



# Creating a **confident** vehicle buying experience.

2022/2023 Annual Report



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# Message from the Chair and President

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

## Message to the Minister

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, 2023. By the end of the fiscal year, the VSA was ready to deliver on key initiatives such as our online dispute resolution platform, our revamped case management process, our new website, our refreshed brand, and enhanced Board governance focused on delivering our services to British Columbians in a fair, efficient, and user-friendly manner.

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 97% participation rate with 100% of those surveyed saying that they would recommend the VSA as a place to work.

The industry continued to grow this past year. We saw 41 dealerships added to the province, led by new electric vehicle manufacturers. There was a corresponding increase in the number of salespersons. New applicants to the industry were surveyed and they provided positive remarks on our services, and also provided good suggestions for improvement which were implemented.

Our consumer services and investigations teams were busy this past year. While our public enquiries were similar this year to last year (3359 versus 3415), the number of formal consumer complaints increased by 215 (867 in 2022-23 versus 652 in 2021-22). Much of the increase in complaints was due to shortages of vehicle inventory in the industry, leading dealers to place additional requirements on the purchase of their vehicles. The VSA addressed most of these complaints by educating consumers on their rights.

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 and provide education on legal duties and to suggest best practices. Last year, 70% of the industry members surveyed, said they would or have sought best practice advice from the VSA. Through proactive outreach like this, the VSA pursues an industry providing a compliant consumer transaction.

Finally, the Board of Directors undertook much work on its governance this past year. The Board revamped and enhanced its conflict-of-interest policies and procedures; created guidance documents to ensure the Board, President and Registrar understood their roles in delivering on the VSA's mandate in the public interest; and added a 12th Board member to balance the board between industry and non-industry Directors, consistent with other regulatory bodies in British Columbia.

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

Message approved and signed by:



**Mark Bakken**  
VSA Board Chair



**Ian Christman**  
President & CEO





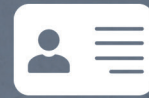
## Human Resources

**93%**

of VSA staff understood the VSA strategic plan and how their specific roles align with it.

**100%**

of VSA staff would recommend the VSA as an employer



## Licensing

**1632**

Dealer licenses at year end

**8541**

Salesperson licenses at year end



## Professional Development

**1922**

Salesperson & Wholesaler Courses

**7748**

Continuing Education Courses



## Investigations

**546**

total investigations

**159**

were deemed to be substantiated



## Industry Standards

**1111**

Inspections:

**91%**

Pass Rate:

**2065**

Total Contacts with Industry Licensees



## Consumer Services

**3359**

Total public issues received by the VSA



## VSA Purpose & Values

The essence of why the Vehicles Sales Authority of BC exists, how we operate, and what we are aspiring to is reflected in our Purpose Statement. As we align on the recent fiscal year 2022/2023, and the challenges presented as a result of the Coronavirus Pandemic, which includes worldwide inventory shortages and supply chain issues, 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 see ourselves playing an increasingly larger role as an educator and regulator.

### 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

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## People

In the 2022/2023 Fiscal Year, the HR department worked diligently to support our team and roll out key initiatives for staff. We are proud of our many accomplishments which include:

- the results of our staff engagement survey
- introduction of a new personal day policy for staff
- wage compensation study for each role at the VSA
- comprehensive compensation package for each staff member
- new Performance Management Plan
- recruitment

### **Engagement Survey:**

The VSA staff participated in an employment satisfaction survey in January. The Participation rate for the Survey was 97%.

### **Highlights:**

- 93% of VSA staff understood the VSA strategic plan and how their roles align
- 100% of VSA staff would recommend the VSA as an employer

Receiving such stellar numbers is a positive affirmation of all the hard work and collaboration amongst the VSA team.

### **HR Initiatives - Engagement Plan:**

One of our initiatives is to create a dynamic engagement plan that is aligned with the findings from our January survey results and our 2022-2024 Strategic Plan. Employee engagement leads to long-term employee retention, improved quality of work, and creates an inclusive and diverse business culture.

The HR Team implemented a Personal Day Policy with the feedback from the Employee Engagement Survey and in conjunction with the Compensation Study. The personal day policy provides flexibility for all employees and contributes to a supportive work culture.

**Wage Compensation Study:**

In the 2022/2023 fiscal year, we reviewed our compensation program to create standard wage ranges and alignment within the regulatory industry.

**New Performance Management Plan:**

Our performance management plan integrates strategic plan initiatives into each role at the VSA using Key Performance Indicators (KPI's/metrics). This alignment of strategy and KPI's to individual roles helps our employees understand how their work and duties positively impact the VSA and our stakeholders, which in turn aligns with our devotion to transparency in the workplace.

**Recruitment:**

Over the next year, we will continue to work towards our HR initiatives to elevate and empower our staff and our culture. Our focus continues to be employee engagement and creating an enhanced and rewarding work environment for staff.





## 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.

Post Licensee application surveys were conducted to solicit valuable feedback from licensees on how the team can provide a better application experience for salespeople and dealers. The team has been able to collate and analyze the survey results, and ultimately implement many suggestions.

In addition to continuously looking for ways to streamline processes, the Licensing team is leveraging our online database system to automate repetitive tasks and allow for more time to respond to industry communications.

The Licensing team will continue to carefully vet and assess all new salespeople and motor dealer license applicants. Applications that do not meet the appropriate legislative standards may be denied or approved with conditions to ensure that the public interest is protected.

### Licensing: Key Metrics







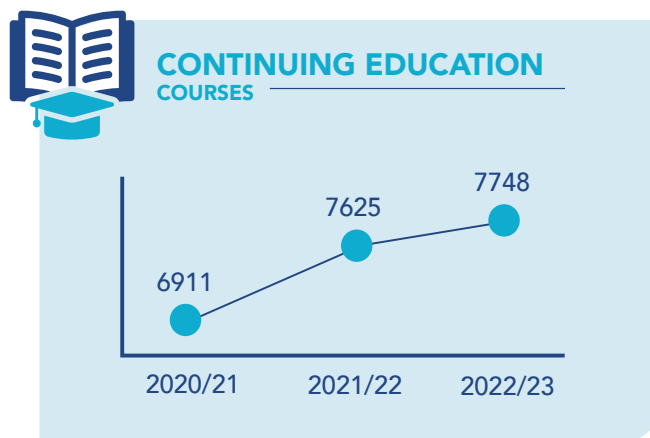
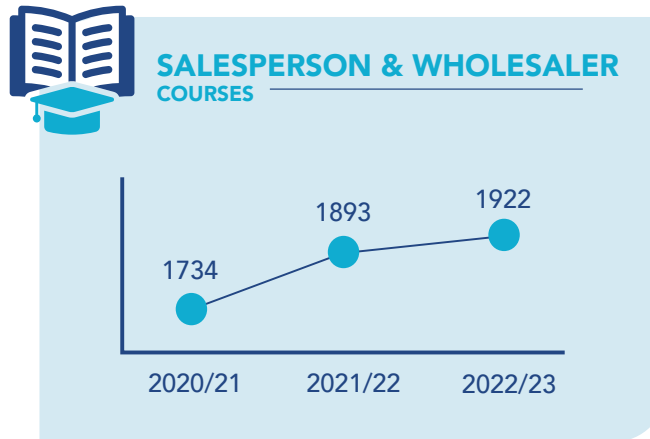
## Professional Development

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 on-line 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 Continuing Education (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 2022/2023 Fiscal Year, the subject matter was "Online/Distance Sales Support & Best Practises" to align with current industry needs as identified through increased online sales during the pandemic and post pandemic timeframes.

In the 2022/2023 Fiscal year the following number of courses were delivered:





## Communications

Our 2022/2023 Fiscal Year has been an exciting one at the VSA. In addition to sharing industry communication in the form of Industry Bulletins and Dealer Alerts to benefit our licensed salespeople and dealer/wholesalers of ongoing licensing and regulatory topics, we have also been working on some major projects to increase consumer awareness.

One of the VSA's strategic goals is to create enhanced stakeholder awareness and widen our reach to consumers. We have been working on three major projects to accomplish this goal. One of those projects was referenced in last year's annual report and was a highly requested ask from our licensees (this project was an improved website experience).

### Our three projects have been:

- New website to create a cleaner, multilingual, and more intuitive user experience
- VSA re-brand to capture our culture and focus on education vs. enforcement more accurately
- Social Media Plan

### New website:

We worked diligently on our new website over the 2022/2023 Fiscal Year. During this project, we discovered a plethora of helpful information that was not being accessed as much as it could be. Our focus when developing the new website was to ensure that it was easy to access and find the information quickly and easily. We have done that through a more visual and updated architecture. You will notice quick access buttons and well thought out navigation menus to assist people in their information searches. The website can be viewed in English, Chinese, French and Punjabi. We also added some new self-service tools for dispute resolution. The new website can be accessed at [vsabc.ca](http://vsabc.ca), we hope you enjoy the new experience it provides.



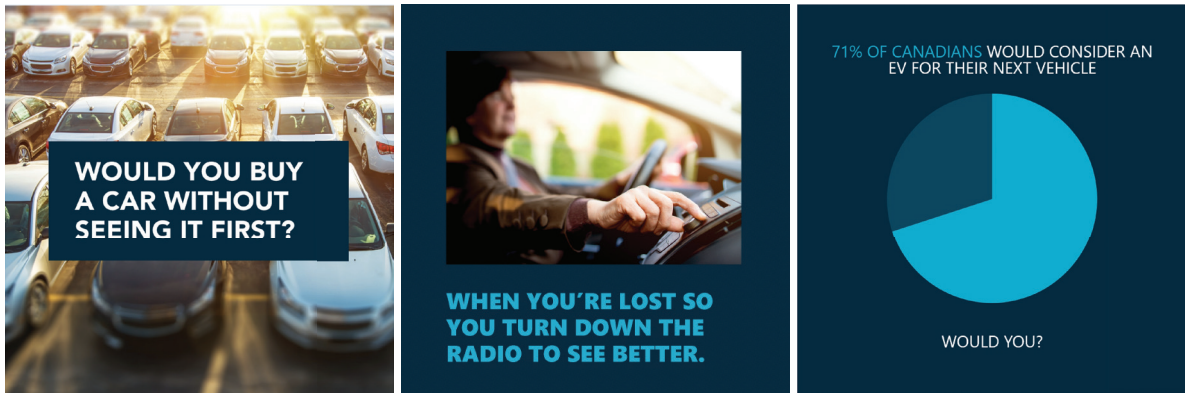
**VSA rebrand:**

We learned that our previous branding and colour selection was not aligned with our culture and focus of education and engagement. A focus group study identified that our new colours and shortened naming convention would better reflect who we are and what we stand for. As such, it was an opportune time to rebrand in conjunction with the development of our new website.



**Social Media Plan:**

With a new brand and website in place, we have also created an updated social media plan to enhance consumer awareness and engage a wider audience. Our social media plan will be executed in the 23/24 Fiscal Year.



We hope you enjoy our new website, brand and updated social media interaction!



## Consumer Services

The Consumer Services team receives and responds to province-wide public questions and concerns related to the Motor Dealer Industry in BC. The team provides public information and assistance with resolution of disputes.

In 2022-2023, Consumer Services responded to 3,359 enquiries from the public:

- 2490 enquiries involved assisting the public with information about vehicle purchasing, consumer rights and resolving disputes with VSA licensees.
- 867 were formal consumer complaints, which represents a 28% rise in complaints compared to the previous year. The top issues included: the misrepresentation of the mechanical condition of a vehicle; disagreements over financing terms; and issues related to deposits and fees placed on vehicles.

While most complaints required involvement of the VSA Investigation department, some were resolved by the Consumer Services team. On average it took 31 days to resolve a complaint if it did not require an investigation.

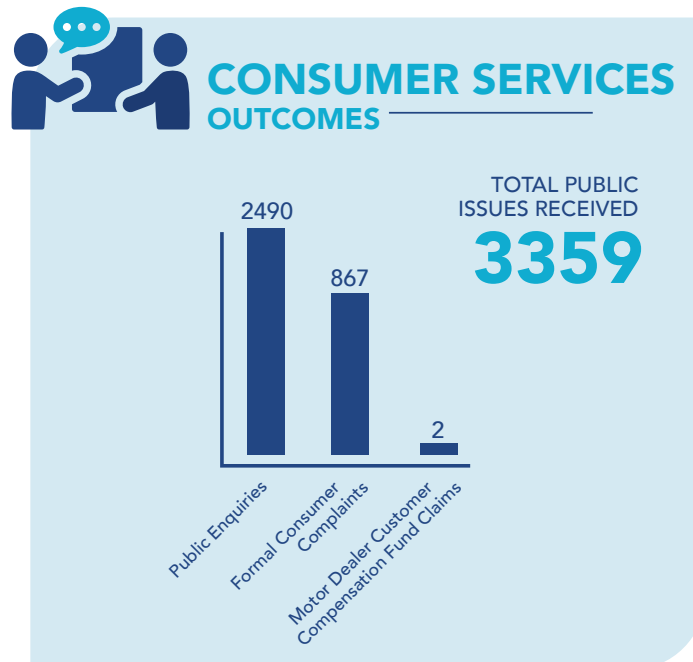
The highlight of the 2022-2023 fiscal year for the Consumer Services team was getting ready for the launch of our new Alternative Dispute Resolution (ADR) services.

These services assist both the consumer and the dealer in timely resolution of consumer disputes in a fair, accessible and cost-effective way.

The new services are:

- **My Self-Help** - an online consumer information tool
- **Connector** - an online dispute resolution platform, and
- Consumer Portal – where consumers can file and check the status of a formal complaint online.

Additionally, the Consumer Services team engaged in conflict resolution and case management training to provide greater assistance with dispute resolution.





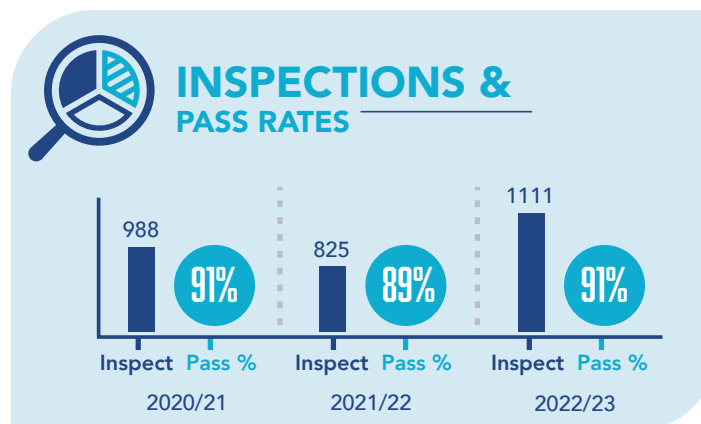
## Industry Standards

The Industry Standards 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 Industry Standards team has had a busy year consisting of over 2,000 interactions with industry. This number includes liaison visits and inspections conducted in person as well as electronically. Our focus remains on regulatory excellence with an educational approach as we build and strengthen relationships with licensees; other industry regulators; and the BC Government. In the 2022-2023 Fiscal Year, the average inspection pass rate was 91%.

We strive to be a trusted resource for VSA Licensees looking for information on industry best practices. This year's Industry Satisfaction Survey showed that 70% of those surveyed have or would ask the VSA for information on best practices.

The Industry Standards team continues to improve upon efficacy by automating our processes and procedures. This automation allows the team to spend more time supporting the industry with valuable information on issues that are most important to licensees.





## Investigations

The VSA Investigations team examines complaints against Licensees through the authority delegated by the Registrar of Motor Dealer. During this past fiscal year, the team observed a noticeable increase in files as public health orders and restrictions were relaxed. This meant more activity in the industry and as a result, the team conducted more in-person investigations and dealer liaison visits.

During the pandemic, the industry experienced a significant increase in distance sales while also facing low inventory levels. This was reflected in the team seeing higher-than-expected complaints concerning distance sales and breaches of applicable legislation. The team continues to see the residual effects of low inventory levels, primarily with the selling of unsafe vehicles and missed declarations.

There is a greater emphasis by the team on industry and consumer education pertaining to applicable legislation, the VSA's mandate and its jurisdiction. In addition to working closely with our various industry stakeholders, partners and professionals, the team onboarded new investigators who provide additional skills and expertise.

During the past fiscal year, the Investigations team completed 546 investigations which represents a slight increase over the previous year. Of those, 503 were complaint driven and 37 were undertaken on behalf of the Registrar of Motor Dealers.



Of the 546 investigations, 264 were unsubstantiated, 159 were deemed to be substantiated, and 89 were closed due to lack of jurisdiction.

While most of the compliance issues substantiated through investigations were resolved by way of voluntary compliance through education and verbal warnings, ten warning letters were issued to motor dealers, two matters proceeded to formal hearings before the Registrar and four undertakings were voluntarily entered into by motor dealers.

# ANNUAL REPORT

## SCORECARD

■ In-progress   
 ■ Complete   
 ■ Ongoing

Strategic Projects	Goal	2022	2023	2024
Operation System (Driver 2.0)	1	<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: cyan;">■</span>
Alternate Dispute Resolution (ADR)	2	<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: cyan;">■</span>
Dashboard Metrics	3	<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: cyan;">■</span>
Stakeholder Awareness	4	<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: cyan;">■</span>
Learning Management System	5	<span style="color: green;">■</span>	<span style="color: green;">■</span>	<span style="color: cyan;">■</span>

Continuous Improvements	Goal	2022	2023	
Leadership and Employee Training	1	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	X
Process Improvement	1	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	X
Cyber Security	1	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	X
Employee Engagement Plan	1	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	X
Procedural Fairness	2	<span style="color: green;">■</span>	<span style="color: green;">■</span>	X
Individual Dealer Report Program (24/25)	2	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	X
Sales Certification Program	2	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	X
Website Development	4	<span style="color: green;">■</span>	<span style="color: green;">■</span>	X
Consumer Advisory Committee	4	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	X

## Motor Dealer Customer Compensation Fund Highlights

In 2022/2023, the Motor Dealer Customer Compensation Fund (“Compensation Fund”) Board met 5 times (4 by video conference and 1 in-person) and adjudicated 7 claims. Of those 7 claims, 3 or 43% were approved, for a total payment to consumers of \$35,352.14.


In 2022/23, there were several changes in the Compensation Fund Board’s composition. In December 2022, we welcomed a new Board member, Kenneth Tan. Starting April 1, 2023, the Compensation Fund Board Chair, Ian Moore, was appointed as a Director on the VSA Board. As a Board, we were grateful for Ian’s leadership, dedication, and good humor; his presence will be missed. Ian Moore’s departure left a vacancy on the MDCCF Board that is yet to be filled. In June 2023, I was appointed as the Compensation Fund Board Chair, and Malcolm Hunter stepped in as the Vice-Chair. I would like to extend my appreciation to my fellow Compensation Fund Board members and the VSA staff for their commitment to business continuity. Together, we ensured a smooth transition and uninterrupted service.

For the fiscal year 2022/23, the Registrar waived \$300.00 annual Compensation Fund payments for those motor dealers that have made those contributions for three or more years. At fiscal year-end, the Compensation Fund balance was \$1,108,920.00.

The Compensation Fund Board continues to improve and grow as an independent administrative tribunal. We benefit from continuing education and advice from external counsel and VSA staff, and we also learn and develop through our Board discussions on both policy matters and claims files. We will continue to apply the highest standards using each Board member’s unique experience and skills to assist members of the public, motor dealers, and the motor vehicle sales industry, generally.

Sincerely,

The Motor Dealer Customer Compensation Board  
Per:



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Mary Childs,  
Motor Dealer Customer Compensation Fund Board Chair





## Motor Dealer Customer Compensation Fund Activity

Statistics	Fiscal Year 2022/2023	Fiscal Year 2021/2022	Fiscal Year 2020/2021
<b>Claims</b>			
Adjudicated	7	5	4
Approved	3	3	2
Amount Paid Out	\$35,352.14	\$22,000.00	\$23,000.00
<b>Type of Claim</b>			
Vehicle Purchase	4	3	4
Warranty/Service Plan Purchase	2	2	0
Vehicle Consignment	1	0	0
<b>Vehicle Type</b>			
Auto	7	5	4
RV	0	0	0
Motorcycle	0	0	0
<b>Dealer Stats</b>			
In Business	0	0	1
Not in Business	7	5	3

## Board Governance

In the past year, the Board of Directors revised its Governance policies to implement recommendations made by the Ombudsperson of British Columbia.

The Board enhanced its conflict-of-interest policies, guidance documents and training for directors. The Board implemented terms of reference for the Directors, the President, and the Registrar to clearly delineate the roles of each and to ensure the Registrar's independence was protected. The Board oversaw the enhancement of the VSA service complaint policy.

The Board of Directors approved the first ever President's Office Policy and Procedure to clearly identify the President's duties which included their duty to deliver on the Administrative Agreement with the Province, to deliver on the mandate of protecting the public interest within the motor dealer industry, and to protect the independence of the Registrar.

Further, the Board of Directors amended its bylaws to add a 12th member to balance out the Board with equal industry and non-industry members (4 public-at-large and 2 Minister appointees). This balanced Board approach is consistent with the recommendations of the Steering Committee on Modernization of Health Professional Regulation Report issued August 27, 2020. A 12th Board member was recruited from the public-at-large and was selected to start in the fiscal year commencing April 1, 2023.

# VSA Financial Statement 2022/2023 & Budget 2023/2024

	2022/2023 Actual	2023/2024 Budgeted
<b>Revenue</b>		
Dealer Licensing	\$2,653,582	\$2,700,827
Salesperson Licensing	\$1,560,170	\$1,665,977
<b>Total Licensing Revenue</b>	\$4,213,752	\$4,366,804
Admin Fees, Recoveries & Interest	\$266,608	\$211,736
Course Fees	\$1,308,479	\$1,399,273
<b>Total Other Revenue</b>	\$1,575,086	\$1,611,009
<b>Total Revenue</b>	\$5,788,839	\$5,977,813
<b>Expenses</b>		
Salaries and Benefits	\$4,014,312	\$4,515,338
Operating Expenses	\$1,166,810	\$1,071,813
<b>Total Operating Expense</b>	\$5,181,121	\$5,587,151
<b>Operating Excess</b>	\$607,717	\$390,662
Capital Asset Fund	-\$399,773	-\$423,412
Net Consumer Awareness Fund	\$28,369	\$32,750
<b>Extraordinary Items</b>		
Gain on change in fair value of investment	-\$33,936	\$0
<b>Total Excess (Deficiency)</b>	\$202,378	\$0



## Leadership\*

### Our Leaders

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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

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Mark Bakken, Chair

Jim Nicholson, Vice Chair

William (Bill) Kwok, Secretary/Treasurer

Liza Aboud

Kyong-ae Kim

Mike Hacquard

Fred Jenner

Amy Jones

John MacDonald

Michael Schreiner

Vacant

\* Leaders and board members as at March 31, 2023.

