

SkilledTradesBC

2023/24
Annual Service Plan Report

August 2024



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Board Chair's Accountability Statement



The SkilledTradesBC 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 – 2025/26 Service Plan published in 2023. I am accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to be 'Cindy Oliver', written over a thin horizontal line.

Cindy Oliver
Board Chair
August 6, 2024

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Letter from the Board Chair & CEO

It has been a remarkable year for skilled trades in B.C., marked by a record-breaking number of over 46,000 registered apprentices across the province, and SkilledTradesBC meeting or surpassing all performance measure targets in its [2023/24 - 2025/26 Service Plan](#).

The 2023/24 Service Plan focused on four new priorities set out in the Minister's 2023 [Mandate Letter](#):

- Implement Skilled Trades Certification and establish a process for industry to request new trades for future Skilled Trades Certification designation
- Implement the programs outlined in the [StrongerBC: Future Ready Action Plan](#) by removing barriers to skills training for British Columbians
- Make trades training more accessible for under-represented groups and newcomers
- Work with Indigenous communities and partners to ensure their voices are reflected in trades training decision-making

In December 2023, SkilledTradesBC implemented Skilled Trades Certification for seven electrical and mechanical trades, marking the addition of new regulatory responsibilities for the organization. Prioritizing customer service and success in meeting the new requirements, SkilledTradesBC not only conducted extensive engagement and outreach activities with impacted trade workers and employers, but accordingly added new systems, processes, policies and supports for successful implementation and integration into existing operations.

Through continued enhancements to the online customer portal, SkilledTradesBC empowered both apprentices and employers with access to real-time information, supports and services along the apprenticeship journey, including the ability to conveniently book exams online. SkilledTradesBC also leveraged the portal to collect employer workforce information and take data-driven actions in its Skilled Trades Certification implementation.

Labour market conditions and outlook continue to reinforce the need to diversify the province's skilled trade workforce. SkilledTradesBC is proud of the great strides made in attracting, progressing and retaining more Indigenous people, women and other equity-deserving groups over the past year by working with partners to remove barriers and increase access to trades training and supports, and by making the skilled trades system more welcoming and safer for everyone.

In its commitment to uphold the Calls to Action of the Truth and Reconciliation Commission and B.C.'s Declaration on the Rights of Indigenous Peoples Act, SkilledTradesBC collaborated with Indigenous communities and partners to create culturally relevant and safe training environments for Indigenous people, most significantly through Community-Based Training programs. SkilledTradesBC is also working to build internal cultural competency through mandatory training for employees to better understand and serve its Indigenous customers.

The success of 2023/24 and the ongoing growth of the apprenticeship system in B.C. challenges the organization to continue rising to meet the needs of its clients. SkilledTradesBC

will continue working in partnership with the B.C. Government to advance skilled trades in B.C. and respond to the demands of the changing labour market for a stronger, more inclusive economy.



Cindy Oliver
Board Chair, SkilledTradesBC
August 6, 2024



Shelley Gray
CEO, SkilledTradesBC
August 6, 2024

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act, which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the Act, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's 2023 [Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the SkilledTradesBC [2023/24 – 2025/26 Service Plan](#) and the actual results reported on in this annual report.

Purpose of the Organization

SkilledTradesBC is the Crown corporation that advances British Columbia's skilled trades training system. Together with employers, industry and training partners, SkilledTradesBC upholds the highest standards for training, issues credentials, supports apprentices, funds programs and promotes a wide range of rewarding careers in the trades. SkilledTradesBC is building the most diverse and sustainable workforce in Canada by supporting equitable access to skilled trades programs and helping British Columbians unlock their potential — creating a world-class workforce, one career journey at a time.

Under the [Skilled Trades BC Act](#), SkilledTradesBC's purpose is: a) to manage and support an industry training and apprenticeship system in British Columbia; b) to ensure that the industry training and apprenticeship system meets the Province's need for skilled workers; c) to work with the Government to achieve their objectives respecting the industry training and apprenticeship system; d) to promote apprenticeship and industry training programs by encouraging employers and individuals to participate in those programs; and, e) to promote participation of Indigenous people in the industry training and apprenticeship system.

Other authorities are defined in the [Skilled Trades BC Act](#). SkilledTradesBC's mandate and accountabilities are developed through a [Mandate Letter](#), which is signed by the Minister of Post-Secondary Education and Future Skills and each member of the SkilledTradesBC Board.

Operating Environment

B.C.'s Labour Market Outlook: 2023 Edition calls to attention the ongoing challenges of a tight labour market in British Columbia. Demand for skilled tradespeople is being felt across industries and the pressure to build a diverse skilled workforce continues to grow.

Efforts from partners across the system are beginning to have a favourable impact and SkilledTradesBC saw an unprecedented number of people registering as apprentices in the past year, including increased participation amongst Indigenous peoples, women and youth.

Skilled Trades Certification, also known as compulsory trades in other provinces, came into full effect in December 2023 and has been a driving force in this growth. In addition to a 28 per cent increase in new apprenticeship registrations for Skilled Trades Certification trades, it also resulted in a marked rise in the volume of enquiries and exam challenge applications from unregistered trade workers, as well as the need for extensive engagement with sponsors, employers, and industry. With its newly expanded regulatory mandate, SkilledTradesBC has driven significant transformation of its business – in both scope and scale – from building awareness and knowledge across the system, to delivering the right supports and services for ensuring customer success and establishing new policies and processes for compliance and enforcement.

Changes to federal and provincial immigration policies and initiatives to attract skilled workers have also had an impact on the apprenticeship system. In 2023/24, SkilledTradesBC saw a notable increase in applications and enquiries from international tradespeople with relevant experience seeking pathways to certification.

The federally-funded [Apprenticeship Service grant](#) contributed to the increase in new apprenticeship registration this fiscal year, as eligible employers were financially incentivized to hire and register first-year apprentices – especially from equity-deserving groups in 39 Red Seal trades.

Indigenous community and service provider interest in growing Indigenous participation in the skilled trades remains strong, requiring continued engagement and partnership between industry, training providers and SkilledTradesBC to make trades training more culturally relevant and safe.

Economic Statement

Following two years of strong recovery from the pandemic, economic growth in British Columbia moderated in 2023. After expanding by 3.9 per cent in 2022, B.C.'s real GDP increased by 1.6 per cent in 2023, the second highest growth rate among provinces (tied with Saskatchewan and Ontario) and outperforming the national average. Growth in B.C.'s real GDP was supported by service-producing industries such as real estate, rental and leasing; professional, scientific and technical services; transportation and warehousing; and healthcare. Despite steady growth in the construction and mining, quarrying and oil and gas extraction sectors, output for goods-producing industries decreased in 2023, partly due to lower manufacturing activity. While B.C.'s economy continued to expand in 2023, some sectors such as transportation and warehousing and accommodation and food services have yet to fully return to pre-pandemic levels.

B.C.'s labour market continued to grow in 2023, with employment growth of 1.6 per cent and wages and salaries increasing by 6.9 per cent. However, B.C.'s unemployment rate rose to 5.2 per cent in 2023 from 4.6 per cent in the previous year as the labour force, supported by record high immigration, grew faster than employment. High interest rates tempered consumer spending on goods in 2023 and nominal retail sales edged down 0.1 per cent. In 2023, price pressures in B.C. moderated among a broad number of goods and services but remained elevated. B.C.'s inflation rate averaged 3.9 per cent in 2023, down from 6.9 per cent in 2022. B.C. home construction activity strengthened in 2023. Housing starts totaled 50,490 units in 2023, the highest annual pace on record and up 8.1 per cent compared to the previous year. High interest rates continued to weigh on home sales activity last year. B.C. MLS home sales decreased by 9.2 per cent in 2023, while the MLS average home sale price was 2.6 per cent lower than 2022. On the external front, B.C.'s international merchandise exports declined by 13.5 per cent in 2023, due to weaker global demand and lower commodity prices compared to 2022.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

Goal 1: Skilled trades are resilient, adaptive and a valued career of choice

Objective 1.1: Build B.C.'s workforce to support the province's economic and social goals.

With over 85,000 skilled trades job openings forecasted in the next 10 years, it is imperative to attract and include youth and under-represented groups to build the robust and diverse workforce that B.C. needs.

Key results

- Developed a new communications campaign to promote the trades as secure, well-paying and meaningful careers that are resilient and adaptive to economic change.
- Implemented Skilled Trades Certification for seven electrical and mechanical trades, effective December 2023, to formally recognize the skills of tradespeople and highlight the value of certification.
- Collaborated with the Ministry of Education and Child Care to continue providing access to trades throughout the Kindergarten to Grade 12 school system and attracting the next generation of trades apprentices.

Summary of progress made in 2023/24

SkilledTradesBC developed and launched a multi-channel communications campaign highlighting the success stories of exemplary, diverse individuals and champions in the apprenticeship system to promote the value of Skilled Trades Certification and rewarding opportunities in the trades.

Skilled Trades Certification implementation also helped to raise the profile and value of certification in the respective trades by requiring anyone working in those trades to be either registered as an apprentice or a certified tradesperson.

With a focus on the next generation of tradespeople, SkilledTradesBC continued to offer four streams of programs for youth: Discover, Explore, Train and Work. These programs provided youth with opportunities to explore trades or receive dual credits toward their high school graduation and first-year apprenticeship training. Through continued partnership with the Ministry of Education and Child Care, young apprentices participating in the Youth Work in

Trades Program received a \$1,000 award, helping them pursue their trade through partial payment of tuition, or the purchase of tools and supplies.

Objective 1.2: Modernize B.C.'s apprenticeship and trades system to align with technological advancements and evolving labour market needs.

B.C.'s apprentices and tradespeople must be equipped with the right skills, training and supports to respond to the increasing demand for a skilled workforce.

Key results

- Built awareness and knowledge to support effective Skilled Trades Certification implementation through 3,256 outreach activities, as well as robust email, direct mail and media campaigns to connect with tradespeople and employers impacted by Skilled Trades Certification.
- Engaged 247 participants through virtual information sessions and open houses across the province to support employers, apprentices and industry in meeting the new requirements of Skilled Trades Certification.
- Introduced an Employer Workforce Submission for all employers of workers in Skilled Trades Certification trades, to collect information about their workforce and support in meeting requirements where needed, with 841 submissions this fiscal.

Summary of progress made in 2023/24

The introduction of Skilled Trades Certification was a significant transformation to both the province's skilled trades system and SkilledTradesBC's operations. To support successful implementation, SkilledTradesBC stood up a new business stream and established new policies, processes and systems while maintaining all other services.

With a dedicated team of 15 Certification Advisors established across the province, SkilledTradesBC focused on apprentice and employer education, outreach and engagement, as well as providing direct, on-the-ground support to impacted employers and tradespeople. In addition, SkilledTradesBC provided a range of enhanced supports for experienced workers in Skilled Trades Certification trades, through their pathway to certification. This included but was not limited to an online self-assessment tool, refresher courses, tutoring opportunities and exam accommodations. In 2023/24, SkilledTradesBC waived more than 1,000 fees for applications to challenge and/or retake Certificate of Qualification exams in Skilled Trades Certification trades.

To continue identifying and supporting trade workers and employers in Skilled Trades Certification trades, SkilledTradesBC launched an Employer Workforce Submission through the online customer portal. This feature enables employers to conveniently provide relevant information about their workforce, such as the number of apprentices and certified tradespeople they employ. Using this information, SkilledTradesBC Certification Advisors were

empowered to connect with employers to offer tailored assistance and resources to meet requirements.

In addition to the implementation of Skilled Trades Certification, SkilledTradesBC continued to consult with industry experts and training partners to develop and uphold program standards for nearly 90 skilled trades in B.C. and nationally, in support of the Red Seal Program.

Performance measure(s) and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
1.a Increase in youth participating in skilled trades ^{1,2}	10,018	9,500	11,544

Data source: Direct Access Information System

¹ PM 1.a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 9,600 and 9,700, respectively.

² Youth are defined as between the ages of 16 to 26.

Youth participation is an indicator that the trades training and apprenticeship system is appealing and accessible to young people aged 16 to 26, based on the number of new registrations in apprenticeship and youth programs.

Youth participation increased by 15 per cent between 2022/23 and 2023/24, surpassing the fiscal target by 22 per cent. Construction Electrician, Plumber, Sheet Metal Worker and Painter and Decorator trades programs saw the largest increases.

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
1.b New apprenticeship registrations in Skilled Trade Certification trades ^{1,2}	6,043	5,570	7,733

Data source: Direct Access Information System

¹ PM 1.b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 5,850 and 6,150, respectively.

² Skilled Trades Certification was legislated in B.C. in 2022, with the first seven trades in effect December 2023.

The number of new apprenticeship registrations in Skilled Trades Certification trades is an indicator of success in implementing the new regulatory requirements for workers in these trades to be either a registered apprentice or certified journeyperson.

New apprenticeship registrations in Skilled Trades Certification trades increased by 28 per cent between 2022/23 and 2023/24, surpassing the service plan target by 39 per cent.

Goal 2: We will focus on strengthening our partnerships on the journey towards truth and reconciliation

Objective 2.1: Increase meaningful and accessible opportunities in the skilled trades.

Improving availability and accessibility of both training and related supports for Indigenous peoples is essential to building an inclusive skilled trades system that fosters Indigenous success.

Key results

- Achieved 16 per cent increase in Indigenous apprenticeship participation (4,098 active registrations).
- Funded 159 seats for Indigenous apprentices through 16 Community-Based Training programs.
- Served 227 participants through six Indigenous Peoples in Trades Training pre-apprenticeship and employment programs.
- Served 292 participants through Indigenous-led Tea Creek Farm's job readiness and food sovereignty or trades workshop training.

Summary of progress made in 2023/24

SkilledTradesBC collaborated with First Nations leadership, Indigenous organizations, industry associations and training providers to empower First Nations communities to directly deliver trades training and apprenticeship, enabling community members to stay local and receive training and supports within their own community.

Through the Canada - British Columbia Workforce Development Agreement, SkilledTradesBC partnered with five Indigenous and non-Indigenous service providers to deliver six Indigenous Peoples in Trades Training programs offering skills training, trades exploration opportunities, employment readiness supports, job and apprenticeship placement and personal supports.

Through a funding agreement with the Indigenous Food Sovereignty Association, SkilledTradesBC collaborated with Tea Creek Farm in Kitwanaga to integrate Indigenous cultural teachings into pre-apprenticeship trades training programs. These programs are rooted in land-based practices and provide a culturally safe environment for Indigenous participants. Program participants are equipped with essential skills and practical knowledge in preparation for future trades training and/or employment opportunities.

Objective 2.2: Demonstrate our ongoing commitment to lasting and meaningful reconciliation through the evolution of trades training delivery and programs.

Building cultural relevance into trades training delivery and programs while also working to actively combat racism and discrimination, is critical in making skilled trades more accessible and inclusive of Indigenous people and communities.

Key results

- Sponsored and supported British Columbia Aboriginal Training Employment Alliance Members in hosting the inaugural B.C. Indigenous Apprenticeship Forum.
- Worked with SkilledTradesBC's Indigenous Advisory Council in developing new policies for Skilled Trades Certification to ensure Indigenous apprentices are supported in meeting requirements.
- All SkilledTradesBC employees completed mandatory cultural competency training.

Summary of progress made in 2023/24

Through a partnership established in 2022/23 with the Ministry of Post-Secondary Education and Future Skills, SkilledTradesBC provided funding to First Nations communities running trades training programs to deliver wraparound services and supports, removing barriers and helping apprentices succeed in their personal and professional journeys.

SkilledTradesBC continues to work closely with Indigenous Skills and Employment Training partners to deliver exploratory programs and employment readiness resources in culturally safe environments, with comprehensive wraparound supports for Indigenous apprentices throughout their journey toward certification. This fiscal, SkilledTradesBC and the British Columbia Aboriginal Training Employment Alliance Members – comprised of 15 Indigenous Skills and Employment Training holders – established a Memorandum of Understanding to commemorate their ongoing commitment and partnership. SkilledTradesBC also supported their first Indigenous Apprenticeship Forum, bringing together Indigenous apprentices, leaders, service providers, government and industry partners to share and discuss best practices, success stories and strategies to increase opportunities and attract more Indigenous peoples in the skilled trades.

SkilledTradesBC's Indigenous Advisory Council meets twice a year to review and provide input and recommendations on Indigenous programming to ensure Indigenous apprentices are fully supported, including addressing racial, cultural and other barriers to success. This fiscal, the council played a pivotal role in developing policies for Skilled Trades Certification.

In collaboration with Indigenous communities and its Indigenous employees, SkilledTradesBC developed and introduced mandatory cultural competency training for all employees.

Performance measure(s) and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
2.a Progression of Indigenous apprentices ^{1,2}	55%	55%	57%

Data source: Direct Access Information System

¹ PM 2.a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 56% and 57%, respectively.

² Voluntary self-identification as Indigenous.

Progression through an apprenticeship program signals that an apprentice has achieved one or more training requirements necessary to attain final certification within the fiscal year.

At the start of the fiscal year, 3,490 Indigenous apprentices were enrolled in an apprenticeship program. By year end, 1,985 of these apprentices, representing 57 per cent, had met at least one requirement of their training programs. The organization’s long-term goal is to close the gap between progression rates for Indigenous and non-Indigenous apprentices (65 per cent). The requirements include work-based training hours, achieved by 48 per cent of the apprentices; technical training, completed by 27 per cent; and other criteria such as passing the final exam, accomplished by 10 per cent.

At 57 per cent, the progression of Indigenous apprentices increased by two per cent between 2022/23 and 2023/24, surpassing the service plan target.

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
2.b Indigenous apprentice training environments are free of racism and discrimination ^{1,2} - Technical Training - On-the-Job-Training	N/A	Establish Baseline	Baseline established: 88% 76%

Data source: Annual survey conducted by Sentis Market Research

¹ PM 2.b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as TBD.

² Voluntary self-identification as Indigenous.

This measure indicates the level of racism and discrimination that Indigenous apprentices report experiencing in skilled trades training environments and helps identify areas where additional efforts might be needed to foster more inclusive spaces.

As this was a new measure introduced in 2023/24, the target was to establish a baseline using the 2023/24 annual survey results.

Data is sourced through an annual survey that asks apprentices specific questions regarding skilled trades training and experiences related to racism and discrimination. Research best practices and quality assurance methods are employed throughout the process, including assessments based on the margin of error for each result. This fiscal, 300 of 4,098 self-

identifying Indigenous apprentices in the system participated in the survey, which is consistent with previous surveys.

Goal 3: Our skilled trades workforce better reflects B.C.'s people and communities

Objective 3.1: British Columbia's skilled trades workforce is strengthened through its diversity.

There is a place for everyone in skilled trades, and tapping into the diversity of the province ensures a stronger, more sustainable workforce to meet growing labour market demand.

Key results

- Partnered with service providers and Indigenous organizations across B.C. to deliver 15 skills development and employment programs focused on meeting the needs of women and equity-deserving groups, serving nearly 950 people.

Summary of progress made in 2023/24

SkilledTradesBC worked with industry partners to remove barriers and make trades training more accessible to women and equity-deserving groups. This included continued partnership with the BC Centre for Women in the Trades through the Leaders in Trades program, to support leadership development, cultural change and retention of tradeswomen and other under-represented groups in skilled trades. This fiscal, the program trained 51 individuals who identified as a member of one or more of the following groups: women (47), Indigenous (11), 2SLGBTQIA+ (15), people of colour (2), people with disabilities (8); and newcomers and immigrants (3). To date, the program has 201 active volunteers that support regional outreach initiatives in their communities.

Through the Canada - British Columbia Workforce Development Agreement, SkilledTradesBC worked with eight service providers and Indigenous organizations to deliver 15 programs, offering a range of pre-apprenticeship and employment programs and services. These programs support women, Indigenous peoples and equity-deserving groups, offering skills training, trades exploration opportunities, employment readiness supports, job and apprenticeship placement and wraparound services.

Objective 3.2: Create a more inclusive, diverse, and equitable skilled trades training culture.

Ensuring inclusive and safe training and work environments is not only imperative to attracting more Indigenous people, women, youth and other under-represented people to the trades, but also to retaining these populations and growing the workforce that our province needs.

Key results

- Supported the BC Centre for Women in the Trades’ expansion of its Be More Than A Bystander training program to offer new, all-gender cohorts, equipping more people with strategies to eliminate gender-based bullying, harassment and violence in trades training and workplaces.

Summary of progress made in 2023/24

In partnership with industry organizations, SkilledTradesBC delivered programs that create more diverse and inclusive training and workforce cultures, such as the BC Centre for Women in the Trades’ Be More than A Bystander. This program equips trades instructors and industry leaders with practical tools and strategies to intervene and end bullying, harassment and violence in the skilled trades system.

Initially geared toward men, the program piloted its first all-gender cohort in June 2023, expanding the platform for awareness and access to training for all. In total, 40 people trained in all-gender cohorts this fiscal, bringing the historic program total to more than 300 to date.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
3.a New women apprenticeship registrations in under-represented trades ^{1,2}	1,072	950	1,341

Data source: Direct Access Information System

¹ PM 3.a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as plan as 980 and 1,020, respectively.

² Under-represented trades are those where women represent less than 25 per cent of the apprenticeship population.

The number of women entering under-represented trades apprenticeships was 25 per cent higher than in 2022/23, surpassing the service plan target by 41 per cent. Construction Electrician, Painter and Decorator and Plumber trades programs saw the largest increases in registration.

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
3.b Increase the proportionality of women in under-represented trades ^{1,2}	6.2%	6.4%	6.7%

Data source: Direct Access Information System

¹ PM 3.b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 6.6% and 6.9%, respectively.

² Under-represented trades are those where women represent less than 25 per cent of the apprenticeship population.

The proportionality of women in under-represented trades is an indicator of success in addressing barriers such as sexism, bullying and harassment, shifting culture and changing stereotypes associated with a workforce predominately composed of men.

This measure increased by 0.5 per cent between 2022/23 and 2023/24, surpassing the service plan target. Trades programs where women in under-represented trades are making strides include Construction Electrician, where 9 per cent of active apprentices are women; Carpenter, 8 per cent; Welder, 16 per cent; and Painter and Decorator, 21 per cent.

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
3.c Women in under-represented trades training environments are free of racism, sexism and discrimination ^{1,2}	N/A	Establish Baseline	Baseline established:
- Technical Training			77%
- On-the-Job-Training			59%

Data source: Annual survey conducted by Sentis Market Research

¹ PM 3.c targets for 2024/25 and 2025/26 were stated in in the 2023/24 service plan as TBD.

² Under-represented trades are those where women represent less than 25 per cent of the apprenticeship population.

This measure indicates the level of racism, sexism and discrimination that women in under-represented trades report experiencing in skilled trades training environments and helps identify areas where additional efforts might be needed to foster more inclusive spaces.

As this was a new measure introduced in 2023/24, the target was to establish a baseline using the 2023/24 annual survey results. The results for 2023/24 indicate substantial work is needed, to change workplace environments so that it is welcoming and safe for all to participate fully. Establishing this baseline data is important in informing and reinforcing continued efforts on this front with system partners.

Data is sourced through an annual survey that asks apprentices specific questions regarding skilled trades training and experiences related to racism, sexism and discrimination. Research best practices and quality assurance methods are employed throughout the process, including assessments based on the margin of error for each result. This fiscal, 464 of 3,213 women in under-represented trades in the system participated in the survey, which is consistent with expectations based on previous surveys.

Goal 4: Our customers and clients value the service we provide as leaders in the skilled trades

Objective 4.1: Offer exceptional quality information and services that advances SkilledTradesBC’s leadership role across the skilled trades training system.

Providing customers with what they need, when they need it, and how they need it, helps set them up for success through all stages of their apprenticeship journey.

Key results

- Introduced a new self-serve feature on its online customer portal, enabling apprentices to schedule exams, request accommodations and pay associated fees.
- Launched an online application for experienced workers in Skilled Trades Certification trades to register for alternate pathways to certification (Level Challenger, Trade Qualifier or Uncertified Experience Worker).

Summary of progress made in 2023/24

SkilledTradesBC made significant progress in enhancing its digital infrastructure, continuing to improve the mobile-friendly website and online customer portal through new features and self-serve functionalities. The upgrades have streamlined user experiences, making it easier for both apprentices and employers to access information more conveniently and navigate their apprenticeship journey.

The portal also supported key elements of Skilled Trades Certification implementation. It enabled uncertified tradespeople to submit applications to challenge exams or for temporary authorizations to meet requirements in an accessible and efficient manner. In addition, SkilledTradesBC commenced collection of workforce data from Skilled Trades Certification employers through the portal, enhancing its ability to make data-driven decisions to best support employers and tradespeople in continuing to align with Skilled Trades Certification requirements.

SkilledTradesBC provided individualized accommodation and support services to empower apprentices in overcoming barriers and achieving their certification. By working with system partners and training providers, SkilledTradesBC offered access to refresher courses, personalized tutoring and study plans for exam preparation, as well as tailored exam accommodations. Over 1,300 trade workers received exam preparation support and more than 1,400 exams were written with accommodations.

Performance measure and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
4.a Satisfaction with SkilledTradesBC Service and Supports ¹	81%	≥80%	80%

Data source: Annual survey conducted by Sentis Market Research

¹ PM 4.a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as ≥80%.

Employers and apprentices were highly satisfied with the level of support they received when interacting with SkilledTradesBC staff and using the online customer portal or website. They also believe that SkilledTradesBC is consistently delivering high-quality service, supporting successful apprenticeship journeys for employers and apprentices.

It is notable that SkilledTradesBC’s Customer Support Representatives and Apprenticeship Advisors met rising service demands reflective of the record-breaking levels of apprenticeship

registration, maintaining support and service for apprentices, trade workers, employers and communities.

Data is sourced through an annual survey that asks apprentices and employers specific questions regarding satisfaction with SkilledTradesBC service and supports. Research best practices and quality assurance methods are employed throughout the process, including assessments based on the margin of error for each result. The survey response rate for apprentices was 14 per cent and for employers, 13 per cent.

Financial Report

For the auditor's report and audited financial statements, see [Appendix B](#). These documents can also be found on the SkilledTradesBC website.

This report on SkilledTradesBC's financial results for the year ended March 31, 2024, should be read in conjunction with the 2023/24 Audited Financial Statements.

Discussion of Results

2023/24 Surplus

SkilledTradesBC recorded a surplus of \$0.2 million (0.1 per cent of expenses) for the fiscal year ended March 31, 2024, primarily due to higher than budgeted revenues from interest income.

Revenues

Total annual revenue of \$119.5 million was \$1.6 million (1.4 per cent) higher than budget, mainly due to increased interest income and higher volumes of assessment fees, as well as additional funding from the province related to compensation costs under the Shared Recovery Mandate and establishing a new trades designation process for Skilled Trades Certification.

- SkilledTradesBC's 2023/24 revenues consisted mainly of \$106.7 million in core funding from the Ministry of Post-Secondary Education and Future Skills.
- SkilledTradesBC also received \$10.2 million in funding through the Canada-BC Workforce Development Agreement to continue targeted training of under-represented and multi-barriered groups in the trades, and \$0.2 million of additional funding from the Ministry to establish a new trades designation process for Skilled Trades Certification.
- SkilledTradesBC generated \$2.4 million in revenue from investment income and through operations, representing 2.0 per cent of total revenues.

Expenses

Total annual expense of \$119.3 million was \$1.4 million (1.2 per cent) higher than budget, with 89.4 per cent of expenditures before amortization incurred in training investment, operations, engagement and Skilled Trades Certification implementation.

- Training Investment provides funding for training providers to deliver trades training and support apprentice, foundation and other training initiatives. These expenditures, which totalled \$89.5 million, were delivered in line with budget and accounted for 76.2 per cent of total expenses, excluding capital asset amortization.
- Operations expenditures to support clients throughout their apprenticeship journey totalled \$10.5 million and was \$0.3 million (2.6 per cent) higher than budget due high volumes of apprentice registrations.

- Operations activities includes program development, exam management, trade qualifier assessments and learner resources, as well as customer experience supports through the customer service call centre, regional Apprentice Advisors and apprentice completions support.
- Engagement expenditures, which includes trades inclusion and equity, truth and reconciliation and external relations activities, totalled \$3.4 million and was \$0.4 million (13.5 per cent) higher than budget due to additional programming in preparation for Skilled Trades Certification.
- Skilled Trades Certification compliance expenditures of \$1.7 million was \$1.2 million (41.4 per cent) lower than budget as expenses were timed to align with the implementation of Skilled Trades Certification.
- Business support expenditures of \$12.4 million, while being 10.4 per cent of total costs, was \$2.2 million (21.2 per cent) higher than budget mainly due to information technology and other corporate infrastructure spending to support the expanded mandate of SkilledTradesBC.
- Capital asset amortization totalled \$1.8 million and was \$0.1 million (4.2 per cent) lower than budget due to the timing of asset additions and a lower than budgeted starting asset base.

Liabilities

Total liabilities of \$4.0 million was \$2.0 million (33.1 per cent) lower than budget due to earlier than expected payables relating to the Canada-BC Workforce Development Agreement.

Capital

Annual capital expenditure of \$2.8 million was \$0.1 million (4.5 per cent) lower than budget, with information technology programming investments lower than anticipated. SkilledTradesBC funds capital expenditures from its accumulated surplus and does not receive specific capital funding.

Accumulated Surplus

Accumulated surplus was \$10.3 million at year end, with \$10.2 million comprised of investment in tangible capital assets.

Financial Summary

(\$millions)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
Revenues				
Contributions from Province	105.101	106.285	106.723	0.438
Recoveries from Province	10.653	10.234	10.379	0.145
Recoveries from Federal	(0.004)	0.000	0.000	0.000
Other Income & Recoveries	1.653	1.348	2.367	1.019
Total Revenue	117.403	117.867	119.469	1.602
Expenses				
Training Investment	89.434	89.616	89.458	(0.158)
Operations	9.077	10.234	10.497	0.263
Engagement	3.896	3.034	3.445	0.411
Skilled Trades Certification	0.862	2.819	1.653	(1.166)
Business Support	11.026	10.234	12.406	2.172
Capital Asset Amortization	1.625	1.930	1.848	(0.082)
Total Expenses	115.920	117.867	119.307	1.440
Annual Surplus	1.483	0.000	0.162	0.162
Total Liabilities	6.324	6.037	4.038	(1.999)
Capital Expenditures	2.408	2.948	2.815	(0.133)
Accumulated Surplus	10.102	8.987	10.264	1.277

¹ The above financial information was prepared based on current Generally Accepted Accounting Principles.

Variance and Trend Analysis

The financial results for fiscal year 2023/24 reflect the impact of Skilled Trades Certification on SkilledTradesBC operations, now in its third year of implementation, including the addition of staffing resources for compliance and enforcement activities as well as increased spending for business support system changes.

Risks and Uncertainties

SkilledTradesBC faces financial pressures related to inflation. In addition, the success of significantly growing B.C.'s apprenticeship system in 2023/24, ongoing demand for skilled tradespeople and implementation of Skilled Trades Certification pose associated cost pressures.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2023 Mandate Letter from the Minister Responsible.

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Work closely with government to implement Skilled Trades Certification and establish a process for industry to request new trades for future Skilled Trades Certification designation.</p>	<ul style="list-style-type: none"> • Skilled Trades Certification came into effect December 2023, for seven electrical and mechanical trades. • SkilledTradesBC worked closely with trade workers, employers and industry to ensure they received the necessary support and resources to align with Skilled Trades Certification requirements. • Continued enhancements of its online customer portal enabled convenient, efficient support for uncertified trade workers challenging exams and submitting applications for temporary authorization to work, as well as collection of employer workforce data. • SkilledTradesBC launched an application and engagement process in May 2023, inviting nominations for trades to be considered as a Skilled Trades Certification trade, conducted a thorough assessment of prioritized trades and provided the Ministry with an assessment report.
<p>Work closely with post-secondary institutions and trades training organizations to help government implement the programs outlined in the StrongerBC: Future Ready Action Plan by expanding regional access to affordable, accessible, and relevant trades training so more British Columbians have the skills they need for a career in the trades now and in the future.</p>	<ul style="list-style-type: none"> • Through the Canada - British Columbia Workforce Development Agreement, SkilledTradesBC supported eight service providers in delivering skills development and employment training programs for Indigenous people, women and those in equity-deserving groups. • SkilledTradesBC continued collaborations with industry groups and community service providers that serve under-represented groups, such as women, youth and newcomers, to ensure the right supports are in place to encourage

2023 Mandate Letter Priority	Status as of March 31, 2024
	<p>exploration and career advancement in skilled trades.</p> <ul style="list-style-type: none"> In partnership with training providers, SkilledTradesBC revised its accommodations policy and introduced new refresher training, tutoring and exam preparation service for apprentices needing additional support to complete the necessary certification requirements.
<p>Work with government, trainers, and industry to help more people choose a career in the trades by continuing to make the trades training system welcoming for under-represented groups, raising the prestige of the trades for all British Columbians, and continuing to support internationally trained trades workers to earn certification in B.C.</p>	<ul style="list-style-type: none"> SkilledTradesBC continued to work with BC Centre for Women in the Trades to provide inclusive leadership opportunities for tradespeople and encourage continuation and completion of apprenticeship amongst women, as well as to expand the delivery of the Be More Than A Bystander anti-bullying, harassment and violence training. SkilledTradesBC streamlined pathways to certification to make it easier for internationally trained trade workers to become certified in B.C., including a new online exam-booking process, waived exam fees for Skilled Trades Certification trade challengers and increased number of trade verifiers.
<p>Work with Indigenous leadership and partners to ensure their voices are reflected in trades training decision-making that impacts Indigenous workers, businesses, and communities. This includes, but is not limited to, completing a review of the Indigenous Advisory Council membership and objectives.</p>	<ul style="list-style-type: none"> SkilledTradesBC provided sponsorship and planning support for the inaugural B.C. Indigenous Apprenticeship Forum. SkilledTradesBC worked closely with First Nations leadership and service providers to increase access to skilled trades careers through Community-Based Training. SkilledTradesBC initiated a review to develop an approach for removing potential barriers in its programs, processes and policies to ensure they are accessible, culturally appropriate and

2023 Mandate Letter Priority	Status as of March 31, 2024
	<p>respond to the unique needs of Indigenous apprentices and communities.</p> <ul style="list-style-type: none">• SkilledTradesBC implemented mandatory cultural competency training as part of the organizational onboarding process for all employees.• SkilledTradesBC completed a review of and updated its Indigenous Advisory Council terms of reference and member appointments in 2022/23.

Appendix B: Auditor's Report and Audited Financial Statements

**Financial Statements of SkilledTradesBC
for the year ended March 31, 2024**

SkilledTradesBC
Management's Report
for the Year Ended March 31, 2024

Management's Responsibility for the Financial Statements

THE FINANCIAL STATEMENTS HAVE BEEN PREPARED BY MANAGEMENT IN ACCORDANCE WITH CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS AND THE INTEGRITY AND OBJECTIVITY OF THESE STATEMENTS ARE MANAGEMENT'S RESPONSIBILITY.


Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.


Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements at every meeting and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of SkilledTradesBC and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of SkilledTradesBC


Shelley Gray
Chief Executive Officer


Adam Bale
Chief Financial Officer

May 14, 2024



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Independent Auditor's Report

To the Board of Directors of SkilledTradesBC

Opinion

We have audited the financial statements of SkilledTradesBC, which comprise the Statement of Financial Position as at March 31, 2024, and the Statements Operations and Changes in Accumulated Surplus, Changes in Net Financial Assets (Debt), and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SkilledTradesBC as at March 31, 2024, and its results of operations, change in net financial assets (debt), and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of SkilledTradesBC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing SkilledTradesBC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate SkilledTradesBC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing SkilledTradesBC's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SkilledTradesBC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SkilledTradesBC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause SkilledTradesBC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Vancouver, British Columbia

May 14, 2024

SkilledTradesBC
Statement of Financial Position
As at March 31, 2024
in thousands of dollars

	Note	2024	2023
Financial Assets			
Cash		1,994	2,293
Accounts receivable		88	87
Due from government/other government organizations	3	1,697	4,002
		3,779	6,382
Liabilities			
Accounts payable and accrued liabilities	4	2,286	3,394
Due to government/other government organizations	6	1,077	2,078
Deferred revenue	7	163	347
Obligations under capital lease	11	29	37
Asset retirement obligations	8	483	468
		4,038	6,324
Net financial assets (debt)		(259)	58
Non-financial assets			
Tangible capital assets	10	10,171	9,585
Prepaid expenses		352	459
		10,523	10,044
Accumulated surplus		10,264	10,102
Contractual obligations	11		

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



Cindy Oliver
Board Chair



Laird Cronk
Audit & Risk Committee Chair

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

SkilledTradesBC
Statement of Operations and Changes in Accumulated Surplus
For the Year Ended March 31, 2024
in thousands of dollars

	Note	Budget (Note 14)	2024	2023
Revenues				
Provincial core operating grant		106,285	106,723	105,101
Provincial project based funding		10,234	10,379	10,653
Federal funding received		-	-	(4)
Operating		175	280	259
Fees		335	757	445
Investment income		720	1,238	831
Other		118	92	118
		117,867	119,469	117,403
Expenses				
	<i>12</i>			
Training Investment		89,616	89,458	89,434
Operations		10,234	10,497	9,077
Engagement		3,034	3,445	3,896
Skilled Trades Certification		2,819	1,653	862
Business Support		12,164	14,254	12,651
		117,867	119,307	115,920
Annual surplus		-	162	1,483
Accumulated surplus, beginning of the year			10,102	8,619
Annual surplus			162	1,483
Accumulated surplus, end of year			10,264	10,102

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

SkilledTradesBC
Statement of Changes in Net Financial Assets (Debt)
For the Year Ended March 31, 2024
in thousands of dollars

	Budget (Note 14)	2024	2023
Annual surplus for the year	-	162	1,483
Addition of tangible capital assets	(2,948)	(2,815)	(2,408)
Loss on disposal of tangible capital assets	-	381	-
Amortization of tangible capital assets	1,930	1,848	1,625
	(1,018)	(586)	(783)
Change in prepaid expense	-	107	23
(Decrease)/increase in net financial assets	(1,018)	(317)	723
Net financial assets (debt), beginning of year	58	58	(665)
Net financial assets (debt), end of year	(960)	(259)	58

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

SkilledTradesBC
Statement of Cash Flows
For the year ended March 31, 2024
in thousands of dollars

	2024	2023
Operating activities		
Annual surplus for the year	162	1,483
Non-cash items included in annual surplus:		
Amortization	1,848	1,625
Asset retirement obligation accretion expense	15	15
Change in non cash operating items		
Change in prepaid expenses	107	23
Change in receivables	2,304	909
Change in payables and accrued liabilities	(2,117)	(1,573)
Change in deferred revenue	(184)	(330)
Loss on disposal of tangible capital assets	381	-
Cash provided by operating transactions	2,516	2,152
 Capital Transactions		
Cash used to acquire tangible capital assets	(2,815)	(2,408)
 Decrease in cash during the year	(299)	(256)
Cash, beginning of year	2,293	2,549
Cash, end of year	1,994	2,293

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

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2024
in thousands of dollars

1. Nature of Operations

SkilledTradesBC is a Crown agency of the Government of the Province of British Columbia, was established on January 2, 2004 and operates under the authority of the *Skilled Trades BC Act*. SkilledTradesBC reports to the Legislative Assembly through the Ministry of Post-Secondary Education and Future Skills. The mandate of the SkilledTradesBC is to lead and manage B.C.'s skilled trades training and apprenticeship system, including ensuring the system meets the province's need for skilled trades workers. Working with employers, apprentices, industry, labour, training partners, schools, Indigenous and other B.C. communities, and government, SkilledTradesBC funds training, issues credentials, supports apprenticeships, sets program standards, and works to increase opportunities in the skilled trades. These services are grouped into the following key areas: training investment, operations, engagement, Skilled Trades Certification and business support.

SkilledTradesBC is exempt from income taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

a. Basis of accounting

The financial statements are prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board.

b. Tangible capital assets

Tangible capital assets are recorded at cost, which included amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of assets.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 years
Capital Lease – Printers	8 years
Computer hardware and software	3-10 years
Leasehold improvements	Until the end of the lease term

Amortization is charged from the date the asset is put into use until it is taken out of use. Assets under construction are not amortized until the asset is put into productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to SkilledTradesBC's ability to provide credentials and services. The net write-downs are accounted for as an expense in the statement of operations.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2024
in thousands of dollars

2. Summary of Significant Accounting Policies – continued

c. Employee future benefits

- i. The employees of SkilledTradesBC belong to the Public Service Pension Plan, which is a multi-employer joint trustee plan. This plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding.

The joint trustee board of the plan determines the required plan contributions annually. The contribution of SkilledTradesBC to the plan is recorded as an expense for the year.

- ii. The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for the coverage of employees during the period.

d. Prepaid expenses

Prepaid expenses include payments for rent and other operational expenses and are charged to expense over the periods expected to benefit from the prepaid.

e. Revenue recognition

Revenues are recognized in the period when the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and are taken into revenue in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue in the period when they are used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

f. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Grants and transfers are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2024
in thousands of dollars

2. Summary of Significant Accounting Policies – continued

g. Foreign currency translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions.

h. Financial instruments

Cash, accounts receivable, due from government, accounts payable and accrued liabilities and due to government/other government organizations are measured at cost. The carrying values of these financial instruments approximates their fair value, given their short-term maturities.

i. Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions. This affects the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of estimates include: collectability of accounts receivable and due from government/other government organizations, the useful life of tangible capital assets, asset retirement obligations and rates for amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

j. Asset Retirement Obligation

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2024
in thousands of dollars

3. Due from Government and Other Government Organizations

	2024	2023
Provincial government	1,578	3,866
Federal government	119	136
	1,697	4,002

4. Accounts Payable and Accrued Liabilities

	2024	2023
Accounts payable and accrued liabilities	1,987	3,029
Accrued vacation payable	296	308
Salaries and benefits payable	3	57
	2,286	3,394

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2024
in thousands of dollars

5. Employee Future Benefits

Information about obligations for retirement benefits and other employee future benefits is as follows:

a. Retirement and other employee future benefits – pension plan

SkilledTradesBC and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2023, the plan has about 71,000 active members and approximately 55,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$4,491 million for basic pension benefits on a going concern basis. SkilledTradesBC paid \$1,236 (2023: \$1,044) for employer contributions to the plan in fiscal 2024.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). The plan records accrued liabilities and accrued assets for the plan in aggregate, there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

b. Long-term disability life insurance and health care benefits

SkilledTradesBC provides life insurance, dental and health care benefits to employees on long-term disability leave for a period of two years after the date of disability. The insurance carrier waives the life insurance premium for employees on long-term disability; however, SkilledTradesBC is responsible for the payment of the premium costs of medical and dental under this plan.

These costs are event driven and are recorded when the long term disability event occurs. The costs of salary compensation paid to employees on long-term disability leave are fully insured through employee paid contributions and are not included in this plan.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2024
in thousands of dollars

6. Due to Government and Other Government Organizations

	2024	2023
Federal government	1	1
Provincial government	227	638
Other government organizations	849	1,439
	1,077	2,078

SkilledTradesBC’s liabilities to government and other government organizations are all amounts payable that are due within 30 days. Other government organizations includes: colleges, universities and school districts that are controlled by the province.

7. Deferred Revenue

SkilledTradesBC received \$530 (fiscal 2012) and \$814 (fiscal 2016) in tenant inducements for leasehold improvements to the Richmond office. This revenue is being deferred and recognized over the term of the lease.

The Ministry of Post-Secondary Education and Future Skills provided \$350 (fiscal 2022) to support Indigenous communities to deliver community-based training and education to improve their employment opportunities at home. There was an additional \$240 provided to continue supporting Skilled Trades Certification policy development and implementation.

	Balance 2023	Receipts	Transferred to revenue	Balance 2024
Tenant inducement Richmond Office	209	-	(94)	115
Community Based Indigenous Skills Trades Training	138	-	(138)	-
Skilled Trades Certification Policy Development	-	240	(192)	48
	347	240	(424)	163

8. Asset Retirement Obligation

SkilledTradesBC has recorded an asset retirement obligation associated with lease obligations for the estimated costs of removal and restoration of fixtures and improvements to the premise’s original state. The following is a reconciliation of the changes in the asset retirement obligation during the year:

	2024	2023
Balance at beginning of year	468	453
Add: Accretion expense	15	15
Balance at end of year	483	468

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2024
in thousands of dollars

8. Asset Retirement Obligation — continued

The accretion expense is included with amortization expense (Note 12). The undiscounted estimated cash flows required to settle the obligation are approximately \$494 to be incurred at the expiration or earlier termination of the lease. The lease expires on December 31, 2025. The estimated cash flows were discounted using the government average long term borrowing rate of 3.55%

9. Fiscal Risk Management

a. Financial management risk objectives and policies

In the normal course of operations, SkilledTradesBC is exposed to financial risks that have the potential to negatively impact its financial performance. These risks may include credit risk and liquidity risk.

b. Credit risk

Credit risk is the risk that the SkilledTradesBC's counterparties will fail to meet their financial obligations to the SkilledTradesBC, causing a potential financial loss.

Cash is only deposited with one financial institution. Accounts receivable primarily consists of amounts due from other governments/other government organizations; therefore, collection risk is low. SkilledTradesBC does not consider its exposure to credit risk to be material.

c. Liquidity risk

Liquidity risk is the risk that the SkilledTradesBC may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost effective manner to meet its commitments as they come due.

SkilledTradesBC has in place a planning, budgeting and forecasting process to determine the funds required to support the SkilledTradesBC's normal operating requirements. SkilledTradesBC's annual budgets are approved by the Board of Directors, the Ministry of Post-Secondary Education and Future Skills and the Treasury Board.

SkilledTradesBC
Notes to Financial Statements
For the year ended March 31, 2024
in thousands of dollars

10. Tangible Capital Assets

2024 (in \$ thousands)				
	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	1,550	21,586	2,157	25,293
Additions	23	2,792	-	2,815
Disposals	(7)	(699)	-	(706)
Asset Write-downs and Write-offs	-	-	-	-
Closing Balance	1,566	23,679	2,157	27,402
Accumulated Amortization				
Opening balance	1,437	12,445	1,826	15,708
Additions	30	1,671	147	1,848
Disposals	(7)	(318)	-	(325)
Closing Balance	1,460	13,798	1,973	17,231
Net book value	106	9,881	184	10,171
2023 (in \$ thousands)				
	Furniture and equipment	Computer hardware and software	Leasehold improvements	Total
Cost				
Opening balance	1,546	19,182	2,157	22,885
Additions	4	2,404	-	2,408
Disposals	-	-	-	-
Asset Write-downs and Write-offs	-	-	-	-
Closing Balance	1,550	21,586	2,157	25,293
Accumulated Amortization				
Opening balance	1,398	11,048	1,637	14,083
Additions	39	1,397	189	1,625
Disposals	-	-	-	-
Closing Balance	1,437	12,445	1,826	15,708
Net book value	113	9,141	331	9,585

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11. Obligations under leases

a. Capital lease

Capital lease payments for lease copiers, including principal and interest are as follows:

<u>Year</u>	<u>Amount</u>
2025	10
2026	10
2027	9
	<u>29</u>

b. Operating lease

SkilledTradesBC has entered into a number of multiple-year contracts for operating leases for premises. The lease commitments are for space costs and exclude operating costs. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

<u>Year</u>	<u>Amount</u>
2025	526
2026	428
	<u>954</u>

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12. Expenses by Object

The following is a summary of expenses by object:

	Budget	2024	2023
Training provider services (including Youth)	78,313	77,878	78,433
Compensation and staff development	17,239	16,458	14,029
Workforce Development Agreement	10,030	9,855	10,269
Other operating costs	3,356	4,581	3,427
Information systems/telecommunications	2,527	4,584	4,231
Amortization and accretion expense	1,930	1,863	1,625
External relations	1,588	929	1,286
Other administrative costs	1,538	1,592	1,437
Building occupancy	1,346	1,186	1,183
Loss on disposal of tangible capital assets	-	381	-
	<u>117,867</u>	<u>119,307</u>	<u>115,920</u>

13. Related Party Transactions

SkilledTradesBC is related through common control 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.

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13. Related Party Transactions – continued

	2024	2023
Revenues:		
Ministry of Post-Secondary Education and Future Skills		
- core funding	106,723	105,101
- projects	10,379	10,653
Ministry of Citizens' Services	280	259
	117,382	116,013
Expenses:		
Post secondary institutions	68,470	70,430
School districts	6,096	5,279
Ministry of Citizens' Services	1,466	1,103
Public Service Pension Plan	1,232	1,048
Ministry of Education and Child Care	382	346
Ministry of Finance	265	227
Ministry of Labour	19	15
Ministry of Tourism, Arts, Culture & Sport	-	21
Ministry of Environment & Climate Change Strategy	1	1
	77,931	78,470

14. Budgeted Figures

Budgeted figures have been provided for comparison purposes and have been approved by the Board of Directors. These budgeted figures were included in SkilledTradesBC's 2023-24 Service Plan.