



Bulletin

Motor Vehicle Sales Authority of British Columbia



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VSA Annual Report Now Available

The VSA's Fifth Anniversary Annual Report, covering the year ending March 31, 2009, has been mailed to all dealerships in the province. The report is also sent to all Members of the Legislature as well as industry and consumer stakeholder organizations. The report provides a detailed account of the agency's activity and finances for the year.

It also puts five years of history and future goals into context. It is the VSA's most comprehensive communications tool. Each year it familiarizes new people with the Authority and serves as a reference for the VSA's online and classroom courses.

Interested parties can find the report on the VSA website (www.vehiclesalesauthority.com). If the published version is needed for any special purpose, please contact the VSA and we will consider and honour the request as long as supplies last.

Advisory Committee Meetings

Two important advisory committees (Salesperson and Motorcycle Dealers) were created by the VSA

Board of Directors because it was believed these sectors of the industry were under-represented in policy-making. Historically, the only link salespeople had was through their dealers, whose business concerns were not always consistent with their employees' priorities.

With respect to motorcycle dealers, unlike the New Car Dealers Association, the Automotive Retailers Association and the Recreation Vehicle Dealers Association, their small industry sector was not assigned representation on the VSA Board.

A member of the VSA Board serves as chair of each committee. Members of the VSA management team attend as needed based on the agenda. Both committees met recently.

Motorcycle Dealer Advisory Committee

VSA director, Al Cameron, chaired the September 25, 2009, meeting of this committee. There was a lively discussion of the long-overdue amendments to legislation and most notably the VSA's comprehensive Legislation Review that has been awaiting attention in Victoria for two years.

Registrar Ken Smith, consultant Bob Clarke (former Executive-Director of the Automotive Retailers Association) and several members of the VSA management team attended and gave reports about their areas of industry activity.

A major concern expressed by the committee concerned vehicles repossessed on behalf of banks and financial institutions, but left with bailiffs (unlicensed to sell motor vehicles) and repair shops for resale. The committee recommended that it should be mandatory that these be resold through a licensed dealer. It was reported that common practice in the United States is to return the repossessed vehicles to manufacturers who then put them up for sale at dealer-only auctions.

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Salesperson Advisory Committee

The principal concern expressed by this committee at a meeting on October 8, 2009, was the tough times most salespeople in B.C. are experiencing these days, trying to earn a living. As a result, strong views were expressed that licence and course fees paid by salespeople were a genuine hardship for many. The committee believes that salespeople are asked to pay a disproportionate share of the VSA budget. The meeting was chaired by VSA director, Michael Faulkner, and attended by the Registrar, Ken Smith, and several members of the VSA management team.

The committee discussed the Level II certification course which is now required for everyone who took the Level I course prior to June 1, 2004. In time, it will be mandatory for all salespeople five years after completing their initial certification course. In addition to the cost of the course, concern was expressed about giving up two days of work on the sales floor.

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Salesperson Advisory Committee (cont.)

With respect to the current discounted fee of \$375, scheduled to rise to \$500 on April 1, the committee recommended freezing the fee at \$375, or pricing it at \$495 less a 20 percent discount for the pre-2004 group. Smith explained that \$500 represents the VSA's true cost of putting on the course. Smith added that consideration was given to offering the course in the virtual format now used for the Level I course, but the classroom experience is responsible for much of the effectiveness of the Level II course.

Among other matters on the agenda:

- VSA department heads outlined current issues in licensing, compliance, consumer services, the learning division and communications.
- The committee recommended that B.C. follow the course of Ontario in which each vehicle ownership transfer is subject to a \$5 charge, which is forwarded to the Ontario Motor Vehicle Industry Council for consumer services. It was suggested that a similar transfer fee could be charged in B.C., part of which could be used to cover the cost of training.
- "Curbers" were again described as a "curse" of the industry. It was explained how difficult it is to prosecute these illegal sales in the province which, after a costly investigation and court process, rarely amount to more than a \$280 fine. The committee welcomed efforts by VSA, the police and ICBC to address the problem, and urged stronger action by government.
- Committee members explained that "documentation fees" charged by many dealers can create difficulties for salespeople. They must defend the policy to sometimes angry customers if the fees had not been disclosed as required.
- The committee welcomed the prospect of a new VSA publication to be titled *The Professional*, prepared by and for experienced salespeople, a forum for current issues and an effort to better profile the profession.

Motorcycle Dealer Advisory Committee (cont.)

Other matters included:

- Favourable comments about the VSA's web-based learning (the Level I salesperson certification course).
- The development of a "powersports" division of the ARA to lobby government and to otherwise assist the motorcycle sector of the industry.
- Matters cited requiring provincial regulation included: age requirement for ATV use; the power to weight ratio; bike size for beginners; and, the 60-plus new rider.
- The committee recommended better controls via ICBC with respect to scrap-it programs, rebuilds, imports and inspections.