



ita

industry training authority

Annual Service Plan Report 2009/10

Mobilizing to Meet the Challenge



**BRITISH
COLUMBIA**

The Best Place on Earth

Annual Service Plan Report 2009/10

ITA VISION:

Highly skilled and productive people making British Columbia's industries prosperous and globally competitive

ITA MISSION:

To lead British Columbia's industry skills training and certification system through collaboration and innovation

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Year in Review

April 2009

- Province of BC announced doubling of BC Training Tax Credit, providing employers with an added incentive to hire apprentices

May 2009

- \$1,000 scholarships presented to 665 high school graduates in recognition of successful participation in the Secondary School Apprentice program

June 2009

- E-learning lead agencies named: Camosun College for cooking trade; Piping Industry Apprenticeship Board, United Association Training Centre and Lambda Solutions for welding trade
- New call tracking software installed as basis for future customer service centre improvements

July 2009

- Multiple Assessment Pathways alternative assessment pilot completed for cooking trade challengers and credentials awarded

August 2009

- Two major documents released: comprehensive ITA strategy and new streamlined apprenticeship guide

September 2009

- Multiple Assessment Pathways alternative assessment pilot launched for heavy duty equipment mechanic trade

Mobilizing to Meet the Challenge

2009/10: Challenge & Response

Even with economic recovery underway, training-related impacts of the recent recession were evident during 2009/10 and have the potential to last several years. This created immediate performance challenges for British Columbia's industry training system as well as a risk of longer-term labour shortages for the province.

The Industry Training Authority worked last year to moderate the downturn's effect on training participation, and to better mobilize all stakeholders in the vital job of recapturing pre-recession momentum. Key elements of this collaborative response are elaborated on throughout this report and included:

- Re-allocating resources to pre-apprentice foundation programs which do not depend on work-based training availability.
- Re-allocating resources to more advanced levels of apprenticeship training where demand remained strong.
- Facilitating training continuation despite interruptions in sponsorship/employment (allowing longer active status and more latitude in technical training scheduling).
- Maintaining programs aimed at increasing participation by women, immigrants and Aboriginal people.
- Continuing to collaborate with public training providers through the Economic Recovery Working Group to address downturn-related demand fluctuations.
- Cooperating to implement and promote tax-credits and grants and other provincial and federal-government measures to support continued training participation.

October 2009

- ITA website expanded with: new online ACE IT program guide and other youth program resources for educators; sections on Opportunities for Women and Opportunities for Immigrants

November 2009

- Fifth annual BC Youth Day hosted by ITA to focus industry representatives and educators on industry training programs for youth

December 2009

- New chair and directors appointed to ITA board

January 2010

- Aboriginal section launched on ITA web site features information for apprentices, service agencies and training providers
- Option introduced to receive exam scheduling notifications by email

February 2010

- Test version of online essential skills assessment tool launched

March 2010

- Development of Wind Turbine Technician apprenticeship launched by Resource Training Organization
- BC focus group held to support Canadian Apprenticeship Forum's cross-Canada consultations on apprenticeship completion, commissioned by ITA

Message from the Chair



**To the Honourable Moira Stilwell
Minister of Advanced Education
and Labour Market Development**

Fiscal 2009/10 was an exciting, albeit challenging, year for industry training. For the ITA Board of Directors, it underscored the need

for all training stakeholders to reinforce, strengthen and commit to our shared vision.

The recent economic downturn precipitated the first declines in total registered training participants and sponsors since the inception of the ITA with our performance falling short of targeted projections. This is not surprising due to the downturn's impact on employment generally and the availability of work-based training more specifically.

History suggests that new registrations and total registrations in industry training can be slow to recover following a recession. We face a major challenge in ensuring that these declines are not long-term. Furthermore, with the pace of economic recovery increasing and demographic trends continuing to erode the pool of skilled labour, we will face a shorter term but equally important need to find ways to lessen the negative consequences of these factors on stakeholders' productivity and competitiveness.

Heightened Urgency

We are also highly sensitive to the fact that industry training is a long-term proposition for the most part. The number of skilled workers becoming available in several years is in large measure a direct outcome of the number of new registrations today.

This drove our heightened sense of urgency, and continuing focus during 2009/10 on moderating the recession's impacts on training participation. It was a three-pronged effort:

- Using carefully considered resource re-allocations and policy adjustments to facilitate continued entry into and progression through industry training.
- Encouraging longer-term apprentices to complete final certification requirements (and the large number of certificates issued suggests this and related efforts were effective).
- Maintaining longstanding programs to expand labour supply.

Financially, the ITA's surplus in 2009/10 was larger than in previous years because of softer demand for technical training. We achieved above-target utilization rates for funded seats, while balancing utilization efficiency against the need to sustain training capacity for the mid- to long-term.

Innovation

Our innovation agenda remained strong, and we made significant strides forward relating to the skills assessment side of our mandate.

This included successful completion of an alternative assessment pilot for cook

challengers. Significantly, one outcome of the pilot is that the ITA now leads the creation of a national framework to support assessment alternatives to the traditional multiple-choice written exam. This will better enable individuals to earn credentials, and is likely to be the most significant single advancement of the national Red Seal program in recent years.

While not meeting some targets, we believe last year's results reflect favourably on the ITA, considering the context of the times. During 2010/11 we will strive for greater collective mobilization despite ongoing challenges, to lay a firm foundation for resumed growth in registered training participants and sponsors.

Building on 2009/10 efforts, we will look to stakeholders – particularly industry – for a faster re-engagement in training than after previous downturns. Having already experienced some pre-recession skill shortages, industry can be expected to appreciate the critical importance of such re-engagement.

This report was prepared under the direction of the board, which is accountable for its content and for the internal controls to ensure its accuracy. It was prepared in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles, and reflects performance for the year ended March 31, 2010, with reference to the September 2009 service plan update. All significant decisions, events and identified risks, as of May 31, 2010, have been considered.

Frank Pasacreta, Chair

“We are highly sensitive to the fact that industry training is a long-term proposition.”

Message from the Chief Executive Officer



To Our Partners and Stakeholders

Recessions hurt apprenticeship. And this one has been no exception.

In a national assessment of the effects of the 2009 recession, the Educational Policy Institute noted that apprenticeship is likely to be the more seriously impacted of all forms of post-secondary education, with the potential for precipitous enrollment drops.

A key factor is the diminished ability of employers to provide the work-based training opportunities that are the backbone of apprenticeship training.

We have seen consistent and often significant year-to-year increases in training participation numbers since the ITA's inception in 2004, but they have come to an end for the time being.

Mixed Results

British Columbia's industry training system had mixed results for 2009/10, with some continued successes, but also some troubling reversals. Modest drops in both training participation and sponsorship – five per cent and one per cent, respectively – are an early warning of renewed skills shortages in British Columbia. We anticipate further declines in 2010/11, but are determinedly targeting a return to growth in the following year. The economy cannot afford otherwise. The situation calls for a well-planned, disciplined and collective mobilization.

At stake is British Columbia's future prosperity. The downturn didn't change fundamental demographic realities in this province: our population continues to age; more people leave the workforce than enter it; and skilled-labour shortages in the tens of thousands are just a few years down the road.

It's more than not having enough workers to meet labour-market needs. If the workers we do have lack the skills required in the 21st century, we could face the seemingly contradictory combination of skill shortages and high unemployment.

Mobilizing in Response

The key to avoiding that train wreck is to foster a strong, genuine training culture in workplaces of all sizes, where employers commit

to and invest in training because it's good for business. This means reversing Canadian Apprenticeship Forum findings suggesting that only 18 per cent of potential sponsors employ apprentices.

In the year ahead, working with the province's Industry Training Organizations (ITOs), we will redouble our focus on engaging employers with the compelling business case for apprenticeship. The Canadian Apprenticeship Forum calculates an average return of \$1.47 for every dollar invested in an apprentice. Moreover, with growing labour shortages, apprenticeship is one of the best human resource recruitment and retention tools available to employers.

In 2004, British Columbia adopted a new model of skilled trades training designed first and foremost to be industry driven. Now employers have a vital opportunity to benefit from that model – by collectively answering the call of tomorrow and investing in apprenticeship training today.

That investment will enable us to quickly get back on a growth trajectory and to develop the skilled labour required to secure British Columbia's future prosperity.

I would like to express my admiration for the more than 10,000 employer-sponsors in British Columbia who made the business decision to maintain their apprenticeship investment through a difficult year. They know this will position them competitively for the turnaround and the labour shortages that lie ahead.

What's that saying about never wasting an opportunity from a good crisis? I look forward to reporting a year from now that 2010/11 proved to be a game-changer for British Columbia apprenticeship training – that we heard the wake-up call that was 2009/10.

My sincere "thank-you" to all the enterprise partners in British Columbia's industry training system for your focus on outcomes and innovation through a challenging year. Training providers, unions, industry associations, or ITOs – you are the source of my optimism that we will meet the historic labour supply challenges ahead.



Kevin Evans, Chief Executive Officer

“In the year ahead we will redouble our focus on engaging employers.”

Organizational Overview

Public Interest and Accountabilities

The ITA provides oversight, leadership and system-wide coordination for industry training in British Columbia. This form of higher education contributes to individual well-being, through skill-development and recognition opportunities, and to provincial economic competitiveness by aligning skilled-labour availability with employer needs.

The ITA's legislative mandate – for both industry training programs and the assessment of related skills – is defined in the *Industry Training Authority Act*. The provincial government provides further direction through an annually updated Shareholder's Letter of Expectations (see page 20).

The ITA's accountabilities include:

- Designating provincially recognized training programs
- Developing and reviewing training programs
- Specifying program standards
- Developing assessment tools such as exams
- Establishing assessment procedures and fees
- Awarding and, when necessary, cancelling credentials
- Designating and setting requirements for trainers, and
- Maintaining a registry of trainees

The ITA works closely with and delegates some responsibilities to independent, sector-specific Industry Training Organizations. ITOs take on defined responsibilities for program standards in specific trades and mobilize the expertise needed to identify required skills and competencies. They help ensure that industry training in British Columbia is industry driven.



**Mobilizing
to Meet the
Challenge**

“One day, I want to go back to my community and show them that even coming from this remote area, I’ve had the opportunity to pursue an apprenticeship, which has taught me dedication, determination and how to succeed.”

– Raven McMahon
Women in Trades Training Participant
(plumbing), originally from Kitkatla

Service Delivery

Working with ITOs and technical training providers such as colleges and joint training boards, the ITA provides 143 diverse training programs throughout British Columbia. This includes both:

- **apprenticeship**, which combines technical and work-based training, and
- in-school **foundation programs**, which are entry points to apprenticeship.

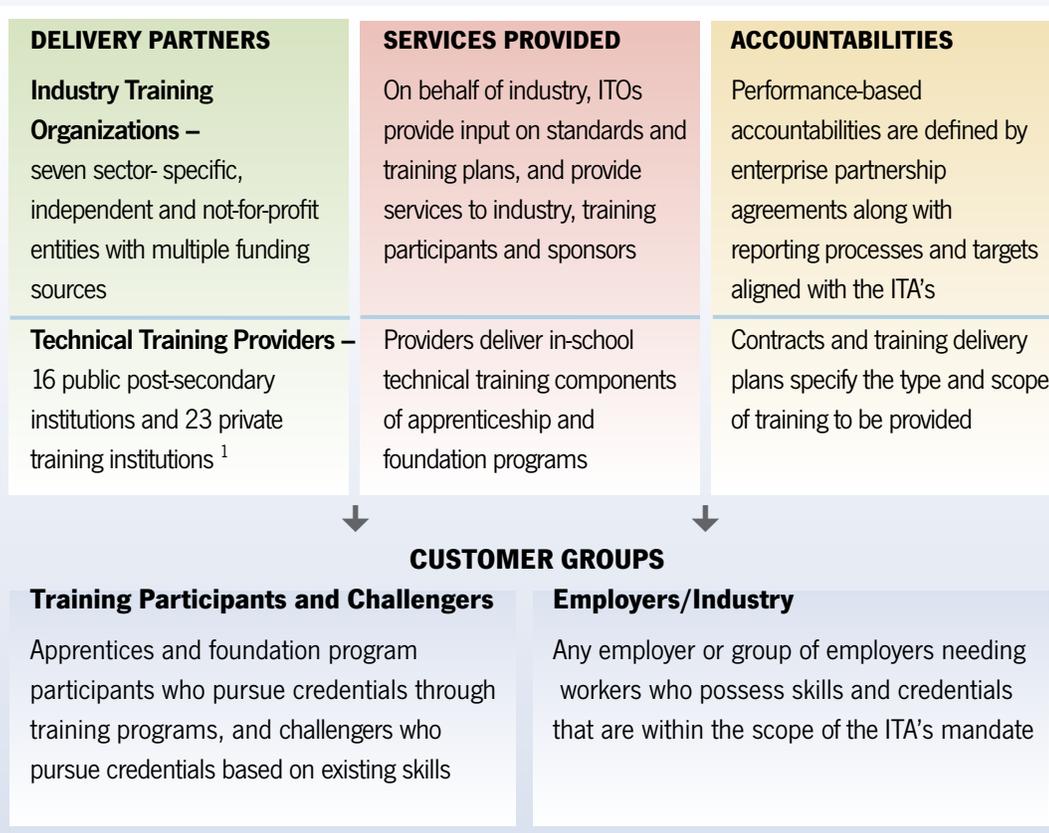
Targeted delivery in collaboration with school districts facilitates youth participation in both types of programs.

The ITA issues government-endorsed credentials to: (a) individuals who successfully complete training programs or, in the case of foundation programs, credit for apprenticeship level 1; (b) those who successfully “challenge” for a credential based on their existing skills and knowledge.

Technical training and other services are delivered through these strategic partnerships:

“Beyond 2014, however, economic growth will be restrained as the baby boomers leave the workforce. Labour shortages brought on by a wave of retirements will be the dominant economic trend until about 2030”

— **Pedro Antunes**, Director, National and Provincial Outlook, Conference Board of Canada



¹ Number of institutions funded by the ITA to provide training during 2009/10. Public trainers received 91 per cent of this funding. 55 school districts in the K-12 system also received funding for the delivery of youth programs.

Organizational Overview

Locations & Structure

The ITA's offices are in Richmond and Vancouver, with the Vancouver office serving primarily as a customer-service centre. Information and examination services are also available through Service BC's approximately 60 locations around the province. The ITA's executive staff portfolios are structured around these core business areas:

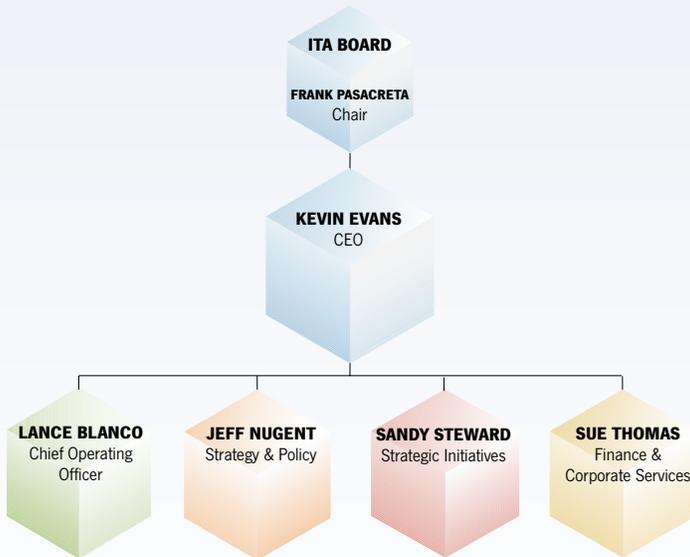
Operations

- program standards
- customer service
- training delivery
- assessment and certification

Policy and Strategic Initiatives

Corporate Services

- finance
- human resources
- marketing and communications



“I’m good at it and it feels good to know that I have skills that employers want. Everybody wants to know that they are valued and needed.”

– **Jatinder Pal Ghuman**
Immigrants in Trades Training
Participant (electrical), Surrey

Governance

Directors and Committees

The ITA is governed by a nine-member board of directors, appointed by the Minister of Advanced Education and Labour Market Development.

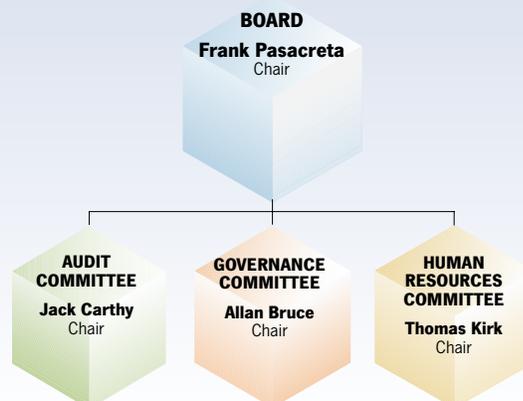
Directors have diverse industry and training-related expertise, and collectively provide an appropriate mix of specialized knowledge and geographic balance. Board members serve for variable terms and can be re-appointed. Five new directors were appointed in 2009/10 and a new chair selected.

ITA Board of Directors



Back row, left to right: **Jack W. Davidson** (Audit), **Kurt Krampfl** (Governance, Human Resources), **Tom Kirk** (Governance, Human Resources), **Allan Bruce** (Governance, Human Resources), **Suromitra Sanatani** (Human Resources), **Jack Carthy** (Audit, Governance)
 Front row, left to right: **Laura Stanton** (Audit), **Frank Pasacreata** (chair and ex-officio member of all committees), **Patty Sahota** (Audit)

Board Committees



Governance

Roles and Principles

Directors act in a fiduciary rather than representative capacity, guided by the best interests of the ITA. They adhere to governance principles and practices reflecting guidance from the Government of British Columbia's Board Resourcing and Development Office (BRDO) and private-sector best practices.

Board Role

- Setting vision and strategic direction and empowering management to pursue it
- Ensuring appropriate risk-management measures are in place
- Holding management accountable for defined performance results
- Ensuring effective use of resources
- Reporting to government, stakeholders and the public at large

Governance Principles

- Director independence vis-à-vis both government and management
- Clear delineation of expectations via terms of reference
- Meaningful oversight of management
- Adherence to a rigorous code of conduct (also applicable to employees)
- Continuous governance improvement (including ongoing director professional development and an annual board assessment)
- Transparent governance practices

The ITA has a high level of compliance with the specific recommendations in the BRDO's Best Practices Guidelines. The disclosure requirements in section three of that document have been met. (www.itabc.ca/Page59.aspx)



“Now that I have earned my Red Seal certification, I feel very confident that I can get a job in any area I want. Even though I have 20 years of experience, people look for that piece of paper first if they don't know you. Now I have it.”

– Nay Yon
Multiple Assessment Pathways Pilot
Participant, Port Coquitlam

Report on Performance: The Context

Operating Environment

British Columbia's industry training system faced a challenging year in 2009/10 despite a stabilizing provincial economy and a year-end outlook that was positive in many respects. Economic conditions began to have what could, in the absence of a sufficient response, be a sustained impact on the system's performance results.

Most notably, numbers of total registered training participants and sponsors both declined for the first time since the ITA began operations. This is consistent with significant but delayed impacts on training volumes following previous downturns.

Historically, the impact is typically greatest on new registrations. It is first observed one to two years after the onset of the downturn, followed by a more moderate but still significant impact on total registrations.

Of greater concern is the fact that recovery of both new and total registrations has typically been very slow following previous downturns – taking seven to 10 years for new registrations.²

In combination with demographic-driven skilled-labour shortages that will increase in the years ahead, a prolonged decline in industry training participation could significantly impair British Columbia's productivity and competitiveness. Clearly, collective mobilization to moderate the impact of the economic downturn was urgently needed in 2009/10, and the ITA took steps to initiate appropriate responses.

“Employers receive a return when they invest in apprentices. For every \$1 spent on apprenticeship training, an employer receives a benefit, on average, of \$1.47 or a net return of \$0.47.”

– Canadian Apprenticeship Forum, “It Pays to Hire an Apprentice”

² “The Effects of the Economic Slowdown on Apprenticeship Training”, Human Resources and Skills Development Canada

Mobilizing to Meet the Challenge



“I really like the technical training. I learn that every step in carpentry has a reason and a theory behind it. It gives me a new way to view my trade.”

– Terry Teeple
Carpentry Apprentice,
College of the Rockies

Photo courtesy
South East Kootenay School District

Report on Performance: The Context

Risks and Capacity Issues

The table below summarizes important strategic issues guiding the ITA's activities and influencing its performance results and overall effectiveness during 2009/10. More details on ITA responses appear throughout this report.

Issue	Overview	Response & Outlook
Reduced training participation	Total registered participants in industry training declined by 5% in 2009/10, with new apprentice registrations over the course of the year averaging 1,206/month compared to 1,244/month in 2008/09. This reflects fewer available work-based training opportunities (employment levels being a lagging economic indicator), and possibly a perception of diminished career opportunities in trades-dependent industries.	The ITA's efforts to moderate the economic downturn's impacts on training participation focused on resource re-allocation, policy changes, labour-supply initiatives, and continued and enhanced collaboration with strategic partners. More details are on page 1.
Reduced sponsorship	Total registered sponsors declined 1% in 2009/10, as employers adjusted employment levels and training investments. Increased sponsorship participation is central to the collective response required to support revived training participation growth.	Consultations initiated with ITOs in 2009/10 will result in formal service-purchase arrangements and performance expectations relating to ITO sponsorship recruitment in 2010/11.
Risk of technical training capacity loss	Technical training demand declined in 2009/10, particularly for lower levels of training. This threatens a risk of loss of training capacity as providers return funds for cancelled intakes to the ITA, and potentially re-allocate resources to non-trades programs.	Rationalizing technical training intakes during 2009/10 in response to declining demand led to above-target utilization rates. The utilization-rate target for the next year will be lower than the actual 2009/10 level. Monitoring will assess impacts of reduced intakes on mid- to long-term training capacity.
Limitations on challenger assessment	It is generally accepted that multiple choice exams have inherent limitations in assessing challengers seeking credentials based on existing skills – likely with negative impacts on their performance and on the certificates-issued measure.	Significant progress was made in 2009/10 with an alternative assessment pilot, leading to a national initiative to foster broader application. More details are on page 11.
Delivery limitations	There is wide recognition of the need for alternative delivery methods to complement traditional block-release and in-school technical training formats. Such alternatives could positively impact certificates issued and other aspects of performance such as completion rates.	Some progress was made on the E-PPRENTICE (online learning) initiative in 2009/10. Wider implementation will depend on a review of the project's strategic plan and identification of additional funding sources. More details are on page 11.



More on the Mobilization

Highlights of Selected ITA Initiatives and Outcomes during 2009/10

CHARTING INNOVATIONS

Pilots take off – An ITA pilot project completed in 2009/10 not only verified the value of allowing people to challenge for credentials by more diverse means, but also sparked an initiative with the potential to significantly improve the national Red Seal program.

Participants in the pilot challenged for cook's credentials based on existing skills. But instead of the usual multiple choice exam, they were assessed by a combination of a documentation review, an interview, a practical assessment and a short written exam. Of 65 participants assessed, 55 earned their professional cook I, II or III credentials, with the other 10 benefiting from guidance for targeted upgrading.

Another alternative assessment pilot was initiated last year in the heavy duty equipment mechanic trade. It also demonstrates British Columbia leadership leading to efforts with a national scope.

Alternative assessments more effectively gauge actual skills, and are less likely to preclude certification of well-qualified individuals with weak exam-writing skills.

Red Seal OPS – Through a related national initiative launched in 2009/10, trade-specific occupational performance standards (OPS) are being developed for Red Seal trades. They will define tasks and standards for their performance and be a basis for broad development of alternative assessment and other program tools.

And being unit-based, OPS will allow for credit for specific sub-sets of competencies – avoiding inefficient re-testing, making it easier to identify gaps, and allowing recognition of competencies common to more than one trade.

www.itabc.ca/Page883.aspx
www.strengtheningtheredseal.com

MOBILIZING A BROADER LABOUR POOL

More participation – The ITA continued to work for more trades-training participation by groups with the potential to play larger roles in meeting future skills requirements. These initiatives are offered in partnership with training providers and service agencies and funded federally under the Canada-BC Labour Market Agreement.

Reaching out – Windows opened on industry training possibilities in 2009/10 for approximately:

- 400 individuals taking part in the ITA's Women in Trades Training Initiative
- 300 more in its Immigrants in Trades Training Initiative
- these two initiatives involved assistance with participation barriers such as transportation and child care needs and knowledge gaps in areas such as language and job-market familiarity

- 180 Aboriginal people in programs designed to facilitate access to trades careers (part of a broader ITA Aboriginal strategy developed under the direction of an advisory council) – the 2009/10 focus was on successful apprenticeship completion

Youth outreach – Participation remained strong last year in ITA core programs designed to recruit youth from all backgrounds into industry training. As well, the ITA continued funding a CES Career Education Society initiative to improve the Secondary School Apprenticeship program. Nearly all British Columbia school districts had participated by year-end.

www.itabc.ca/Page955.aspx
www.itabc.ca/Page956.aspx
www.itabc.ca/Page1027.aspx
www.itabc.ca/Page19.aspx



AN E-PPRENTICE PAUSE

E-PPRENTICE spells online learning alternatives, meant to give apprentices more flexibility about where and when they pursue technical training. Program development and delivery proceeded in four trades in 2009/10, as did preparations for contract awards in additional trades.

The ITA suspended new E-PPRENTICE program development in April 2010 as it was determined that it was not a good match for funding under the Canada-BC Labour Market Agreement. The ITA is committed to refining the business plan and moving this initiative forward when new funding is identified.

www.itabc.ca/Page874.aspx

ESSENTIAL TOOL FOR ESSENTIAL SKILLS

A test of an online essential skills tool launched by the ITA was getting hundreds of daily hits at the end of the year, and the unique-in-Canada tool will be rolled out for general public use in 2010/11.

The interactive site lets individuals do trade-specific self-assessments for literacy, numeracy and other skills that often make the difference between success and failure. Besides identifying gaps, the site provides learning plans, and encourages later re-testing.

Essential-skills gaps are common barriers for specific groups whose trades-training participation the ITA is working to expand.

Report on Performance: The Results

The ITA pursued three broad goals in 2009/10, as defined in its strategic plan, and various related strategies. The year's service plan was released in February 2009 and updated in September. It defined eight performance measures and associated targets, as a basis for determining the success in meeting the goals. The ITA achieved targeted performance on six of the eight measures.

Performance Summary:

Goals	Measures	08/09 Results	09/10 Results	09/10 Target	09/10		10/11 Target	11/12 Target	12/13 Target
					Target Met	Trend			
Goal 1 Individuals are recognized for their skills and knowledge and have opportunities to develop to their full potential	Registered training participants	44,076	41,803	47,000	X	▼	39,000	40,000	41,000
	Registered challengers	n/a	1,407	Establish baseline	√	n/a	TBD	TBD	TBD
	Certificates of qualification issued	6,038	7,179	6,100	√	▲	7,000	7,500	8,000
Goal 2 Employers and industry have the skilled workers they need to be successful	Registered participants in ITO-managed programs	94%	95%	95%	√	▲	97%	97%	97%
	Registered sponsors	10,884	10,789	11,250	X	▼	10,250	10,600	11,000
	Employment in trades within 12 months of acquiring certificate of qualification	99.3%	99.6%	99.3%	√	▲	99.3%	99.3%	99.3%
Goal 3 The industry training system makes a vital contribution to BC's prosperity	Capacity utilization	92.7%	92.0%	88.5%	√	▼	88.5%	91.5%	91.5%
	Apprentices waiting >12 months for next level of training	6.2%	3.2%	5.0%	√	▼	5.0%	5.0%	5.0%

Goal 1: Individuals are recognized for their skills and knowledge and have opportunities to develop to their full potential

STRATEGIES:

- **Increase non-sponsorship based entry to industry training (foundation programs) and facilitate completion despite employment interruption**
- **Address barriers and facilitate entry to industry training on the part of women, immigrants and Aboriginal people**
- **Develop tools to better assess and address essential skills gaps**
- **Continue to promote youth recruitment into industry training**
- **Improve non-training based access to credentials through refinements to the existing challenge process and addition of alternative assessments methods**

MEASURE: REGISTERED TRAINING PARTICIPANTS

Rationale: This includes all registered apprentices, foundation program and ACE-IT (youth) program participants as of year-end. Participation in these programs is the more common of two ways of obtaining credentials, the other being the “challenge” process which assesses existing skills. This measure is therefore a key indicator of the likely availability of credentialed workers over time. Participation is influenced by the extent of recruitment and continuation in industry training, both influenced in turn by the availability of work-based training.

The 2009/10 target was set with reference to a rolling average of net growth over the last half of 2008/09, with a heavier weighting on the final three months in light of deteriorating economic conditions. Subsequent targets were revised downward in late 2009/10, in light of participation trends to that point in time.



Performance and Outlook: For the first time since the ITA began operation, the total number of training participants dropped, resulting in below-target performance. Resources were re-allocated to foundation programs, an entry point not dependent on availability of work-based training; and to upper levels of apprenticeship technical training where demand remained relatively strong. Policy changes were made to facilitate continuation despite interruptions in sponsorship/employment (allowing technical training participation for a longer time period after the most recent period of work-based training, and providing more latitude for back-to-back scheduling of technical training). Targeted labour-supply recruitment and youth programs also continued.

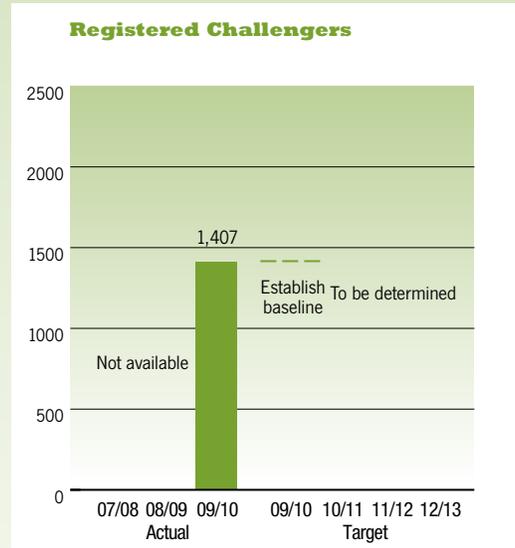
The lower demand for lower levels of apprenticeship technical training is consistent with reduced availability of work-based training for new apprentices, and with the disproportionate impact of layoffs on junior employees. It may also reflect the lessened attractiveness of specific career options in light of the economic downturn’s impact on particular trades-dependent economic sectors. The downturn is believed to have had a larger-than-anticipated impact on participation – primarily as a function of reduced availability of work-based training – with implications for the number of apprentices likely to complete programs in the next several years.

Goal 1: Individuals are recognized for their skills and knowledge and have opportunities to develop to their full potential

MEASURE: REGISTERED CHALLENGERS

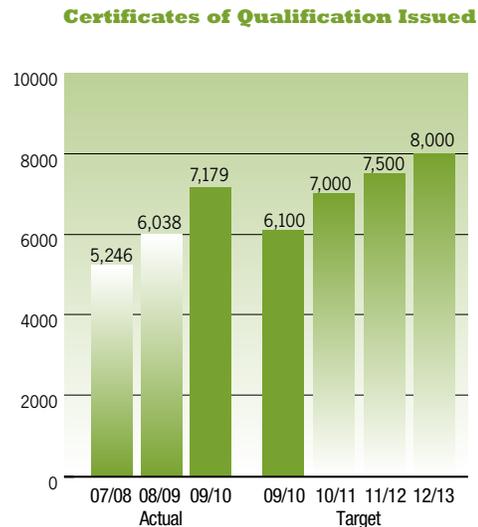
Rationale: Challengers are individuals approved to undergo assessments of their existing skills as a basis for obtaining credentials. This is an alternative to participation in apprenticeship, and the number of registered challengers is a more immediate indicator of the likely availability of credentialed workers. The ITA has committed additional resources in recent years to facilitating challenges, as a complement to its training function and in light of the benefits to both individuals and industry. An efficient challenge process also has particular value in better attracting and integrating skilled immigrants.

Performance and Outlook: This is a new performance measure, with a baseline of 1,407 arrived at in 2009/10. Targets for future years remained to be set as this report was prepared. Growth is expected, however, due in part to efforts to refine the challenge process. In 2009/10, they included streamlined application procedures, more translation resources to facilitate processing of international applications and the delegation of challenge-related responsibilities to some ITOs. Long-term growth is also expected from the use of alternative assessment methods (see page 11).



MEASURE: CERTIFICATES OF QUALIFICATION ISSUED

Rationale: This includes certificates issued to both those who completed an apprenticeship program and those who successfully challenged based on existing skills; it does not include foundation program credentials. This is a direct measure of the availability of newly-credentialed workers within the time period. The 2009/10 target was based on a methodology similar to that used for registered participants (see above). Future targets were revised upward in late 2009/10 in light of strong performance to that point in time.



Performance and Outlook: Performance was again above target, and by a significant margin. Relatively strong demand for higher levels of apprenticeship technical training is expected to foster further growth. This may reflect the ITA's effectiveness in encouraging longer-term apprentices to pursue final credential requirements during a period of reduced employment opportunities. Also contributing to growth has been greater availability of progressive credentials (i.e. multiple credentials associated with different levels of competency within a single trade). The ITA will monitor to ensure that this does not mask insufficient overall growth. Over the longer term, additional growth is expected to result from the use of alternative assessment methods for challengers (see page 11).

Goal 2: Employers and industry have the skilled workers they need to be successful

STRATEGIES:

- Leverage ITO-led industry engagement to ensure currency of program standards, and to improve program-standards development processes
- Formalize service purchase and performance expectations relating to ITO sponsor recruitment
- Expand ITO program responsibilities to fullest logical extent
- Develop and implement occupational performance standards as a means of improving the quality and efficiency of assessment

MEASURE: REGISTERED PARTICIPANTS IN ITO-MANAGED PROGRAMS

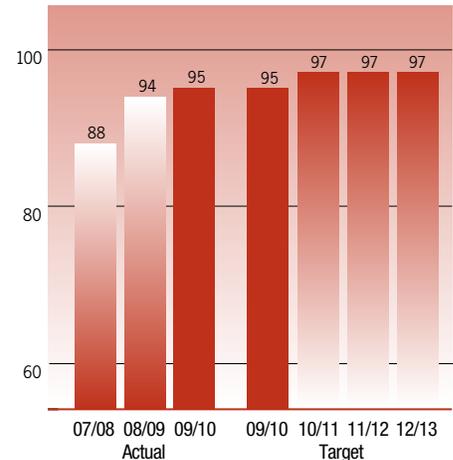
Rationale: Sector-specific ITOs are the main mechanism for industry to engage actively in the development and delivery of industry training in British Columbia – perhaps most importantly by taking responsibility for specific training programs and their participants. Targets reflect training-program responsibilities defined in annual ITA-ITO enterprise partnership agreements.

Performance and Outlook: Performance was on target in 2009/10. No new programs were assigned to ITOs during the year, and the improvement from the previous year reflected a small relative participation decrease in 29 programs not yet assigned to ITOs. More growth on this measure will be driven primarily by renewed efforts in 2010/11 to allocate additional unassigned programs (currently an ITA responsibility) to appropriate ITOs.

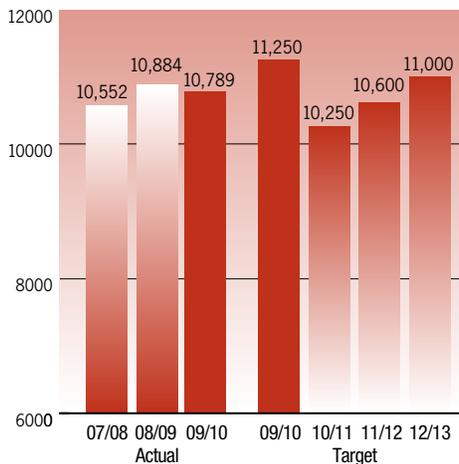
MEASURE: REGISTERED SPONSORS

Rationale: This measure reflects industry engagement in the training system and the availability of work-based training for apprentices. Over time, it is also an indicator of the likely availability of credentialed workers. While

Registered Participants in ITO-Managed Programs (%)



Registered Sponsors



sponsors can register multiple apprentices, at least roughly proportionate growth in sponsorship numbers is required to support a targeted level of growth in participation. The 2009/10 target for sponsors was set to correspond with the target for training participants, recognizing that economic conditions would have an impact on sponsorship. Future targets were revised downward in late 2009/10 in light of sponsorship trends and consultations with ITOs.

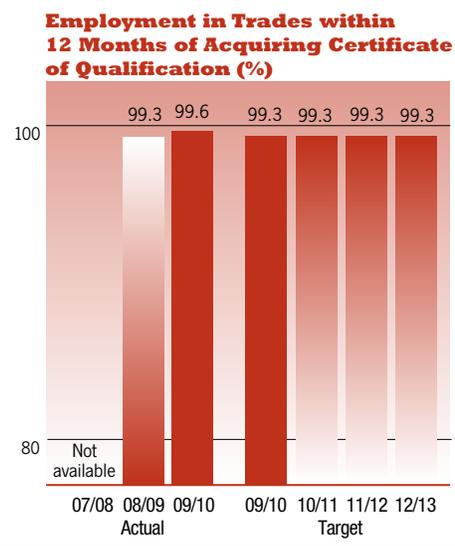
Goal 2: Employers and industry have the skilled workers they need to be successful

Performance and Outlook: Mirroring registered training participation, the total number of sponsors dropped marginally in 2009/10. The decrease is consistent with those of previous economic downturns, reflecting general employment trends and constraints on junior and non-essential hiring. As there is typically a time lag before seeing the full impact of economic conditions, the ITA will pursue enhanced sponsorship recruitment in 2010/11. Specific service-purchase arrangements and performance expectations will be incorporated into enterprise partnership agreements with ITOs.

MEASURE: EMPLOYMENT IN TRADES WITHIN 12 MONTHS OF ACQUIRING CERTIFICATE OF QUALIFICATION

Rationale: Data is from BC Stats' Apprenticeship Student Outcomes survey and tracks the percentage of former apprenticeship program participants employed in relevant trades within 12 months of acquiring their certificates. The 2009/10 measure is based on those receiving certificates in the year ending June 30, 2008. Industry training is meant to be a direct pathway to employment in defined occupations, and trades employment in a reasonable period of time is a useful outcomes-based indicator. The target is to maintain the high success level reflected in a 2008/09 baseline measure.

Performance and Outlook: There was marginal growth in the proportion of former apprentices working in relevant trades within 12 months, and the 2009/10 target was achieved. This is believed to indicate continued close alignment between skills acquired by completing apprentices and current workplace requirements. As with other performance measures, achievement of the target is encouraging; but the full impact of recent economic conditions has likely yet to be observed.



Goal 3: The industry training system makes a vital contribution to British Columbia's prosperity

STRATEGIES:

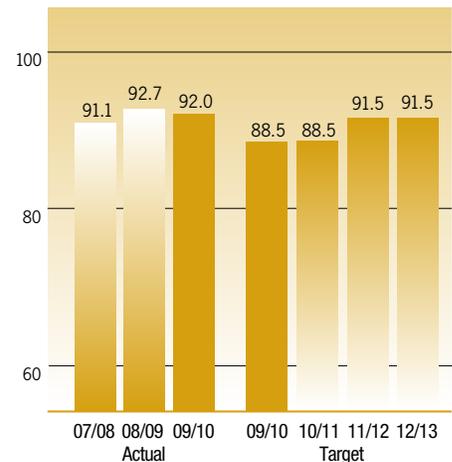
- Adjust capacity utilization expectations to account for both temporary economic conditions and longer-term interests in capacity maintenance
- Continue to incentivize and expand training delivery innovations and efficiencies
- Develop and implement occupational performance standards as a means of improving the quality and efficiency of assessment
- Initiate and lead occupation performance standards initiative at national level

MEASURE: CAPACITY UTILIZATION

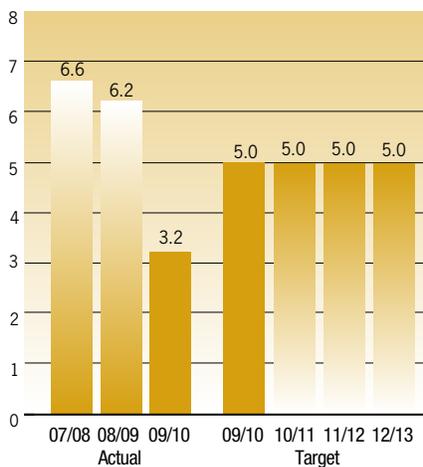
Rationale: Capacity utilization is the percentage of ITA-funded technical training seats filled by apprenticeship and foundation program participants, a measure of efficient use of resources. The target for 2009/10 represented a decrease from previous years, to allow latitude to maintain program availability and training capacity, despite less overall demand due to temporary economic conditions. The target for 2011/12 was revised downward in late 2009/10, given those conditions and further insights into the optimal balance between utilization efficiency and capacity maintenance.

Performance and Outlook: Above-target utilization was achieved in 2009/10 by cancelling technical training intakes, particularly in the second half of the year (resulting in a portion of the training-delivery budget remaining unspent). The 2010/11 target recognizes the risk of an overly aggressive utilization target at this time. The number of cancelled intakes required to achieve it could negatively impact investments by technical training providers in trades programs. This could jeopardize mid- to long-term system capacity and adversely affect regional access to training and provincial waiting times

Capacity Utilization (%)



Apprentices Waiting >12 Months for Next Level of Training (%)



MEASURE: APPRENTICES WAITING >12 MONTHS FOR NEXT LEVEL OF TRAINING

Rationale: Twelve months is the typical interval between levels of technical training. Wait times that exceed this benchmark delay apprenticeship completion, may influence completion rates, and likely indicate deficiencies in training-delivery capacity. Targets were set with reference to available capacity and anticipated utilization rates, while aiming for continual improvement toward 5% (relative to more than 10% as recently as 2006/07).

Performance and Outlook: Performance was better than targeted in 2009/10, with fewer than 5% of apprentices waiting beyond the 12-month benchmark. This reflects long-standing efforts to improve technical training availability, including measures such as a Learner Demand Fund to address emerging wait-list issues. However, it also

reflects reduced training demand as a result of the economic downturn, and is likely not sustainable going forward. The ITA will closely monitor for wait list issues as economic recovery proceeds, as well as for the impact of its efforts to maintain targeted technical-training capacity utilization.

Report on Performance: Sources & Benchmarks

Data Sources

ITADirectAccess is an information management system, tailored to the ITA's operating environment and the structure of current training programs; its use is subject to data-entry guidelines and business rules.

The system is the source of performance data for most measures in this report. Direct outputs are data for registered training participants, registered challengers, registered sponsors and certificates of qualification. Data for registered participants in ITO-managed programs and utilization rates also involve additional manual calculations and cross referencing with other data sources.

The other two measures in this report are derived from data external to the ITA:

- Data regarding waiting times (apprentices waiting more than 12 months) originates with technical training providers. Calculations are made using a consistent methodology and are subject to appropriate accuracy assurances.
- Data regarding post-training employment originates from an annual survey and analysis conducted by BC Stats. Industry best practices and quality assurance procedures are employed.

Management has confidence in the reliability of the data used in the preparation of this report. Methodologies and timeframes relevant to the collection and interpretation of data are addressed in more detail in the notes to the ITA's monthly statistics reports. (www.itabc.ca/Page62.aspx)

“The real skills shortage is yet to come. Construction industry economists and labour market researchers predict that 26,000 workers will retire in the next few years. By 2013, baby boomer retirements and a rebounding economy will put heavy demand for new sources of skilled workers.”

– BC & Yukon Territory Building
& Construction Trades Council,
Submission to the Minister of Labour

Benchmarking

Comparisons of British Columbia's performance, on two key measures in this report, and performance in four other Canadian jurisdictions are shown on the facing page. The measures and results cited are the most closely comparable ones publicly released as this report was prepared.

Given varying overall participation levels, results are shown as percentage increases. Possible variations in definitions and tracking mean these should be treated as

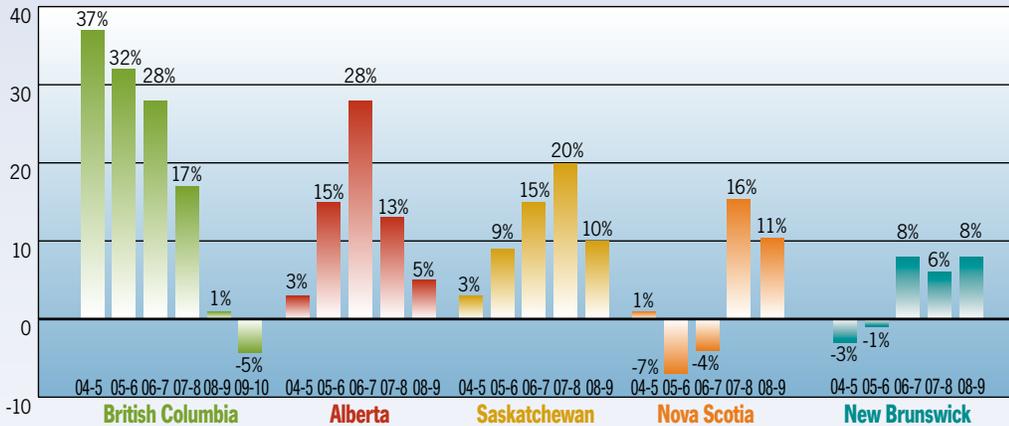
order-of-magnitude comparisons. (See also national comparisons of exam pass rates, page 39.)

External benchmarking had limited application in developing the measures and targets in this report, although targets are informed by internal benchmarking against performance in previous periods. Benchmarking is more widely applied in the context of system-wide funding allocations and performance management relating to service-delivery partners.

During 2009/10, the ITA decided to adopt a standard national methodology to track apprenticeship completion rates, involving an 11-year cohort rather than a six-year cohort. Use of the new methodology will begin in 2010/11 and provide a further benchmarking opportunity on this important aspect of performance (reported as part of the ITA's monthly statistics reports). (www.itabc.ca/Page62.aspx)

Total Participation: % Increase Over Previous Period

(BC measure: Registered Apprentices & Youth)



Sources and Measures Cited:

ALBERTA

Alberta Apprenticeship and Industry Training Board Annual Report
 – Total Apprentices Registered (all trades)
 – Total Number of Completed Apprentices, and Individuals Issued Occupation and Qualification Certificates

SASKATCHEWAN

Apprenticeship and Trade Certification Commission Annual Report
 – Number of Apprentices at Year End
 – Number of Completions During Year

NEW BRUNSWICK

Department of Post-Secondary Education, Training and Labour Annual Report

– Registered Apprentices
 – Certificates of Qualification Issued

NOVA SCOTIA

Nova Scotia Apprenticeship Training and Skill Development Annual Report / Apprenticeship Training Statistics
 – Active Apprentices at Year End
 – Certificates of Qualification Issued

Credentials: % Increase Over Previous Period

(BC measure: Certificates of Qualification Issued)

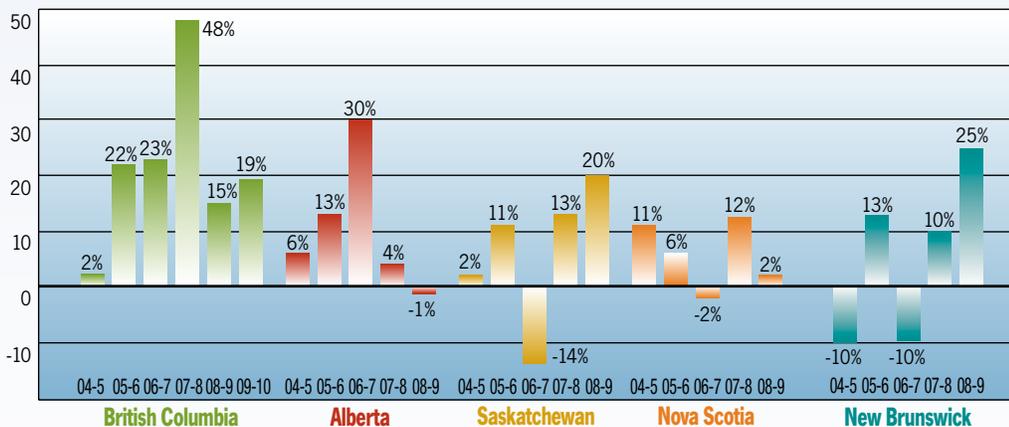


Photo courtesy of BCIT

TRAINING PROGRAMS KEEP PACE

Industry training programs are only as useful as they are current. In January 2004, 167 apprenticeship programs existed in British Columbia. By the end of 2009/10, many had been discontinued due to insufficient demand. And 45 new apprenticeship programs had been developed and approved, addressing previously unmet industry-defined needs.

Program reviews have been completed for the large majority of the 143 programs that were active as of the end of 2009/10, and initiated for the rest. A total of 136 programs had updated profiles, 54 had updated outlines, and 14 had updated exams.

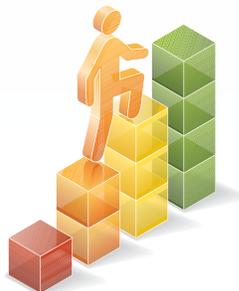
While much work remains to be done, particularly on exam updates, the impact of work completed so far has been magnified by concentrating it in high-participation trades. The assignment of the large majority of programs to ITOs, and the ongoing refinement of program-maintenance processes, will help drive further progress in 2010/11.

Government / Shareholder Expectations

A Shareholder’s Letter of Expectations (SLE) is executed annually by the Minister of Advanced Education and Labour Market Development and the chair of the ITA board. It defines year-specific performance expectations, and informs ITA performance measures and targets.

The SLE relevant to 2009/10 was executed in February 2009 and contained no material changes to the previous version. Key ITA actions are related to SLE-defined accountabilities in the following table. These are largely long-standing accountabilities, and the actions are further discussed elsewhere in this report.

Government Direction	2009/10 ITA Actions
Relevant and responsive training	<ul style="list-style-type: none"> • Collaborated with ITOs on ongoing program updates and on training improvements to the program-standards development process • Completed alternative assessment pilot for challengers, initiated broader provincial and national work on occupational performance standards • Convened cross-Canada consultations on apprenticeship completion
Improve access for under-represented and target groups	<ul style="list-style-type: none"> • Continued delivery of Women in Trades Training and Immigrants in Trades Training programs (Labour Market Agreement-funded) • Continued to work with Aboriginal Advisory Council on broader implementation of aboriginal strategy/business plan • Developed and tested online essential skills self-assessment and learning-plan tool for LMA-eligible clients • Completed alternative assessment pilot for challengers, initiated broader provincial and national work on occupational performance standards • Refined existing challenge process
Attract young people	<ul style="list-style-type: none"> • Continued collaborative delivery with school districts of programs aimed at promoting youth participation in trades • Expanded school district participation in building capacity for Secondary School Apprenticeship program • Expanded web-based resources and networking opportunities for youth program stakeholders



Government Direction

2009/10 ITA Actions

Efficient, effective and flexible training delivery

- Adjusted technical training intakes in response to varying program, level and region-specific demand
- Promoted and facilitated continuation on the part of apprentices experiencing employment interruption
- Further developed alternative delivery (e-learning) tools in some trades, for expected delivery in 2010/11
- Completed alternative assessment pilot for challengers, initiated broader provincial and national work on occupational performance standards
- Continued to make Learner Demand Fund available to address emerging training demand

Labour mobility

- Ensured ongoing compliance with mutual-recognition provisions of both Trade, Investment and Labour Mobility Agreement (BC-Alberta) and Agreement on Internal Trade (national)
- Completed alternative assessment pilot for challengers, initiated broader provincial and national work on occupational performance standards

Customer service

- Continued phased rollout of full functionality of ITADirectAccess information management system
- Introduced call-tracking software, as a basis for improved proactive provision of information

Carbon neutral action

- Undertook significant IT infrastructure project involving replacement of desktops and installation of virtual machine server, thus decreasing carbon footprint
- Increased use of audio and video conferencing to reduce travel requirements
- Shifted to using 100 per cent recycled paper

Mobilizing to Meet the Challenge



“I loved the program. We went through 13 stations, such as soups, stocks and meats. There was no sitting in classrooms all day. We were busy in the kitchen, cooking and learning.”

– **Linda James,**
ACE IT Participant (cooking),
Howe Sound Secondary School

FINANCIAL REPORT

Management's Discussion & Analysis

The ITA's largest revenue source is the contribution from the Province of British Columbia, and this increased in 2009/10. Nevertheless, the province's budget update of September 2009 resulted in a smaller increase than was initially forecast.

The impact of the budget update was moderated by reduced training demand during the year, but still required scaling back activities across all other areas of ITA operations. In particular, program development activities either ceased or were significantly reduced.

The provincial contribution included \$8.64 million originating with the federal government through the Canada-BC Labour Market Agreement (LMA) for labour supply initiatives. Other income continued to be negatively impacted by the effects of economic and market conditions on investment revenues.

Spending increases occurred as the scope of labour-supply initiatives grew. Core expenditures were impacted by a number of factors, including the mobile training unit transfer, and an obligation arising from potential voluntary purchases by employees of past service in the Public Service Pension Plan.

Training delivery expenses (funding provided to public and private training providers) were below budget, as the economic downturn reduced training demand. This trend accelerated during 2009/10 and is expected to continue into 2010/11. Lower training demand contributed to an increased year-end surplus, although some training funding was re-directed to other activities.

The ITA is required to move any operating surplus into a capital reserve. These funds will be directed to activities including continuing functional expansion of the new ITADirectAccess information management system.

The ITA and its training delivery partners achieved above-target training seat utilization in 2009/10 as limited demand led to cancellation of training intakes. Despite this efficient use of financial resources, it is critical that the ITA balance utilization efficiency with accessible and timely training and sustained training capacity. This has financial implications because skill shortages are expected to re-emerge rapidly as economic conditions improve.

The ITA has maintained its 2010/11 utilization rate target at the level targeted for 2009/10. Training availability impacts will be monitored continuously, and relatively high levels of training delivery spending may be necessary even if demand remains temporarily soft. To fund unforeseen training needs, the ITA will continue to maintain the Learner Demand Fund established in 2008/09.

Detailed descriptions of both external and internal risks and capacity issues impacting operational and financial performance in 2009/10 appear under the heading "Report on Performance: The

Context” (page 9). The most significant of these continued to be the economic downturn. In combination with the related reduction in funding from the province, it resulted mainly in scaled-back program development and other activities, and below-budget training-delivery expenses leading to the increased surplus.

Going forward, sustained financial resources will be required for additional enhanced skills assessment and labour-supply development (particularly engagement of women, immigrants and Aboriginal people). These requirements are being met through LMA funding which is forecast to continue through 2013/14 (subject to annual legislative approvals).

A high degree of uncertainty continues about training demand in 2010/11, in light of what could be lasting impacts of the economic downturn. To moderate these impacts, The ITA implemented various measures in 2009/10 and will focus on fostering renewed sponsorship commitments in 2010/11. This strategy will depend in part on sustained provincial funding.

Summary of Financial Results 2005 to 2010 and Financial Forecast 2011 to 2013

Statement of Operations (in \$ millions)

	Notes	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2010 Budget	Variance Budget	Variance Prior Year	2011 Forecast	2012 Forecast	2013 Forecast
Revenues													
Contributions from the Province	1	\$78.1	\$77.8	\$90.8	\$97.6	\$103.4	\$112.8	\$111.7	\$1.1	\$9.4	\$110.5	\$102.8	\$102.1
Contributions from the Government of Canada		—	—	—	—	—	0.1	—	0.1	0.1	1.9	1.7	0.7
Other Income		0.5	0.7	1.1	1.3	0.9	0.9	0.9	—	—	0.5	1.1	1.2
		78.6	78.5	91.9	98.9	104.3	113.8	112.6	1.2	9.5	112.9	105.6	104.0
Expenses													
Program Development/Designation	2 & 3	1.6	1.4	2.8	2.8	0.9	0.5	0.3	0.2	(0.4)	3.0	3.0	3.0
Industry Training Organizations	3	—	0.6	1.2	1.9	4.9	4.6	4.6	—	(0.3)	3.4	3.4	3.4
Assessment & Certification	4	—	—	—	0.3	0.3	0.5	0.5	—	0.2	2.8	3.4	4.0
Training Delivery	5	70.4	72.1	80.3	84.7	85.5	87.9	91.2	(3.3)	2.4	85.1	76.8	74.4
Labour Market Development/Supply Side Initiatives	5	—	—	—	0.3	2.5	8.7	8.5	0.2	6.2	10.3	10.1	10.1
ITA Core Expenditures	6	4.2	5.7	6.6	7.4	8.2	9.0	7.0	2.0	0.8	7.7	8.3	8.4
Amortization		0.1	0.1	0.3	0.6	0.5	0.5	0.5	—	—	0.6	0.6	0.7
		76.3	79.9	91.2	98.0	102.8	111.7	112.6	(0.9)	8.9	112.9	105.6	104.0
Excess (Deficiency) of Revenue Over Expenditure													
		\$ 2.3	\$ (1.4)	\$ 0.7	\$ 0.9	\$ 1.5	\$ 2.1	\$ —	\$ 2.1	\$ 0.6	\$ —	\$ —	\$ —
Capital Expenditures													
		0.1	0.3	2.2	1.2	1.2	1.2	1.2	—	—	1.0	1.0	1.0

The above information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP). Expenditures are categorized in a different manner in the forecast than in previous ones, for better alignment with the ITA's mandate, strategic plan and current service plan.

Notes

- 1 Deferred contributions from the province included in Contributions from the Province.
- 2 Mobile Trainer expenses included in Program Development/Designation.
- 3 Program development expenses for Industry Training Organizations moved to Industry Training Organizations for 2009 and 2010.
- 4 Assessment for 2005-2007 was bundled with Customer Services provided by Service BC. In 2008 the contract ended and these salaries and benefits became part of ITA Core Expenditures. Assessment & Certification forecast includes Multiple Assessment Pathways costs.
- 5 Youth Program expenses in the forecast are included in Labour Market Development/Supply Side Initiatives, Training Program Delivery includes E-PRENTICE LMA funded costs.
- 6 Salaries and benefits are included in ITA Core Expenditures.

Statement of Management Responsibility for Financial Reporting

The Industry Training Authority's (ITA) management is responsible for the preparation of the accompanying financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. These financial statements include some amounts based on management's estimates and judgments.

Management is responsible for the integrity and fairness of the financial statements and has established internal control systems to provide reasonable assurance that relevant and reliable financial information is produced and that assets are safeguarded.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities and relies on the Audit Committee to assist the Board in the discharge of its responsibilities. The Audit Committee meets periodically with management and external auditors concerning internal controls and all other matters relating to financial reporting.

The Industry Training Authority's auditor is the Auditor General of British Columbia. The Auditor General has full and unrestricted access to the Audit Committee. The Auditor General has performed an independent audit of the financial statements for the ITA in accordance with Canadian generally accepted auditing standards. The Auditor General's report outlines the scope of this independent audit and his opinion on the financial statements of the ITA.



Kevin Evans

Chief Executive Officer



Sue Thomas, CA

Executive Lead, Finance and Corporate Services

Richmond, British Columbia

May 18, 2010



Report of the Auditor General of British Columbia

*To the Members of the Board of Directors of
the Industry Training Authority, and*

*To the Minister of Advanced Education and Labour Market Development,
Province of British Columbia:*

I have audited the statement of financial position of the *Industry Training Authority* as at March 31, 2010, and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the *Industry Training Authority* as at March 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia
May 18, 2010*

John Doyle, MBA, CA
Auditor General

Statement of Financial Position

As at March 31, 2010

	Note	2010	2009
ASSETS			
Cash and Cash Equivalents		\$ 6,584,833	\$ 7,145,031
Accounts Receivable	3	4,156,783	2,541,808
Prepaid Expenses	4	630,397	1,172,652
		11,372,013	10,859,491
Capital Assets	5	3,222,568	3,609,327
		\$ 14,594,581	\$ 14,468,818
LIABILITIES			
Accounts Payable and Accrued Liabilities	6	\$ 5,582,489	\$ 6,458,646
Deferred Contribution	7	782,312	782,312
Deferred Capital Contributions	8	30,064	1,169,818
NET ASSETS			
Invested in Capital Assets		3,192,505	2,439,510
Unrestricted	9	5,007,211	3,618,532
		8,199,716	6,058,042
		\$ 14,594,581	\$ 14,468,818

The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors



Frank Pasacreta
Chair, Board of Directors



Jack Carthy
Chair, Audit Committee

Statement of Changes in Net Assets

For the Year Ended March 31, 2010

	Invested in Capital Assets	Unrestricted	Total 2010	Total 2009
Balance, Beginning of Year	\$ 2,439,510	\$ 3,618,532	\$ 6,058,042	\$ 4,501,302
Excess of Revenues over Expenses For the Year	—	2,141,674	2,141,674	1,556,740
Investment in Capital Assets:				
Cost	1,190,177	(1,190,177)	—	—
Amortization	(437,182)	437,182	—	—
Balance, End of Year	\$ 3,192,505	\$ 5,007,211	\$ 8,199,716	\$ 6,058,042

The accompanying notes are an integral part of these financial statements.

Statement of Operations

For the Year Ended March 31, 2010

	Note	2010	2009
Revenues			
Contributions from the Province		\$ 111,693,375	\$ 103,397,113
Deferred Capital Contribution Recognition			
– Mobile Training Unit Transfer	15(c)	1,118,514	–
Royalties (Queen's Printer)	15(d)	329,053	–
Examination and Assessment Fees		272,870	259,193
Interest Income		120,454	540,965
Contributions from the Federal Government		97,093	–
Designation Fees		36,113	54,283
Other Income		106,529	30,000
		113,774,001	104,281,554
Expenses			
Contributions to Training Providers		87,558,840	85,157,241
Labour Market Agreement Projects /			
Aboriginal Labour Supply Initiatives	10	8,732,852	2,489,292
Industry Training Organizations	11	4,648,773	4,924,907
Salaries and Benefits	14(a)	4,452,383	3,565,952
Information Systems Operating Costs		1,141,432	1,196,369
Transfer of Mobile Training Unit	15(c)	1,118,514	–
General Office and Business Expenses		752,987	811,692
Professional Services		599,763	1,107,179
Exams and Invigilation		458,953	322,462
Amortization Expense		458,422	501,766
Building Occupancy Charges		359,381	299,069
Program Development Costs – Non ITO		328,405	657,879
Secondary School Apprenticeship			
(SSA) Scholarships		299,000	332,000
Communications and Marketing		225,989	698,851
Board Fees and Expenses		157,711	183,942
Travel		157,241	242,907
Curriculum Costs (Queen's Printer)	15(d)	181,681	–
Mobile Training Unit Operating Costs		–	233,306
		111,632,327	102,724,814
Excess of Revenues over Expenses for the Year		\$ 2,141,674	\$ 1,556,740

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended March 31, 2010

	2010	2009
Cash Provided By (Used For):		
Operating Activities		
Excess of Revenues over Expenses for the year	\$ 2,141,674	\$ 1,556,740
Items not affecting Cash:		
Amortization of Deferred Capital Contributions	(1,139,754)	(196,119)
Amortization Expense	458,422	501,766
Transfer of Fixed Asset	1,118,514	—
Changes in Working Capital:		
Decrease (Increase) in Accounts Receivable	(1,614,975)	(2,206,745)
Decrease (Increase) in Prepaid Expenses	542,255	(186,865)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(876,157)	1,757,394
	629,979	1,226,171
Investing Activities		
Purchase of Capital Assets	(1,190,177)	(1,160,419)
	(560,198)	65,752
Increase (Decrease) in Cash		
Cash, Beginning of Year	7,145,031	7,079,279
Cash, End of Year	\$ 6,584,833	\$ 7,145,031
Represented by:		
Bank Account – Operating	\$ 6,547,481	\$ 7,121,673
Bank Account – Program	37,052	23,058
Petty Cash	300	300
	\$ 6,584,833	\$ 7,145,031

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

For the Year Ended March 31, 2010

1. Authority and Purpose

The Industry Training Authority (ITA) was established on January 2, 2004 as a not for profit corporation and an agent of the Provincial government under the *Industry Training Authority Act*. Its Board of Directors consists of nine members appointed by the provincial government.

The ITA is mandated to govern, expand and improve British Columbia's industry training system. It serves the public interest in seeing industry's needs for skilled labour are met, while providing individuals with accessible technical training opportunities that are closely linked to workplace opportunities.

The ITA's mandate and accountabilities are defined in the *Industry Training Authority Act*. Further direction and accountability are provided through a Shareholder's Letter of Expectations, executed jointly by the ITA and the Minister of Advanced Education and Labour Market Development.

The ITA receives substantially all of its funding from the Province of British Columbia through the Ministry of Advanced Education and Labour Market Development. It is exempt from income tax under the *Income Tax Act*.

2. Significant Accounting Policies

These financial statements are prepared by management in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. The following is a summary of significant accounting policies used in the preparation of these financial statements.

(a) Revenues and Expenses

The ITA follows the deferral method of accounting for contributions. Operating contributions from the Province are recognized as revenue in the period in which they become receivable. Capital or other restricted funding is deferred and recognized as revenue in the period in which the related expenses are incurred.

Contributions payable to Post Secondary Institutions and other service providers for training programs are recognized as expenses in the period in which the transactions and events giving rise to the contributions have occurred.

(b) Capital Assets

Capital assets are recorded at cost and are depreciated on a straight-line basis over their estimated useful life:

Mobile Trainer	10 years
Hardware and Software	3 – 5 years
ITADirectAccess	10 years
Furniture and Tools	3 years
Leasehold Improvements	3 – 5 years

(c) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The ITA has designated cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities as held for trading and measured them at fair value, which approximates their carrying value due to the immediate or short-term maturity of these instruments.

It is management's opinion that the ITA is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Notes to Financial Statements

For the Year Ended March 31, 2010

(d) Use of Estimates

The preparation of the financial statements of the ITA requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the rates for amortization, ACE IT program liabilities and contingent liabilities. Actual results could differ from estimates.

(e) Future Accounting and Reporting Changes

The ITA is currently classified as a “Government Not-for-Profit Organization” for financial reporting purposes under Generally Accepted Accounting Principles (“GAAP”). In March 2010, the Public Sector Accounting Board (“PSAB”) released the exposure draft “Financial Reporting by Government Not-for-Profit Organizations,” in which they propose that government NPOs follow the Public Sector Accounting (“PSA”) Handbook with the incorporation of the existing 4400 series (the 4400 series are the existing not-for-profit GAAP standards). This proposed change would apply beginning in the ITA’s March 31, 2013 year-end, but would also be applied to comparative figures in that year. PSAB is proposing to incorporate the 4400 series without substantive modification at this time. Currently, the ITA reports its financial results based on the 4400 series layered upon accounting standards used by the private sector. With the proposed change, the underlying framework would instead become PSAB, meaning that where the 4400 series did not specifically address a financial reporting matter PSAB would apply. Management is in the process of assessing implications on the future financial reporting for the ITA.

3. Accounts Receivable

	2010	2009
Province of British Columbia	\$ 3,839,647	\$ 2,489,881
Government Related Entities	198,690	35,840
Federal Government	107,882	—
Trade and Other	10,564	16,087
	\$ 4,156,783	\$ 2,541,808

The Accounts Receivable Province of British Columbia is for the Labour Market Agreement project which is on a cost recovery basis from the Ministry of Advanced Education and Labour Market Development.

4. Prepaid Expenses

	2010	2009
Industry Training Organizations	\$ —	\$ 388,265
Private Trainers	436,373	472,500
LMA – Flexible Learning Simon Fraser University	4,024	143,482
Interprovincial Computerized Exam Management	104,765	110,421
Operational Expenses	85,235	57,984
	\$ 630,397	\$ 1,172,652

Notes to Financial Statements

For the Year Ended March 31, 2010

5. Capital Assets

	Cost	2010 Accumulated Depreciation	Net Book Value	2009 Net Book Value
Hardware and Software	\$ 1,147,646	\$ 694,065	\$ 453,581	\$ 125,217
ITADirectAccess	3,283,083	646,508	2,636,575	2,231,627
Furniture and Tools	301,233	265,583	35,650	45,518
Leasehold Improvement	269,824	173,062	96,762	111,089
Mobile Trainer	—	—	—	1,095,876
	\$ 5,001,786	\$ 1,779,218	\$ 3,222,568	\$ 3,609,327

6. Accounts Payable and Accrued Liabilities

	2010	2009
Trade	\$ 2,427,718	\$ 3,571,060
Province of British Columbia	594,966	225,283
Public Training Institutions	212,606	653,631
School Districts	1,686,750	1,541,063
Federal Government	104,945	—
Accrued Salaries and Benefits	555,504	467,609
	\$ 5,582,489	\$ 6,458,646

7. Deferred Contribution

The deferred contribution represents unspent resources externally restricted for the Youth Exploring Skills to Industry Training (YES 2 IT) program.

	2010	2009
Balance, beginning of year	\$ 782,312	\$ 782,312
Amount recognized as revenue	—	—
Balance, end of year	\$ 782,312	\$ 782,312

8. Deferred Capital Contributions

	2010	2009
Balance, beginning of year	\$ 1,169,818	\$ 1,365,937
Amount amortized to revenue	(1,139,754)	(196,119)
Balance, end of year	\$ 30,064	\$ 1,169,818

The balance is made up of:

Mobile Training Unit	\$ —	\$ 1,118,514
Deferred Tenant Improvement Allowance	30,064	51,304
	\$ 30,064	\$ 1,169,818

9. Unrestricted Net Assets

The unrestricted net assets can be used for investment in capital assets or, with the prior approval of the Treasury Board, for meeting operating expenses in future years.

Notes to Financial Statements

For the Year Ended March 31, 2010

10. Labour Market Agreement Projects/Aboriginal Labour Supply Initiatives

The Canada-British Columbia Labour Market Agreement (LMA) was signed on February 20, 2008. British Columbia, represented by the Ministry of Advanced Education and Labour Market Development (ALMD), receives multi-year funding from Human Resources and Skills Development Canada. The purpose of this funding is to assist individuals to prepare for entry or return to employment. The program expenses are funded on a cost recovery basis from ALMD. Salaries and benefits of \$527,468 (2009 – \$358,982) are included in this recovery.

	2010	2009
Trades Training for New Immigrants	\$ 1,008,221	\$ 244,602
Flexible Learning in the Trades	1,258,503	400,601
Aboriginal Apprenticeship Strategy	1,240,189	583,500
Prior Learning Assessment Tools for Immigrants	989,456	425,695
Empowering Women in Trades	4,143,004	834,894
LMA Funded	\$ 8,639,373	\$ 2,489,292
Aboriginal Apprenticeship Strategy ITA Funded	93,479	—
	\$ 8,732,852	\$ 2,489,292

11. Industry Training Organizations

In keeping with its Shareholder Letter of Expectations from the Province, the ITA purchases services to support active and effective industry engagement and leadership through Industry Training Organizations (ITOs) including obtaining industry input in relation to program standards and training demand for each applicable industry sector.

Prior to April 1, 2009 the ITO payments were made in accordance with specific funding agreements that required significant note disclosure of net revenues, cash flow and assets. Starting April 1, 2009 the business model changed to a contractual relationship for services as outlined in the ITO Enterprise Partnership Agreements. With the change in the contractual relationship detailed disclosure is no longer required.

The ITO Enterprise Partnership Agreements are for; the development of new, or modification of existing program standards; industry engagement; challenge assessment; and, promotion of apprenticeship. The ITA does not assume any liability for the ITOs. The Tourism ITO, Propel, is a pre-existing tourism related independent not-for-profit industry association that has always been reported as an arms length transaction.

The payments to ITOs were:

	2010	2009
AITO	\$ 678,000	\$ 707,329
CITO	1,539,871	1,339,529
HEBC	225,000	257,000
Propel	608,000	719,214
RCITO	298,228	639,138
RTO	835,000	949,064
TransCDA	463,737	127,770
	4,647,836	4,739,044
Other Related Costs	937	185,863
	\$ 4,648,773	\$ 4,924,907

Notes to Financial Statements

For the Year Ended March 31, 2010

12. Employees' Pension Plan and Benefits Plan

(a) Benefits

The ITA pays 100% of premiums relating to a comprehensive benefits plan for its employees including: extended medical, dental and life insurance. Payments made by the ITA were \$178,225 (2009 – \$170,882). The ITA has no liability for future benefit obligations.

(b) Registered Retirement Savings Plan

The ITA has consolidated pension plans and discontinued the employer-paid group RSP effective January 31, 2009. Total employer RSP payments made by the ITA were \$0 (2009 – \$88,524).

(c) Public Service Pension Plan

The ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act*. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the Act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2008) determined the Plan has a surplus. Despite the surplus, the Public Service Pension Board of Trustees is required to implement a contribution rate increase of 0.15% each, for plan members and employers to meet the funding requirements of the *Pension Benefits Standards Act*. The increase in rates went into effect April 1, 2009. Contributions to the Plan by the ITA for the fiscal year were \$310,514 (2009 – \$186,287).

13. Commitments

The ITA has operating lease obligations for premises and copiers.

		Leases		Copiers		Total
2011	\$	377,973	\$	11,976	\$	389,949
2012		298,514		11,976		310,490
2013		222,283		11,976		234,259
2014		189,245		11,976		201,221
2015		—		5,988		5,988
	\$	1,088,015	\$	53,892	\$	1,141,907

14. Contingent Liabilities

(a) Pension

The ITA has accrued \$400,000 for an obligation arising from employees' potential voluntary purchases of past service in the Public Service Pension Plan. This accrual has been reflected in the current year Statement of Operations.

(b) Contractor

The ITA had a service agreement with a contractor that has ended. While the ITA's assessment is that, under the terms of the agreement, it has limited exposure to a potential claim, the outcome and amount of this potential claim for indemnification against the ITA is not determinable at this time. Accordingly, no provision for settlement or for damages has been made in these financial statements in regard to this dispute.

Notes to Financial Statements

For the Year Ended March 31, 2010

15. Related Party Transactions

(a) Province

The ITA is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately are considered to be in the normal course of operations and are recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties. The significant related party transactions include contributions to Post Secondary Institutions of \$75,484,037, School Districts of \$4,812,860 Secondary School Apprenticeship Scholarships through the Ministry of Education of \$299,000 and payments for leased facilities through the Ministry of Citizen's Services – Accommodation and Real Estate Services for \$359,381.

(b) Board and Employees

Payments of \$1,500,000 (\$1,570,000 – 2009) and \$310,000 (2009 – \$79,881) were made to two separate not-for-profit societies, each of whose Boards included a board member, employee or former employee of the ITA. The Board member and employees did not participate in the approval of the payments. A new ITA Board member resigned their position on an ITO Board within six weeks of their appointment. An employee is a part time instructor at one of the post secondary institutions funded to provide training delivery and is a member of the Board of Trustees for the Public Service Pension Plan.

(c) Mobile Trainer

For the year ended March 31, 2009 the Minister of Advanced Education and Labour Market Development requested the ITA to transfer the mobile trainer and tools to Nicola Valley Institute of Technology, a related party. The transfer of the mobile trainer and tools on April 1, 2009 at its book value of \$1,118,514 has no impact on ITA's Statement of Operations. The expense for the disposal of the mobile trainer and tools is offset by the recognition of the deferred capital contribution revenue.

(d) Queen's Printer

The ITA has a licensing agreement with the Queen's Printer for ITA copyrighted learning materials. Included in this agreement is a business model to support the self financed updating of curriculum.

16. Economic Dependence

Operations for the ITA are dependent on continued funding from the Ministry of Advanced Education and Labour Market Development to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the ITA as a "going concern".

17. Capital Disclosure

The ITA receives funding from the Province of British Columbia through the Ministry of Advanced Education and Labour Market Development. The ITA defines capital to be net assets. The ITA cannot incur debt. Funding received for designated purposes must be used for the purpose outlined in the funding letter.

The ITA cannot have a deficit without the prior Ministry approval and any excess from operations is restricted by the Treasury Board for capital use only. Capital plans are developed and monitored to ensure capital is spent appropriately.

The ITA has complied with the external restrictions on the funding provided.

18. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

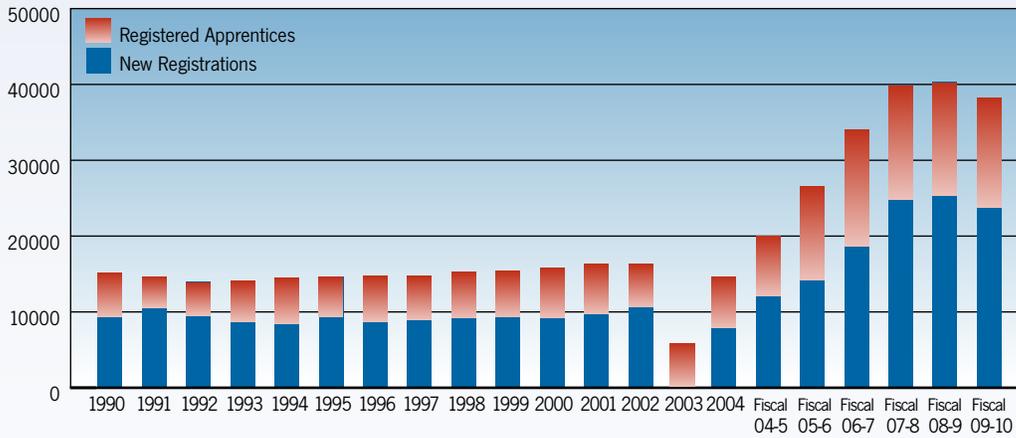
Key Statistics

Historic and Recent Performance

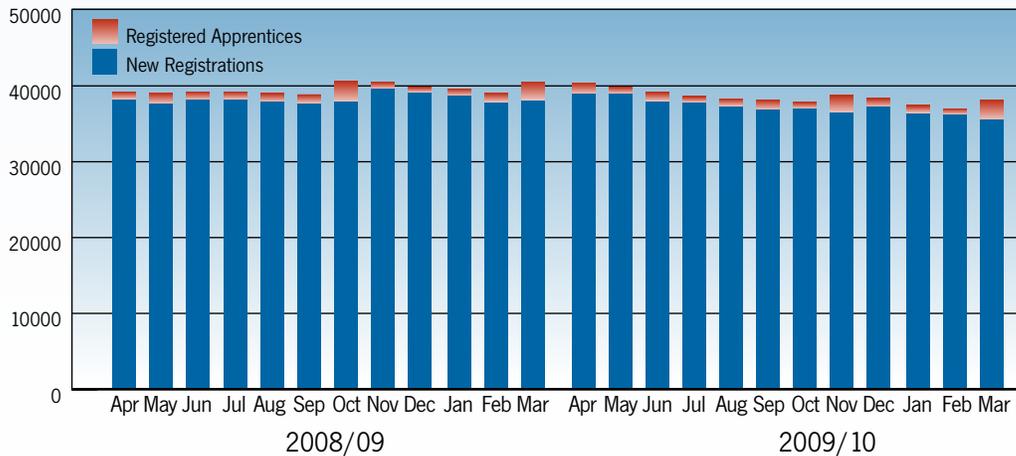
The full bars in these graphs represent the total number of registered apprentices at the end of the relevant time period. The red sections of the bars represent the proportion of that total made up of new registrations during the period.

Registered apprentice figures from 1990 – 2002 and those from 2004 onward are not precisely comparable – as a result of the implementation of refined classification and tracking procedures – but provide an indication of relative participation levels over time. Sufficiently comparable numbers are not available for the 2003 transitional period immediately prior to when the ITA was formed and only the new registration figure is shown for that time period.

Historic Performance: Registered Apprentices and New Registrations



Recent Performance: Registered Apprentices and New Registrations



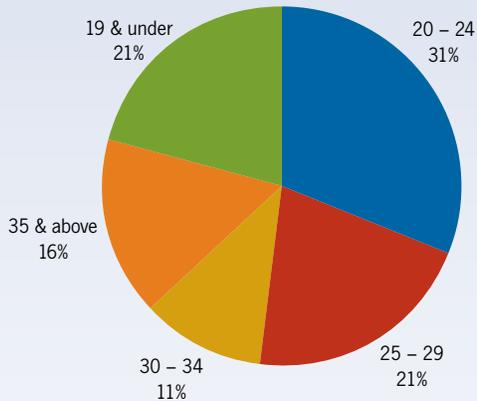
November and March figures for new registrations include ACE IT intakes

Figures include youth participants and exclude foundation program participants.

Training Participants

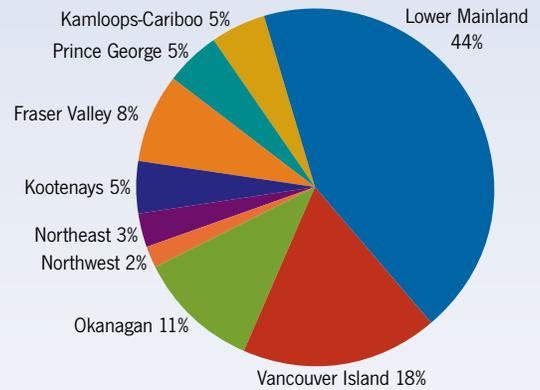
Age: All Registered Apprentices

As of March 31, 2010



Region: All Registered Apprentices

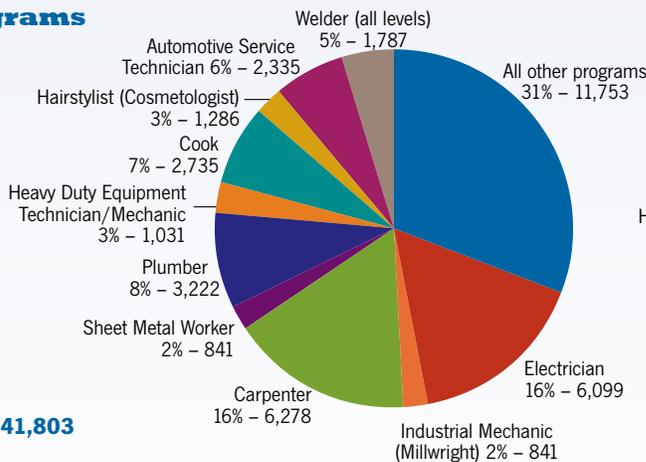
As of March 31, 2010



Top Training Programs

By Number of Registered Apprentices

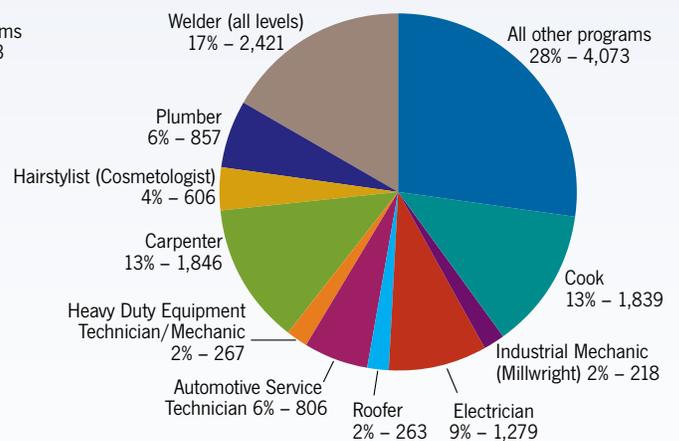
As of March 31, 2010



Total = 41,803

By Number of Newly Registered Apprentices

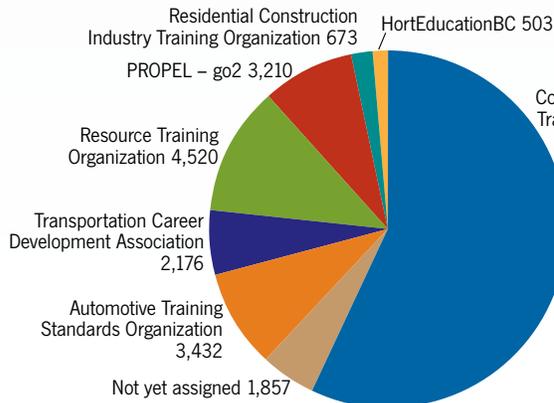
During 2009/10



Industry Training Organizations: Scope of Responsibilities

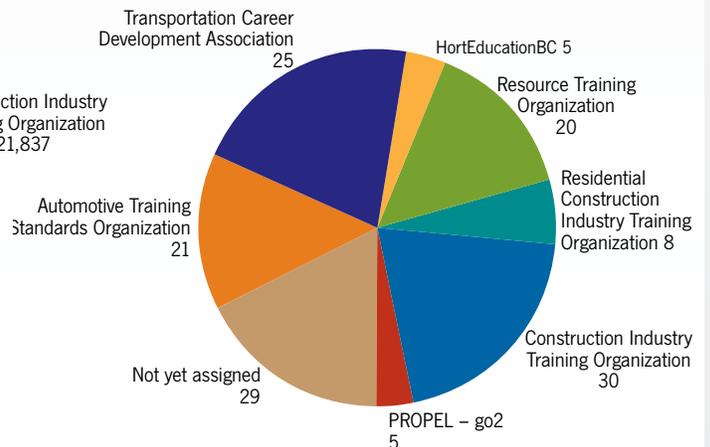
By Number of Registered Apprentices

As of March 31, 2010



By Number of Programs

As of March 31, 2010

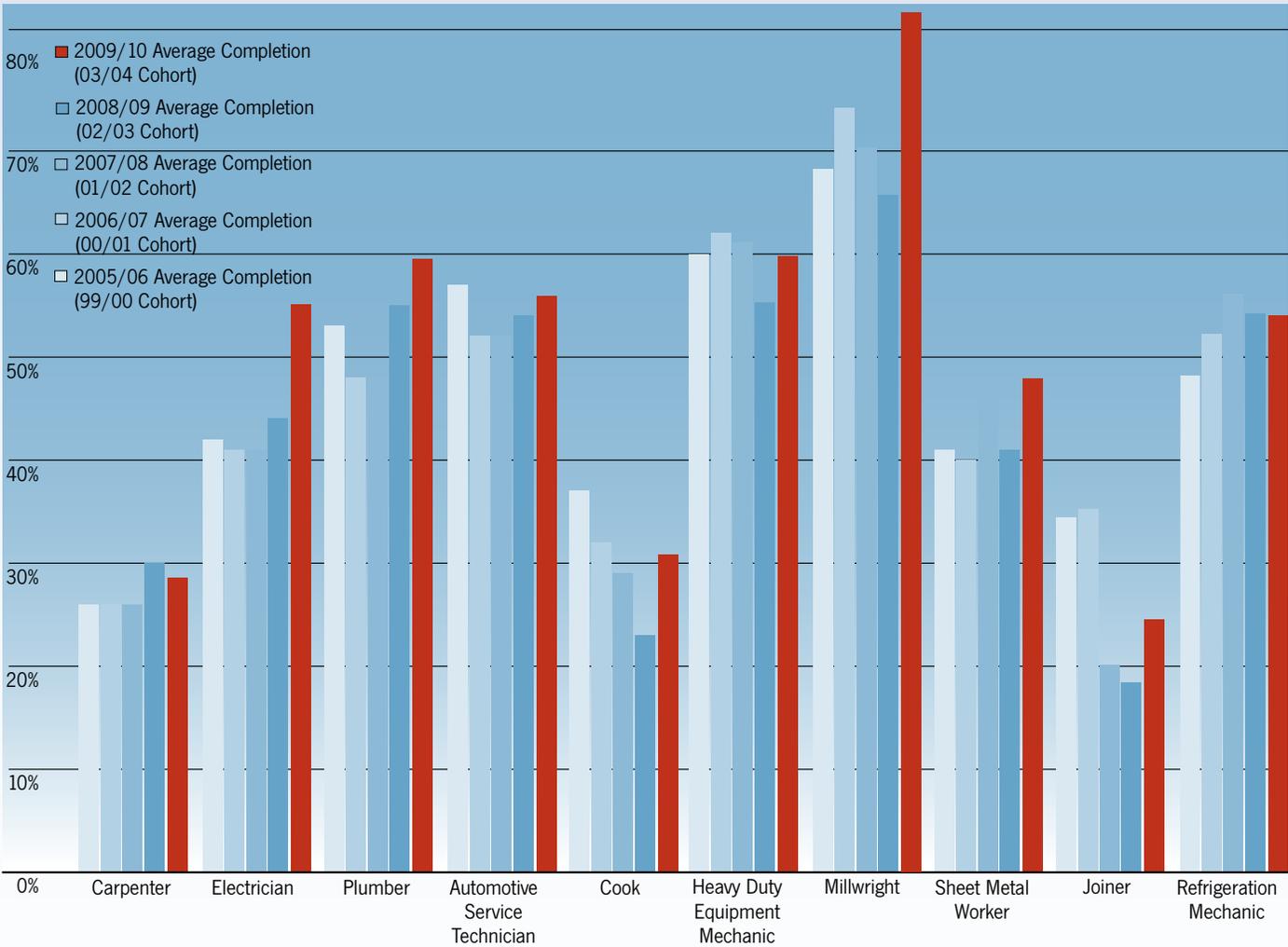


Totals: Apprentices (as at March 31, 2010) – 38,208
 Newly Registered (during 2009/10) – 14,475
 Programs (as of March 31, 2010) – 143

Figures include youth participants and exclude foundation program participants.

Key Statistics

Completion Rates, Major Red Seal Trades

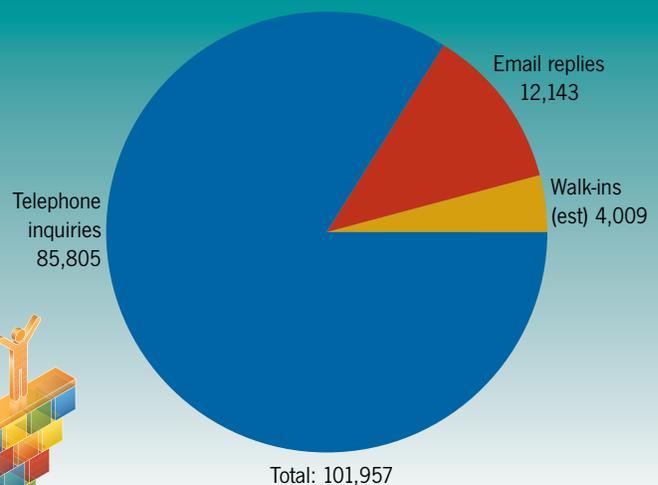


CUSTOMER CONTACTS BY THE NUMBERS

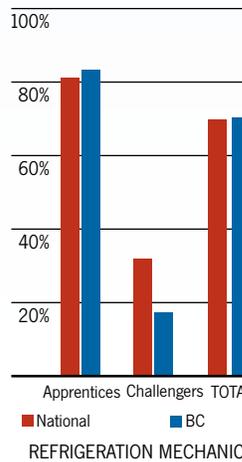
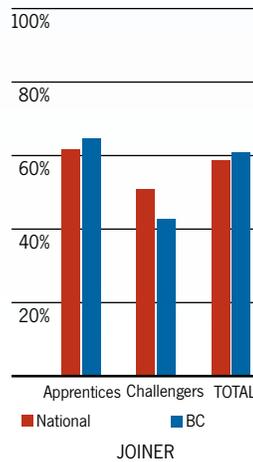
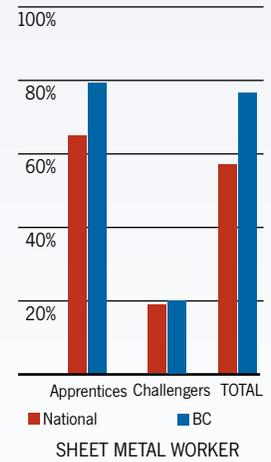
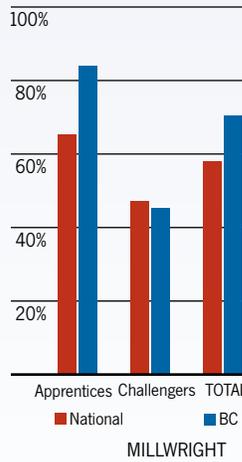
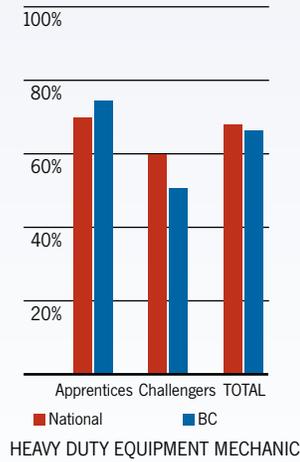
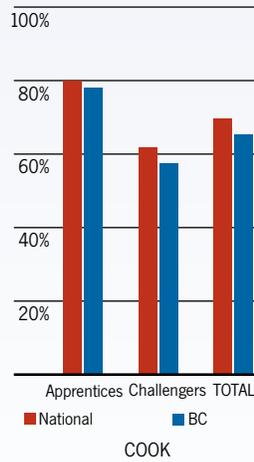
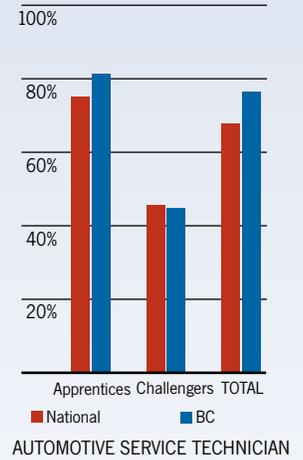
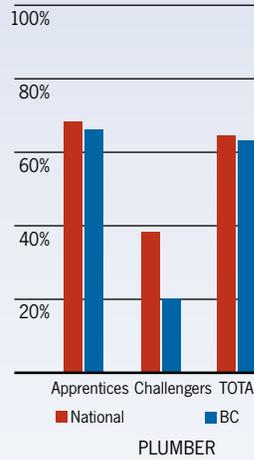
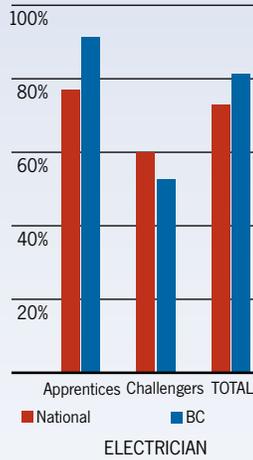
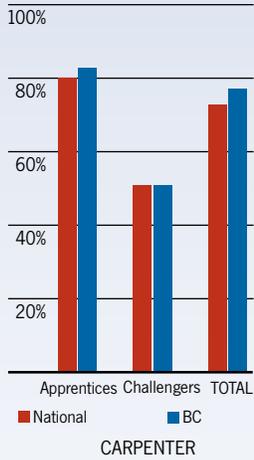
The ITA's customer service centre handled more than 100,000 customer contacts in 2009/10. This includes walk-ins and emails, but most of the traffic was by phone.

Staff served more than 40 callers an hour; and average call length increased, with the economic downturn and its fallout often resulting in more complex inquiries. The proportion of calls answered within two minutes rose to 75 per cent from 66 per cent in 2008/09.

New call tracking software installed last year will be a basis for increased proactive information service in 2010/11, via the web and other means.



Examination Pass Rates, Major Red Seal Trades, 2009



Results are for calendar 2009.

Glossary

ACE IT – One of three programs to facilitate youth entry into industry training, providing secondary school students with the opportunity to earn credit for level one (or higher) technical training, through partnership arrangements involving school districts, post-secondary institutions, and local employers. Participants may also achieve credit towards completion of both the work-based training component of an apprenticeship and secondary school graduation, and/or post-secondary credit depending on program structure.

Alternative Assessment – Any of a range of standards-based means of assessing competency – such as interviews and observation of the practical application of defined skills – which are alternatives to written examinations.

Apprentice – A person who registers with the Industry Training Authority and pursues an industry training program – combining work-based training with technical or institution-based training – with the intent of obtaining an industry training credential.

BC Reporting Principles – A set of principles – endorsed by the government, legislature and auditor general of British Columbia – intended to enhance the quality of information disclosed by British Columbia Crown agencies in their annual reports.

Challengers/Challenge Process – Individuals who have not participated in a formal apprenticeship program in Canada, but who have been assessed and approved to write the final certification exam based on their prior experience and existing skills.

Credential/Certification – Recognition that an individual has met the requirements of an industry training program either through participation in a formal apprenticeship program or a challenge process. In British Columbia, credentials take the form of provincial certificates of qualification (often issued with inter-provincial or Red Seal endorsements), certificates of apprenticeship, and certificates of completion (foundation programs).

Foundation Programs – Pre-apprenticeship and primarily in-school based programs (including those formally known as Entry Level Trades Training Programs) directly aligned with apprenticeship programs, and providing an entry point by which participants can earn credit for level one technical training without the need for a sponsor who has committed to provide work-based training.

Industry Training Organization – An industry-directed, not-for-profit legal entity with responsibility for developing and managing industry training programs province-wide within a particular economic sector (e.g. horticulture, residential construction, automotive repair).

Industry Training Program – An occupation-specific program involving defined competencies and standards, assessment tools and a credential to be awarded upon successful completion. Includes both apprenticeship and foundation programs.

Labour Market Agreement – Bi-lateral agreements under which the federal government provides funding (pursuant to the *Employment Insurance Act*) for specific labour market initiatives which the province then assumes responsibility to design and deliver.

Occupational Performance Standards – Precise documentation of the level of workplace performance, based on defined criteria, expected by industry of a competent individual within a particular occupation.

Red Seal – A national program providing a standardized endorsement for specific occupations/trades and allowing for greater labour mobility. Upon successful completion of a Red Seal exam, a Red Seal endorsement is added to the provincial credential.

Secondary School Apprenticeship (SSA) – One of three programs to facilitate youth entry into industry training, providing secondary school students with the opportunity to earn combined credit towards completion of both the work-based training component of an apprenticeship and secondary school graduation, as well as to qualify for a \$1,000 scholarship.

Sponsor – A qualified individual or other legal entity (often, but not necessarily, an employer) that commits to ensuring that an apprentice receives work-based training relevant to his or her industry training program, and under the direction of one or more qualified individuals.

Technical Training – The institution-based (in-class or distance education) component of an industry training program that provides a combination of theoretical knowledge and practical skills to complement work-based training.

Utilization Rates – The proportion of available spaces within ITA-funded technical training programs that were actually filled by apprentices (including programs offered at public post-secondary institutions, by private trainers, and as part of pilot programs).

YES 2 IT – One of three programs to facilitate youth entry into industry training, providing students in grades 6-9 with opportunities for hands-on exploration of trades careers, offered in partnership with local employers. It is a joint initiative with the BC Ministry of Education.

Industry Training Organizations

Sector-specific Industry Training Organizations are among the ITA's key service delivery partners, and help provide strong industry leadership. The following seven ITOs operated in 2009/10:

Automotive Training Standards Organization

www.autoapprentice.com

Construction Industry Training Organization

www.bccito.ca

HortEducationBC (Horticulture)

www.horteducationbc.com

PROPEL – go2 (Tourism)

www.go2propel.ca

Residential Construction Industry Training Organization

www.rcito.com

Resource Training Organization

www.rtobc.com

Transportation Career Development Association

www.transportationcareers.ca



Industry Training Authority

1223 – 13351 Commerce Parkway
Richmond, British Columbia V6V 2X7

Suite 110, 2985 Virtual Way
Vancouver, British Columbia V5M 4X7

Toll Free (within BC): 1-866-660-6011
Telephone: 604.214.8700 Fax: 604.214.8701
info@itabc.ca www.itabc.ca



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