



SERVICE PLAN 2010/11–2012/13



THE RIGHT SKILLS ► A PROVEN ADVANTAGE

MESSAGE FROM THE CHAIR	1
ORGANIZATIONAL OVERVIEW	3
CORPORATE GOVERNANCE	5
STRATEGIC CONTEXT	6
PERFORMANCE MANAGEMENT FRAMEWORK	10
- Overview	10
- Goal and Measure Selection	10
- Data Sources	11
- Goals, Strategies, Measures	12
SHAREHOLDER'S LETTER OF EXPECTATIONS	16
SUMMARY FINANCIAL OUTLOOK	18
- Assumptions, Risks, Sensitivities	19
- Future Financial Outlook	20
GLOSSARY	20

MESSAGE FROM THE CHAIR

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

I am pleased to submit this service plan for fiscal 2010/11-2012/13, on behalf of the directors, management and staff of the Industry Training Authority (ITA).

While several key economic indicators stabilized in British Columbia during 2009/10, the pace and timeframe for full recovery remain uncertain. The global economic downturn will continue to create challenges for at least part of the period covered by this plan.

The ITA will focus on sustaining participation in training and assessment, to ensure the province is positioned to meet labour market needs as recovery continues to take hold and over the longer term. The downturn, after all, has not altered the demographic certainty of a large reduction in the size of our skilled workforce over the years to come.

While the scope and even the nature of the impacts of the economic downturn on the ITA's performance were uncertain a year ago, it is now evident that training participation is declining. For the first time, we are forecasting fewer registered training participants and sponsors (in fiscal 2009/2010) than in the previous year.

As the targets in this plan indicate, our objective is to moderate participation declines, and to lay the groundwork for a faster return to previous participation levels than followed other recessions. The demographic outlook makes it imperative that we do so.

While addressing the downturn, the ITA will also pursue broader ongoing objectives. This will include further improving the experience of taking part in apprenticeship – for example, by simplifying the pathway from registration to certification, removing unintended hurdles, and providing online opportunities to manage progression.

It will also include further tightening the alignment between workplace needs, and the skills that are acquired through training and verified through assessment. And it will include further strengthening core functions such as program standards and customer service.

The goals, objectives and measures in this service plan are consistent with those in the plan filed in February 2009 (and updated in September 2009). Both are fully aligned with a broad three-year strategic plan released in August 2009. Activities during the next three years, and in 2010/11 most particularly, will focus on the following opportunities:

- more accessible and effective training delivery, mainly through implementation of the E-PPRENTICE business plan;
- more accessible and effective assessment, mainly through broader application of the Multiple Assessment Pathways initiative (MAP);
- stronger linkages between credentials and industry requirements, mainly through the development of occupational performance standards;
- expanded participation by Aboriginal people, women and new immigrants;
- a sharpened focus on continuous improvement, facilitated by resources expected to become available due to reduced technical training demand; and

- cooperation with training authorities in other provinces and leadership on select national initiatives.

Process efficiencies and collaboration, while always important, take on greater significance during periods of economic challenge.

Targeted performance remains ambitious, in light of the impact economic conditions have already had on training participation. But we believe the more robust training system now in place – including the improved insights and industry engagement provided by sector-specific Industry Training Organizations – is positioned to deliver.

This service plan was prepared under the board's direction in accordance with the *Budget Transparency and Accountability Act* and the *BC Reporting Principles*. It is consistent with government's strategic priorities and fiscal plan, and the board is accountable for its contents, including measure and target selection.

All significant assumptions, policy decisions, events and identified risks, as of January 2010, have been considered. Measures are consistent with the ITA mandate and goals, and focus on critical aspects of performance. Targets have been set based on an assessment of the ITA's past performance, current operating environment, and forecast conditions.

Sincerely,



Frank Pasacreta
Chair, Board of Directors

Noteworthy initiatives and progress since the ITA's last regular service plan was tabled include the following:¹

- Implemented demonstration projects to enable more Aboriginal people, women and new immigrants to begin trades careers, and to inform long-term strategies
- Completed an alternative assessment pilot (Multiple Assessment Pathways) in the cook trade, which was approved as a basis for Red Seal endorsement
- Began a review of program-standards development in cooperation with ITOs and training providers
- Began implementation of the E-PPRENTICE business plan, including online program development for the cook and welder trades
- Launched the “Now's the Time” information campaign to encourage continued training participation during the economic downturn
- Commissioned the Canadian Apprenticeship Forum to convene a national symposium and initiate action planning regarding apprenticeship completion
- Assumed project leadership for development of an occupational performance standards framework through the Canadian Council of Directors of Apprenticeship

¹ This includes developments since the tabling of the last regular service plan in February 2009, a plan which was revised in September 2009.

ORGANIZATIONAL OVERVIEW

Mandate

The Industry Training Authority (ITA) governs the industry training system and maximizes its contributions to prosperity in British Columbia. The ITA helps ensure that industry has access to skilled labour, and that individuals have access to skill-development and recognition opportunities and the personal advancement they support.

The *Industry Training Authority Act* defines the ITA's mandate and accountabilities. A Shareholder's Letter of Expectations (see page 16) provides further direction and accountability. It is executed jointly by the ITA and the Minister of Advanced Education and Labour Market Development, to whom the ITA reports.

Core Business Areas

The ITA focuses on governance, policy, standards and system-wide coordination. It is structured around the following core business areas:

1. Operations
 - program standards
 - customer service
 - managing the training delivery system
 - assessment and certification
2. Policy and Strategic Initiatives
3. Corporate Services

The ITA's head office is located in Richmond while a second office in Vancouver serves mainly as a customer-service centre. Province-wide information and examination services are available through Service BC offices.

Customers and Delivery Partners

The ITA serves two customer groups:

1. Industry – any employer or group of employers needing workers who possess skills and credentials within the scope of the ITA's mandate; and
2. Training Participants and Challengers – apprentices and foundation program (pre-apprenticeship) participants who pursue certification through training programs, and challengers who pursue certification based on existing skills.

Industry Training Organizations play a central role in ensuring that training and assessment approaches, and the management of the training system as a whole, are industry driven.

The ITA maintains a dual focus on both training participation and existing-skills assessment as pathways towards certification, and continues to improve the accessibility and effectiveness of both.

The ITA closely collaborates with two categories of service-delivery partners, from which it purchases services based on contractual accountabilities:

1. Industry Training Organizations (ITOs) are independent, not-for-profit legal entities that work with and on behalf of industry to improve, expand and guide training in specific sectors. They provide input on standards and on training plan development. Accountability is provided through Enterprise Partnership Agreements.
2. Training Providers include public and private training institutions, together with partners in the K-12 school system, which deliver the technical training component of programs leading to ITA credentials. Accountability is provided through contracts and training purchase plans, which are developed in consultation with ITOs and are consistent with system-wide priorities.

Senior Management Team

Kevin Evans	Chief Executive Officer
Lance Blanco	Chief Operating Officer
Ashifa Dhanani	Senior Lead, Customer Service
Gary McDermott	Senior Lead, Aboriginal Initiatives
Tom Newell	Senior Lead, Program Standards
Jeff Nugent	Executive Lead, Strategy & Policy
Johann Steinmann	Senior Lead, Programs
Sandy Steward	Executive Lead, Strategic Initiatives
Sue Thomas	Executive Lead, Finance & Corporate Services
Jessi Zielke	Senior Lead, Labour Supply Initiatives

CORPORATE GOVERNANCE

The Industry Training Authority (ITA) is governed by a nine-member board of directors, appointed by the Minister of Advanced Education and Labour Market Development. Directors are independent of government and ITA management and have diverse backgrounds and expertise.

The board’s role consists of:

- setting strategic direction and empowering management to pursue it;
- holding management accountable for defined performance results;
- ensuring effective use of resources; and
- reporting to government, stakeholders and the public at large.

The board has standing audit, human resources and governance committees.

The board is committed to key governance principles including clearly delineated responsibilities, adherence to a rigorous code of conduct, meaningful oversight of management, and continuous governance improvement.

More information with respect to the board’s membership, committee structure, terms of reference, conflict of interest guidelines and other matters – complying with the disclosure requirements of the BC government’s Board Resourcing and Development Office – is available at: www.itabc.ca/Page59.aspx

Directors and Committee Responsibilities

Frank Pasacreta, Chair	Ex-officio Member of all Committees
Allan Bruce	Governance (Chair), Human Resources
Jack Carthy	Audit (Chair), Governance
Jack W. Davidson	Audit
Thomas Kirk	Human Resources (Chair), Governance
Kurt Krامل	Governance, Human Resources
Patty Sahota	Audit
Suromitra Sanatani	Human Resources
Laura Stanton	Audit

STRATEGIC CONTEXT

The Industry Training Authority (ITA) expects the following trends, opportunities, risks and capacity issues to shape its operating environment – and potentially influence its performance – during the period covered by this plan.

They include both external trends and developments, and considerations internal to the training system. Broadly speaking, they relate to the economic outlook, entry and completion by training participants and challengers, and the imperative of maximizing returns on spending.

The ITA continually monitors general economic and labour market conditions and outlooks, relevant demographic data, and other strategic indicators and issues as they arise and evolve. The economic downturn, uncertainty regarding the timeframe for recovery, the current fiscal climate, and the provincial government's goal to balance the budget by 2013/14 were especially significant when this plan was prepared.

The ITA has plans in place to manage, mitigate and leverage performance impacts relating to the issues identified below, and the measures defined in this service plan will indicate their effectiveness.

Economic Outlook

Issues	Context	Linkages and Plans to Address
Supply/Demand Balance	Economic conditions have moderated skilled-labour demand, and this is reflected in declining apprenticeship participation in 2009/10. However, the BC economy is showing some signs of improvement, and demographics are expected to result in a skilled-labour shortfall of about 160,000 workers by 2015 ² . Skilled-labour demand will therefore likely rebound relatively quickly, and action is required to maintain participation and avoid a severe and sustained drop in supply.	Half the measures in this plan relate directly to participation and related outcomes (registered participants, registered challengers, certificates issued, registered sponsors), and therefore to the supply/demand balance. Targets for total participants and sponsors reflect an intent to moderate declines resulting from the downturn. The ITA also continues to expand programs designed to increase participation on the part of specific groups (Aboriginal people, women and new immigrants), and to better facilitate certification based on existing skills – both of which will increase long-term supply. The ITA will also work with ITOs and the Ministry of Advanced Education and Labour Market Development to better assess trades-related supply and demand on a regional basis.
Protecting Existing Investments in Apprenticeship	The economic downturn has reduced the availability of work-based training and increased the risk that apprentices will not complete programs. This would contribute to longer-term supply / demand imbalances and represent a loss of the investment made in their incomplete participation.	Targets for certificates issued reflect plans to continue to pursue investment-protecting strategies, such as promoting technical training participation by apprentices close to completion, and policy changes to facilitate technical training participation even upon loss of sponsorship.
Industry Engagement	Effective training depends on strong industry engagement in forms including work-based training opportunities and participation in standards development and planning. Economic conditions have reduced employer capacity to provide work-based training, as reflected in declining sponsorship participation in 2009/10.	Targets for registered sponsors and % of participants in ITO-managed programs reflect the expectation that ITOs will be able to moderate declines in employer participation and engagement, and to sustain sector-specific training momentum generally.

² Conference Board of Canada, “The Future of Work”, July 2008

Entry and Completion

Issues	Context	Linkages and Plans to Address
Access to Training	Geographic accessibility and the flexibility with which technical training can be pursued are believed to be major determinants of participation and completion levels. They are likely particularly relevant to some groups that are under-represented in industry training and/or the labour force as a whole.	Targets relating to registered participants and certificates issued reflect plans to continue to improve accessibility and flexibility. This is being pursued mainly through the E-PPRENTICE business plan, which will reduce the need to travel and/or relocate to complete technical training.
Effective Skills Assessment	The availability of effective and diverse assessment models (extending beyond written exams), is believed to be a major determinant of certification levels. It is likely particularly relevant to some groups that are under-represented in industry training and/or the labour force as a whole.	Targets for certificates issued reflect plans to continue to improve the effectiveness of assessment, particularly for those seeking certification based on existing skills. This is being pursued mainly through further piloting of alternative assessment models, building from the Multiple Assessment Pathways initiative (MAP). Development of occupational performance standards will provide a framework for the application of such models.
Essential Skills	Research strongly suggests that deficiencies in essential skills (literacy and numeracy) are common barriers to entry into and completion of industry training.	Targets for registered participants and certificates issued reflect plans to develop and implement an Essential Skills Strategy. This will be done in partnership with apprentices, training providers, employers, and other stakeholders and will benefit both potential and current training participants.

Maximizing Returns

While the following issues relate less directly to specific measures in this plan, each has the potential to significantly impact performance more generally.

Issues	Context	Linkages and Plans to Address
Efficiencies	Economic conditions and fiscal impacts have heightened the need to prioritize public spending and maximize the return on it. Industry is similarly intensely focused on cost management and on ensuring a good return from all financial and in-kind commitments.	The ITA will continue to pursue enhanced efficiencies through means such as streamlined program-standards development (building on the outcomes of a review), and through increased leveraging of expertise and resources on an inter-jurisdictional basis.
Continuous Improvement	Continuous improvement mechanisms are in place in contexts such as private-trainer designation, and the expansion of such mechanisms is a priority. Reduced demand for apprenticeship technical training (as a result of the economic downturn) is likely to provide the opportunity to redirect resources to support such expansion.	New and expanded continuous improvement initiatives will likely be implemented in the contexts of program-standards development, analysis of assessment results and feedback to training providers, and other core ITA functions.

PERFORMANCE MANAGEMENT FRAMEWORK

OVERVIEW

This service plan sets out three goals, related objectives and strategies, and eight performance measures and associated targets which the Industry Training Authority (ITA) will pursue over the next three years. Results will be reported in annual reports and supplemental monthly statistics reports (www.itabc.ca/Page62.aspx).

Goals, objectives and strategies are defined and elaborated on in a three-year strategic plan (www.itabc.ca/AssetFactory.aspx?did=1209).

This is the second ITA service plan to be based on the strategic plan, and – while the strategies described below are time-period specific – the goals, objectives and measures are unchanged from the previous service plan.

Achievement of the targets will reliably indicate that the ITA is discharging its mission and contributing to the realization of its vision, within the strategic context of its current operating environment.

Mission

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

Vision

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

GOAL AND MEASURE SELECTION

The goals and measures in this service plan provide an encompassing and appropriately segmented basis for assessing the ITA's performance, and focus on the needs of employers and training participants. They relate to both the training and assessment components of the ITA's dual mandate, and performance against them will be driven by continuous improvement and resource-use efficiency.

Measures have been selected based on close linkage to goals and underlying direction from government, and with reference to the following criteria:

- the ITA has a meaningful capacity to influence results;
- results can be feasibly, reliably and quantifiably measured;
- results provide a basis for action planning; and
- the measures relate to aspects of performance that are of interest to customers, service-delivery partners and stakeholders.

The basis for the selection of targets is elaborated on in subsequent sections.

DATA SOURCES

ITADirectAccess is the data source which, in whole or in part, provides the basis for reporting against most of the measures in this service plan. It is a robust information management system, tailored to the requirements of the ITA's operating environment. Its phased launch began in late 2008/09, and functionality additions and enhancements are ongoing.

Its use is subject to data-entry guidelines and business rules. Where specific measures require

manual calculations and/or cross-referencing with other data sources, defined procedures and accuracy assurances are applied.

Waiting time data originates with training providers rather than with ITADirectAccess, and the calculation of these results is now subject to a consistent methodology.

Methodologies, criteria and timeframes relevant to the collection and assessment of performance data are addressed in more detail in the notes to the ITA's monthly statistics reports.

A NOTE ON BENCHMARKING

The ITA is continuing to participate in the development of a national performance-management framework for industry training, being undertaken through the Canadian Council of Directors of Apprenticeship (CCDA). While national benchmarks are not yet in place, recent revisions to the CCDA's strategic plan confirm the intent to establish them.

Pending completion of that work, direct performance comparisons between Canadian industry training authorities has limited validity as a result of wide variation with respect to: training system and program structures, definitions and methodologies relating to specific performance measures, and economic conditions and industry needs.

External benchmarking therefore had limited application in developing this service plan, 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.

Select performance comparisons based on external benchmarks – relating to participation, credentials awarded and pass rates – are routinely disclosed in ITA annual reports.

GOALS, STRATEGIES, AND PERFORMANCE MEASURES

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

Objectives:

- Training and assessment are accessible, flexible and responsive to individual needs
- ITA issued credentials are valued because they enable employment, mobility and progression

Strategies:

- Expand application of the E-PPRENTICE model (training accessibility) to additional trades
- Expand provincial reach of demonstration programs that successfully increased participation of women and immigrants
- Implement short-term recommendations of the Aboriginal business plan, and increase emphasis on pre-apprenticeship training for Aboriginal people
- Implement and evaluate an essential skills pilot
- Promote broader application of alternative assessment models through the development and use of occupational performance standards

Performance Measure	2008/09 Actual	2009/10 Forecast	2010/11 Target	2011/2 Target	2012/13 Target
Total Registered Training Participants³	44,076	43,000	39,000	40,000	41,000
Registered Challengers⁴	n/a	Baseline Set	TBD	TBD	TBD
Certificates of Qualification Issued⁵	6,038	6,500	7,000	7,500	8,000

Target Rationales:

- Total Registered Training Participants – Targets have been set (and adjusted down) based on performance since the onset of the current economic downturn and during previous ones. According to Statistics Canada's Registered Apprenticeship Information System (RAIS), apprenticeship participation dropped 17 to 18 per cent, one to two years after past recessions. An increase in foundation program participation (which is not dependent on work-based training availability) is one factor that is expected to moderate the total participation decline.

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³ Includes both apprenticeship (regular apprentices and youth apprenticeship-program participants) and foundation program participants.

⁴ Number of applicants accepted to undergo an assessment of their existing skills as a basis for certification.

⁵ Number of final certifications issued to both those who have participated in a formal apprenticeship program and those who have challenged for the qualification based on existing skills.

- Registered Challengers – Results in 2009/10 will become the baseline for this measure, which was introduced in the last service plan. While targets remain to be set once the baseline is finalized, growth is expected over the next three years due to increased availability of alternative assessment models.
- Certificates of Qualification Issued – Targeted growth is consistent with that in 2009/10. It accounts for both the anticipated continued impacts of the economic downturn, as well as the offsetting impacts of factors including increased availability of alternative assessment and progressive credentialing (involving a credential for each level of competency attained within a single occupation – as with the cook, auto service technician and welding trades).

Impact of Previous Downturns

A recent assessment by Human Resources and Skills Development Canada found that the recessions beginning in 1981 and 1992 resulted in total apprenticeship registration declines nationally of 17 and 18 per cent, and new registration declines of 52 and 56 per cent. In the case of the more recent of those two downturns, it was eight years before total registrations

returned to pre-recession levels and 10 years before new registrations recovered.

Given timeframes for the completion of many industry training programs, and an imminent contraction in the size of the BC labour force, the consequences of such a prolonged reduction in apprenticeship participation would be of even greater concern if it re-occurred now.

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

Objectives:

- Industry drives BC's industry training and certification system
- Industry has access to skilled workers with the right skills at the right time
- ITA-issued credentials are valued because they signify that standardized, industry-defined outcomes have been met

Strategies:

- Leverage an ITO-led employer engagement strategy to increase sponsorship
- Leverage an ITO-led employer engagement strategy to keep program standards current
- Facilitate continuation in apprenticeship despite more limited work-based training opportunities
- Advance the development and use of occupational performance standards as a means of better reflecting employers' expectations and assessing workplace competency

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Performance Measure	2008/09 Actual	2009/10 Forecast	2010/11 Target	2011/12 Target	2012/13 Target
% of Registered Participants in ITO-Managed Programs⁶	94%	95%	97%	97%	97%
Total Registered Sponsors	10,884	10,500	10,250	10,600	11,000
Employment in Trades 6-12 Months After Acquiring Certificate of Qualification⁷	99.3%	99.6%	Maintain	Maintain	Maintain

Target Rationales:

- % in ITO-Managed Programs – Targets have been set with reference to the training program responsibilities defined in ITO annual Enterprise Partnership Agreements with the ITA.
- Total Registered Sponsors – Trends relating to registered sponsors correlate with those relating to apprenticeship participation. Targets have been set (and adjusted down) based on performance on both measures since the onset of the current economic downturn and during previous ones. Targets also reflect consultations with ITOs regarding employer capacity to provide work-based training, and the expected impact of collaborative efforts to promote continued employer engagement. Because many employers sponsor more than one apprentice, the forecasted decline in sponsor participation is less than the forecasted decline in apprentice participation.
- Employment in Trades – This measure was newly introduced in the last service plan, and the baseline was established in 2008/09. Continuation of a “maintain” target relative to this high level of trades-related employment is deemed ambitious, in light of economic conditions.

⁶ Includes registered apprentices (regular apprentices and youth-apprenticeship program participants).

⁷ Data source is Apprenticeship Student Outcomes Survey of former apprentices who achieved certification in BC (does not include those who achieved certification through challenge processes).

GOAL 3: The industry training system makes a vital contribution to BC’s prosperity

Objectives:

- The value of all investments made in the system is maximized
- Effective partnerships enable collaboration and innovation on the part of system stakeholders
- The value proposition of the industry training system is widely understood

Strategies:

- Continue to extend scope and effectiveness of continuous improvement efforts, including a strengthened program-standards function
- Ensure effective ITO involvement in training plan development, and in efforts to build strong training cultures within specific industries
- Leverage the E-PPRENTICE initiative to advance curriculum development in high-participation trades
- Lead national development of an occupational performance standards framework, to improve the alignment between credentials and industry requirements
- Enhance collaboration and achieve more economies of scale among Red Seal partner jurisdictions

Performance Measure	2008/09 Actual	2009/10 Forecast	2010/11 Target	2011/12 Target	2012/13 Target
Capacity Utilization ⁸	92.7%	88.5%	88.5%	91.5%	91.5%
Apprentices Waiting >12 Months for Next Level of Training	6.2%	5.0%	5.0%	5.0%	5.0%

Target Rationales:

- Modest targets have been set for these inter-related measures – more modest than previously targeted for capacity utilization for 2010/11, and for waiting times for 2010/11 and 2011/12. This is based on recent performance and the impacts of the economic downturn, and consultations with training providers. The adjustment in the capacity utilization target also reflects the need to avoid unduly constraining training providers, as they strive to respond to variable technical training requirements under current economic conditions. Such responses help to both sustain participation and support economic recovery.

⁸ A weighted average of both apprenticeship and foundation program seat utilization, reflecting per cent of ITA-funded seats filled by registered participants.

SHAREHOLDER’S LETTER OF EXPECTATIONS

The following table identifies Industry Training Authority (ITA) actions in specific relation to direction from government in the most recent Shareholder’s Letter of Expectations, executed by the Minister of Advanced Education and Labour

Market Development and the chair of the ITA board. The actions are consistent with the preceding discussions of key strategic issues and goal-specific strategies.

Government Direction	Planned ITA Actions in Response
Through innovation and collaboration, develop training that is relevant and responsive to industry, community and labour-market needs	<ul style="list-style-type: none"> • Develop occupational performance standards as basis for improved alignment between credentials and industry requirements • Complete review and implement findings re program-standards development, in cooperation with ITOs and public training providers, and expand continuous improvement efforts into other areas • Continue to leverage ITO-driven and broader employer engagement in support of training plan development • Continue to rollout full functionality of ITADirectAccess information management system
Expand access to training in all regions of the province for groups that are traditionally under-represented or face barriers to labour-force participation	<ul style="list-style-type: none"> • Continue to leverage Labour Market Agreement funding • Implement the Aboriginal business plan, in consultation with Aboriginal Advisory Committee • Implement additional programs and broader strategies to increase participation by women and new immigrants • Reduce travel and/or relocation requirements associated with technical training participation • Implement Essential Skills Strategy
Attract more young people into trades training and assist the transition from school to work	<ul style="list-style-type: none"> • Continue delivery of comprehensive youth strategy, including communication/outreach and three middle and secondary-school industry training programs (ACE IT, SSA and YES 2 IT) • Continue collaboration with the Ministry of Education and school districts
Demonstrate the link between effective skills training and improved productivity and competitiveness	<ul style="list-style-type: none"> • Continue support for and assessment of research relating to the training-productivity link • Collaborate with ITOs and training providers to demonstrate training-productivity link

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Government Direction	Planned ITA Actions in Response
<p>Create efficient, effective and flexible avenues for training delivery and certification</p>	<ul style="list-style-type: none"> • Continue to implement and expand alternative training delivery models (E-PPRENTICE) • Pilot alternative assessment models in additional trades (Multiple Assessment Pathways) and contribute to development of related national framework • Improve opportunities for continued technical training participation upon loss of sponsorship, for the remainder of the economic downturn • Facilitate national action planning re apprenticeship completion-rate improvement and develop strategy
<p>Ensure labour mobility under the Agreement on Internal Trade (AIT) and Trade, Investment and Labour Mobility Agreement (TILMA) to ensure appropriate recognition of skills developed elsewhere and to support multi- and bi-lateral labour-mobility initiatives</p>	<ul style="list-style-type: none"> • Ensure full compliance with trades-related AIT and TILMA provisions • Collaborate on (and lead, as appropriate) select inter-jurisdictional initiatives, including development of national occupational performance standards framework • Improve opportunities for certification based on existing skills
<p>Achieve carbon neutrality by 2010</p>	<ul style="list-style-type: none"> • Continue efforts to reduce travel requirements through use of audio and video conferencing • Continue use of 100 per cent recycled paper • Continue efforts to minimize carbon footprint of information technology use

SUMMARY FINANCIAL OUTLOOK

(\$000's)	2008/09 Actual	2009/10 (forecast)	2010/11 (forecast)	2011/12 (forecast)	2012/13 (forecast)
REVENUE					
Contributions from the Province ⁽¹⁾	103,397	113,174	110,471	102,828	102,113
Contributions from the Government of Canada	–	635	1,885	1,625	705
Other Income	884	834	501	1,098	1,134
Total Revenue	104,281	114,643	112,857	105,551	103,952
EXPENDITURES					
Standards Development	2,970	1,179	3,003	3,003	3,003
Industry Engagement: Non-standards work	2,292	3,574	3,399	3,399	3,399
Assessment & Certification	748	1,450	2,798	3,376	3,960
Training Delivery ⁽²⁾	79,689	88,237	85,084	76,839	74,431
Labour Supply Initiatives (including youth programs)	8,097	12,499	10,337	10,060	10,060
ITA Core Expenditures	8,427	7,154	7,666	8,244	8,409
Amortization	502	550	570	630	690
Total Expenditures	102,725	114,643	112,857	105,551	103,952
Transfer to Capital Reserve	1,556	0	0	0	0

⁽¹⁾ **Contributions from the Province*:**

Ministry – General Funding	100,538	94,444	94,444	94,444	94,444
Ministries – Other Funding and Grants	2,663	18,459	15,729	8,374	7,659
Recognition of Deferred Contributions	196	271	298	10	10
	103,397	113,174	110,471	102,828	102,113

⁽²⁾ Includes apprenticeship and foundation programs as well as E-PPRENTICE development & delivery

* The 2011/12 and 2012/13 forecasts are provided for planning purposes only, and are subject to annual approval of the legislature.

The above financial information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).

Expenditures are categorized in a different manner in this service plan than in previous ones, for better alignment with the ITA's mandate and strategic plan.

ASSUMPTIONS, RISKS, SENSITIVITIES

The summary financial outlook is informed by the following assumptions with respect to the Industry Training Authority's (ITA) operating environment and activities:

- general upward trend in training delivery costs, driven by factors such as industry requests for new delivery models and for longer-duration programs;
- reduced demand (short to mid-term) for apprenticeship technical training due to economic conditions;
- increased demand for higher-cost foundation programs as a means of entry into apprenticeship;
- continued increase in emphasis on assessment of existing skills as a means of achieving certification;
- increased emphasis on and investment in continuous improvement activities;
- continued development and broader implementation of labour-supply initiatives benefitting Aboriginal people, women and new immigrants;
- success on the part of training providers in maintaining effective capacity utilization while remaining responsive to program demand;
- process streamlining and other efficiencies in contexts such as program-standards development and inter-jurisdictional collaboration; and
- continued leveraging of an increasingly effective network of Industry Training Organizations in support of employer engagement and other objectives.

Various risks and sensitivities are inherent within these assumptions, particularly given current economic conditions, and could compromise the ITA's ability to achieve targeted performance within anticipated budgetary resources. They include:

- higher than anticipated upward pressure on training delivery costs;
- apprenticeship technical training demand that remains higher than during previous economic downturns;
- limited uptake on alternative assessment models and limited certification success based on existing skills;
- lack of target-group responsiveness to labour-supply initiatives;
- larger than anticipated reductions in capacity utilization on the part of training providers;
- limited realization of cost benefits based on operational efficiencies and collaborative efforts;
- employer disengagement from the ITO model and reduced commitment to training generally; and
- the current fiscal climate and the provincial government's goal to balance the budget by 2013/14.

See also "Strategic Context", page 6.

FUTURE FINANCIAL OUTLOOK

The forecasts for 2011/12 and 2012/13 are provided for planning purposes only and are subject to change based on government and legislative approval on an annual basis. Funding beyond 2010/11 will be assessed by the government within the context of labour market demand and the provincial economy.

The ITA received \$8.5 million in Labour Market Development Agreement funding in 2009/10, and a commitment for the same contribution in 2010/11. Labour Market Development Agreement funding has not been confirmed for 2011/12 to 2012/13. As such, the ITA has budgeted for reduced contributions from the province during the period covered by this plan.

The ITA expects that the current reduction in demand for apprenticeship training will be

mitigated by industry engagement strategies to be undertaken by ITOs and by improved economic conditions during 2010/11.

The reduction in demand will facilitate deployment of funds to support reinstatement of program-standards work curtailed in 2009/10 due to resource limitations. Such funds will also support investment in other initiatives driven by the ITA's strategic plan, including development of standardized assessments to measure progression through apprenticeship.

Subject to the risks and sensitivities identified above – including the reference to funding beyond 2010/11 – the ITA believes forecasted financial resources will be sufficient to achieve the targeted performance described in this plan.

GLOSSARY

Agreement on Internal Trade (AIT) – An agreement among Canadian first ministers, in place since 1995 and recently strengthened, which aims to reduce barriers to the movement of persons, goods, services and investments within the country.

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. (See also “Multiple Assessment Pathways”.)

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 BC – intended to enhance the quality of information disclosed by BC Crown agencies in their annual reports.

Canadian Apprenticeship Forum – A not-for-profit organization working to advance apprenticeship nationally through research and collaboration, and with representation from diverse stakeholder communities including business, labour, educators and equity groups.

Canadian Council of Directors of Apprenticeship (CCDA) – An organization comprised of all provincial and territorial directors of apprenticeship and representatives of the federal government, which is tasked with management of the Interprovincial Red Seal program.

Challengers – 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 requirement 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).

E-PPRENTICE – A multi-phase research and development initiative being led by the ITA and involving the design and piloting of new and more flexible means of delivering apprenticeship technical training, representing alternatives to time-based models delivered in institutions.

Enterprise Partnership Agreements – Contracts between the Industry Training Authority and Industry Training Organizations, specifying the services to be provided in return for defined funding contributions. They are structured to promote shared stewardship of efforts through which multiple players contribute to meeting customer needs.

Foundation Programs – Pre-apprenticeship and primarily in-school based programs (including those formerly 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 (ITO) – 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, transportation, ICI construction).

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.

ITADirectAccess – A recently launched information management system, used by the Industry Training Authority and its service-delivery partners to track individual progression through training and assessment, and system-wide performance and outcomes.

Labour Market Development 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.

Multiple Assessment Pathways (MAP) – A multi-phase research and development initiative being led by the ITA and involving the design and piloting of new standards-based means of assessing competency, representing alternatives to reliance on written examinations.

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.

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.

Trade, Investment and Labour Mobility Agreement (TILMA) – An agreement between British Columbia and Alberta, which came into full force in April 2009, and which aims to eliminate barriers to trade, investment and labour mobility between the two provinces.

Training Purchase Plans – Contractual agreements between the Industry Training Authority and training providers, specifying the types of industry training programs to be offered – and number of participants – in return for defined funding contributions.



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