delegated by the Registrar of Motor Dealers. During the past fiscal year, the team observed a noticeable increase in files, as individual investigator caseloads have nearly doubled. This resulted in more industry activity and, consequently, more in-person investigations and dealer liaison visits.

The team is observing an uptick in serious compliance issues, such as deceptive acts, unconscionable acts, and code of conduct violations. The industry also experienced a significant rise in distance sales. This increase has highlighted a lack of knowledge and understanding of the legislation among some licensees, providing an opportunity for greater education through the investigation of consumer complaints.

The team continues to see the residual effects of low inventory levels, primarily concerning the sale of unsafe vehicles and missed declarations. There has also been a significant rise in complaints from both consumers and motor dealers regarding specific salespeople for breaches of legislation, primarily in business offices.

Over the past fiscal year in 2023/24:

- The team has placed greater emphasis on industry and consumer education regarding applicable legislation, the VSA's mandate, and its jurisdiction.
- A new investigator has joined the team and been onboarded.
- The team completed 651 investigations, an increase from the previous year. Of these, 528 were complaint-driven, 23 were undertaken on behalf of the Registrar of Motor Dealers, and the remainder were for other reasons (e.g., licensing interviews, inquiries).
- The Manager of Investigations was appointed to the Board of Directors for the National Odometer and Title Fraud Enforcement Association (NOTFEA). This multi-jurisdictional organization allows the VSA to collaborate with partners across Canada and the USA. It is the first time a Canadian has been elected to the board, underscoring the VSA's leadership in the regulatory industry.



Our Strategic Goals & KPI's

1

Increase organizational efficiency, effectiveness, and agility through process, systems, and technology.

RESOLVING CONSUMER COMPLAINTS

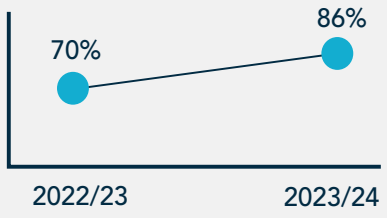
11 days
Average time to resolve a dispute in ***Connector***

2,160
Consumers used ***My Self-Help*** to get information

2

Enhance VSA credibility with stakeholders.

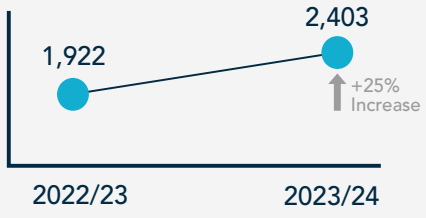
INDUSTRY ENQUIRIES FOR BEST PRACTICE ADVICE



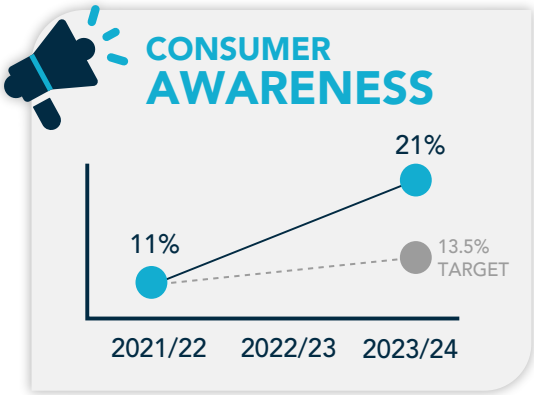
3

Increase industry adherence to regulatory requirements through proactive education, oversight, and enforcement.

SALESPERSON & WHOLESALER COURSES



4 Increase consumers' awareness of their legal rights and the role of the VSA.



5 Enhance employee experience through a culture of employee growth, engagement, wellness, diversity, and inclusion.

6 Ensure organizational sustainability.

Annual Report
SCORECARD

In-progress | Complete | Ongoing

Strategic Projects	Strategic Goal	2023	2024	2025
Accessible Organization Project	5	Ongoing	Ongoing	Ongoing
Employee Engagement Plan	5	In-progress	Complete	Ongoing
Funding Model	6	In-progress	In-progress	In-progress
Individual Dealer Reports Program	3			In-progress
Leadership and Employee Training	1		In-progress	In-progress
Learning Management System (LMS)	5	Complete	In-progress	In-progress
Operating System (Driver 2.0)	1	Complete	Complete	Ongoing
Sales & Wholesale Course Refresh	3		In-progress	In-progress
Stakeholder Awareness	4	Complete	Complete	In-progress

Continuous Improvements	Strategic Goal	2023	2024	2025
Alternate Dispute Resolution	2	Complete	Ongoing	Ongoing
Cyber Security	1	Complete	Ongoing	Ongoing
Dealer Portal	1	In-progress	Complete	
Process Improvement	1	In-progress	In-progress	In-progress
Voluntary Compliance Assessment	3		In-progress	In-progress

Motor Dealer Customer Compensation Fund Highlights

It was a busy year for the Motor Dealer Customer Compensation Fund ("Compensation Fund" as we adjudicated claims, filled the last Compensation Fund Board ("Board") member vacancy, developed our policies, and refined our practices.

There was one major change to the composition of the Board this year. In January 2024, we welcomed a new Board member, Sylvia Thistle-Miller. Sylvia brings with her a wealth of industry knowledge, with a focus on recreation vehicles. Since her onboarding, she has provided meaningful insights into dealer operations and thoughtful observations on Compensating Fund policies. Those contributions have been very helpful to the Board. We are delighted to have Sylvia on the Board and look forward to working with her for years to come.

In the 2023/2024 fiscal year, the Board met four times (three by video conference and once in person) and adjudicated two claims. Both claims were found ineligible for compensation. The Board also assessed two requests for reconsideration of its previous decisions; in both cases, the Board determined that the decisions were not eligible for reconsideration.

This year, after assessing the potential risks and exposures to the Compensation Fund, the Registrar continued to waive the $300 annual Compensation Fund payments for motor dealers that have made contributions for three or more years. At fiscal year-end, the Compensation Fund balance was $1,117,250.

Another major development this year was the Board's work to simplify and streamline its operations and policies. We continue to review and refine our policies and procedures every year, striving for effectiveness, efficiency, and fairness.

In our meetings we have been fortunate to receive regular educational presentations from VSA staff, who give us valuable insights into their work. For those of us on the Board who are not part of the industry, these presentations are very important and helpful. And even those Board members who represent the industry have found these presentations informative. In the coming year, we hope to expand our training and education as we continue to excel as a Board and administrative tribunal.

As usual, our members, and the VSA staff who support our work, have been able to participate in workshops and other training opportunities offered by external bodies. I would like to thank them for their dedication to increasing their knowledge in order to better support the work of the Compensation Fund.

I want to extend my gratitude to the Board and the VSA staff for their hard work and dedication to the successful operation of the Board. In particular, I am very thankful for our vice president, Malcolm Hunter, who stepped in and covered for me when I fell ill. Thanks to this strong team of individuals, we continue to assist in providing justice to the public in British Columbia in the vehicle sales sector.

Sincerely,

The Motor Dealer Customer Compensation Fund Board

Mary Childs
Chair, Motor Dealer Customer Compensation Fund

Motor Dealer Customer Compensation Fund Activity

Statistics	Fiscal Year 2023/2024	Fiscal Year 2022/2023	Fiscal Year 2021/2022
Claims			
Adjudicated	2	7	5
Approved	0	3	3
Amount Paid Out	$0	$35,352.14	$22,000.00
Type of Claim			
Vehicle Purchase	0	4	3
Warranty/Service Plan Purchase	2	2	2
Vehicle Consignment	0	1	0
Vehicle Type			
Auto	2	7	5
RV	0	0	0
Motorcycle	0	0	0
Dealer Stats			
In Business	2	0	0
Not in Business	0	7	5

VSA Financial Statement 2023/24 & Budget 2024/25

	2023/24 Actual	2024/25 Budgeted
Revenue		
Dealer Licensing	$2,828,548	$2,784,033
Salesperson Licensing	$1,718,044	$1,759,899
Total Licensing Revenue	$4,546,592	$4,543,932
Admin Fees, Recoveries & Interest	$299,343	$301,055
Course Fees	$1,589,193	$1,613,394
Total Other Revenue	$1,888,536	$1,914,449
Total Revenue	$6,435,128	$6,458,381
Expenses		
Salaries and Benefits	$4,322,616	$4,976,894
Operating Expenses	$1,172,617	$1,216,834
Total Operating Expense	$5,495,233	$6,193,728
Operating Excess	$939,895	$264,653
Capital Asset Fund	(414,167)	(399,729)
Net Consumer Awareness Fund	$91,371	$46,624
Extraordinary Items		
Gain on change in fair value of investment	$265,777	$0
Total Excess (Deficiency)	$882,875	(88,453)

Our Leaders

Ian Christman, President & CEO
Kenneth Affleck, Registrar
Archana Singh, Executive Vice President, Corporate Services & Risk
Sandeep Dade, Director of Finance
Anna Gershkovich, Director of Consumer Services & Industry Standards
Patrick Poyner, Director of Investigations, Licensing, Legal Services & Privacy Officer

Our Board of Directors

Mark Bakken, Chair
Jim Nicholson, Vice-Chair
William (Bill) Kwok, Secretary
Liza Aboud
Li-Jeen Broshko
Diane E. Friedman
Mike Hacquard
Fred Jenner
Amy Jones
John MacDonald
Ian R. Moore

Leaders information as at August, 2024

VSA

VEHICLE SALES AUTHORITY OF BC