

# **Service Plan Fiscal 2007/2008**

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**Resource Training Organization (RTO)**



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## Message from the Chair

I am pleased to present the inaugural service plan for the Resource Training Organization. This plan sets out the major goals and strategies for the organization over the period from April 1, 2007 to March 31, 2008.

The four sectors represented within the Resource ITO – Mining and Smelting, Oil and Gas, Pulp and Paper and Solid Wood are among the longest-established and largest sectors of the British Columbian economy. Collectively, they account for billions of dollars in economic activity annually and directly and indirectly support more than 300,000 jobs. They are among the largest generators of government revenue and capital investment. It is essential to the long-term health of the Resource Industry to have well-trained, qualified employees.

In carrying out its mandate, pursuing its vision, and putting its values into practice, the Resource Training Organization foresees achieving these key strategic outcomes:

- Develop and maintain course content, program standards, assessment methods and delivery models that will better align training programs with the needs of industry;
- A governance model capable of managing new competency-based training programs, such as the industrial electrician program currently under development;
- Increased stakeholder understanding and awareness of the industry training system, RTO and programs within its responsibility; stakeholders include employers, employees and learners, labour, educational institutions and the general public.
- Improved confidence in and commitment to invest in the system; and,
- Improved workforce planning and training coordination.

The Resource ITO will also develop quantified outcome targets relating to enrolment, completion, certification, and stakeholder support and customer service.

All significant assumptions, policy decisions, and identified risks as of January 2007 have been considered in preparing and reviewing this plan. As this is the initial year of operation for RTO, the performance targets will largely be developed in 2007 as we move the organization from the development stage to a full service Industry Training Organization.

Sincerely,

Tom Kirk  
Chair, RTO Board of Directors

## **Organizational Overview**

The Resource Training Organization (“RTO”) was established in October 2006 as a result of the Heavy Industry Training Advisory Committee’s (HITAC) long-standing efforts to strengthen the competitive position of its member companies, through enhanced workforce development and industry training strategies.

RTO is sanctioned as an Industry Training Organization (ITO), by the Industry Training Authority (ITA), pursuant to the *Industry Training Authority Act*.

RTO is quite distinct from the majority of ITOs in that it spans several sectors. RTO will assume responsibility for training programs of particular relevance to a cross-sectoral group of employers made up of large enterprises in the mining and smelting, oil and gas, pulp and paper, and solid wood sectors as well as other organizations and sectors which utilize the trade programs under the RTO lead.

### ***Mandate***

RTO has been established to support the resource industry and to:

- Define industry workforce development and training needs for training participants, apprentices, workers and employers;
- Coordinate development of an integrated plan for industry training;
- Set industry training and occupational standards;
- Promote industry training in the resource industry;
- Promote career development opportunities in industry; and
- Measure industry training results and outcomes.

### ***Vision***

RTO’s vision is to support industry growth and contribute to the British Columbia economy by:

- Creating an effective, efficient, and responsive industry training system.
- Matching supply with demand for skilled workers; and,
- Ensuring a skilled, adaptive workforce.

## **Values**

RTO has adopted the three core values of the Industry Training Authority:

- Quality
- Skill development opportunity
- Accountability.

These values will be reviewed and revised by the CEO and Board of Directors over the course of this next year.

## **Sectors**

The Resource Training Organization was established by the four key sectors:

1. Mining and Smelting
2. Oil and Gas
3. Pulp and Paper
4. Solid Wood

Employers within these sectors are typically large, with operations that are commonly national or international in scope. They in-turn deal with large numbers of vendors and service providers, which often face similar human resource challenges and employ many of the same trades. The resource sectors represent the pillars of the training organization however RTO will collaborate with and represent the interest of other industries and organizations that employ the trades within RTO program responsibility.

## **Program Responsibility**

The Resource Training Organization is responsible for a significant number of trades, including a number of high-participation trades. The programs include:

- Industrial Electrician
- Millwright
- Welder (C, B, A)
- Industrial Instrumentation Mechanic
- Machinists
- Metal Fabricator
- Planer Mill Maintenance Technician I & II
- Steam Fitter – Pipe Fitter
- Saw Trades - Bench person, Saw Filer, Saw Fitter
- Oil and Gas Rig Technician 1, 2 and 3
- Power Engineering (not an apprentice trade)
- All related Foundation/ELTT Programs

## Corporate Governance

The Resource Training Organization is governed by a 13-member board of directors, independent of government, ITA management and RTO management. The board has a fiduciary role, consisting of:

- Review and approval of policy and standards; and
- Resolution and selection of options with respect to major strategic issues

### ***Board Membership and Structure***

The RTO board voluntary and reflects collaboration between industry and labour. The majority of the board members will be representatives of employers. Both the CEO and an ITA representative will sit on the board in an *ex officio* and non-voting capacity. Board members are drawn from diverse sectoral backgrounds, and have a range of industry, labour and training-related expertise.

The current 13 member RTO Board is:

Tom Kirk (Chair)	Tembec Industries Ltd
Doug Daniels	Canfor Corporation
Mike Agg	Teck Cominco, Ltd
Jim Jones	Elk Valley Coal Corporation
Dan Miller	National Public Relations
Brad Moffat	Spectra Energy
Ferio Pugliese	Catalyst Paper
David Bonvie	Howe Sound Pulp & Paper
Rick Maksymetz	West Fraser Timber Co. Ltd
Richard Boyce	United Steel Workers
Colin Heslop	Canadian Auto Workers Union
Bob Hughf	Communications, Energy & Paperworkers Union
Jane Staschuk	BC Federation of Labour
<i>Geoff Stevens</i>	<i>Industry Training Authority (Ex Officio)</i>
<i>TBA</i>	<i>HITAC Co-Chair (Ex Officio)</i>
<i>TBA</i>	<i>CEO, RTO (Ex Officio)</i>

Key responsibilities on the part of the RTO Board include:

- Approving organizational policies, bylaws and procedures;
- Approving and monitoring business plans, budgets and key performance measures;
- Recruiting and overseeing a chief executive officer;
- Determining strategic direction
- Overseeing the management of major risks;
- Receiving input from and ensuring communication with external stakeholders;
- Ensuring compliance with legislation and regulations;
- Appointing Board committees and advisory groups as may be appropriate; and
- Reporting to stakeholders.

The RTO board is accountable to the sectors it encompasses and to the ITA Board. It needs to be responsive to training participants and to other industries within which the trades it manages are employed.

Standing board committees have responsibility for overseeing the following:

Treasurer

Secretary

Governance

Finance and Audit Committee

Program Development and Standards Committee

Workforce and Training Planning Committee

Customer Service, Communications & Marketing.

Stakeholder Relations (Employers, Labour, First Nations, Educators & others)

Others to be determined by the Board.

## **Strategic Context**

The competitive environment across all of these sectors is increasingly global and requires ever-faster responses to changing market conditions and technological advances. While each of these sectors is subject to cyclical pressures, they remain solid components of the British Columbian economy and will continue to be for the foreseeable future.

Labour market demand and pressures across many of the candidate trades – and in the Resource industry context in particular – are anticipated to be very strong in the years ahead. In particular, dramatic levels of retirement-driven turnover are projected. There is also intense competition between industries and jurisdictions (most notably Alberta).

<b>Strategic Context</b>	<b>Status and Implications</b>
Labour market demand growth	Employment growth is projected to continue at a strong pace in BC in 2007. The resource industry needs to understand and forecast labour demand vs. supply to ensure an adequate supply of trained employees. This is critical to the long-term success and stability of the industry.
Labour market supply constraints	Unemployment rates in British Columbia are at a all time low. The resource industry is facing competition from other jurisdictions and sectors for employees. The issue of succession planning and the loss of employees through retirement are key issues the industries will face in the coming years. A significant challenge will be to attract, train and retain employees in the sector.
Under representation/utilization	First Nations, Youth, Women and Immigrants have been historically under represented in the trades within the resource industry.
Industry collaboration	The RTO board reflects the range of employers and industries in this sector. Our RTO is also the first industry training organization to include both employers and labour representatives on its board of directors.
Need for collaboration	A collaborative approach with labour, employers, educators, other ITOs, the ITA and government will be essential for the success of RTO. Success will be met by all stakeholders working together focusing on shared opportunities and shared solutions.
Technical training capacity	Capacity to provide technical training is ultimately limited by physical capacity, utilization efficiencies and access to capital funding for expansion on the part of training institutes. Technical training capacity constitutes a potential bottleneck inhibiting system growth. RTO will analyze and monitor the number of apprentices, utilization rates and regional access.
Retention and completion	Relatively low rates of apprenticeship completion rates are confirmed by statistical assessment in British Columbia and elsewhere. RTO will develop a thorough understanding of completion rates by program as well as reasons for attrition and develop appropriate strategies to retain apprentices and encourage completion.

## Strategic Priorities, Goals and Performance Measures

The following section provides an overview of RTO's goals, strategies and performance measures during its initial year of operation. The goals represent the long-term direction of the RTO and the strategies are the actions that the RTO will focus on in the next fiscal year 2007/2008. These measures and targets will be used to assess its readiness to move from the start up and developmental stage to a full service ITO.

<b>GOAL 1: AN EFFICIENT, EFFECTIVE, RESOURCE TRAINING ORGANIZATION</b>		
<b>Strategies:</b>		
<ul style="list-style-type: none"> <li>• Ensure common understanding of mandate, vision, values and strategies.</li> <li>• Recruit CEO and build the organization.</li> <li>• Develop and implement a plan to reach Full Service Stage in 2008.</li> <li>• Create board and organizational roles, responsibilities, and governance.</li> <li>• Develop and implement annual and three year business plans.</li> <li>• Promote information sharing and reduce duplication with ITA and other ITOs.</li> </ul>		
<b>Performance Measure</b>	<b>Baseline</b>	<b>Targets - 2007/08</b>
ITO Progression	Start-Up	Complete and Pass ITO Developmental Stage Audit
Shared services	N/A	Co-location with at least one other ITO
Synergies and Efficiencies	N/A	Regular meetings between ITO chairs, CEOs and the ITA

**GOAL 2: AN EFFECTIVE RESOURCE INDUSTRY TRAINING SYSTEM THAT PROVIDES THE REQUIRED NUMBER OF QUALITY APPRENTICES AND JOURNEYPERSONS**

**Strategies:**

- Develop labour market assessment model.
- Set program development priorities.
- Begin to develop, update, and maintain priority programs and standards.
- Ensure cost effective and efficient training delivery.

<b>Performance Measure</b>	<b>Baseline</b>	<b>Targets - 2007/08</b>
RTO training programs prioritized to ensure updated to established standards	N/A	Ranking list established
Demand driven training	Supply driven model	Develop demand driven model
Number of programs with updated standards	0	2
Number of new programs launched	0	1
Capacity	3,676	4,621
Actual Percent Utilization	83%	Maintain and improve
Number of apprentices	2,831	Maintain and improve
Number of employers with active apprentices	1,374	Maintain and improve
Credentials awarded	371	Maintain and improve
Completion rate	39%	Maintain and improve

<b>GOAL 3: HIGHLY ENGAGED STAKEHOLDERS</b>		
<p><b>Strategies:</b></p> <ul style="list-style-type: none"> <li>• Develop and implement marketing and communication strategy.</li> <li>• Begin to involve stakeholders in RTO activities.</li> <li>• Participate in and support ITA annual indexes</li> </ul>		
<b>Performance Measure</b>	<b>Baseline - 2006/07</b>	<b>Targets - 2007/08</b>
Marketing and communications strategy	n/a	Developed and implementation started
Stakeholder participation	n/a	Operational Audit to confirm level of participation and satisfaction
Customer Satisfaction	ITA/RTO Index - 81	Maintain or Improve
Stakeholder Awareness	ITA/RTO Index - 81	Maintain or Improve

## Summary Financial Outlook

Resource Training Organization		2007/2008 <u>Forecast</u>
<b><u>Revenue</u></b>		
Contribution from ITA - Core Administration (Note 1)	\$	300,000
Contribution from ITA - Program Development (Est)	\$	343,000
Other Income - TBA		70,000
<b>Total Revenue</b>		<b>713,000</b>
<b><u>Expenses</u></b>		
<b>General Operations and Administration</b>		
Salaries and Benefits		
CEO Salary and Benefits	\$	160,000
Research Officer Salary and Benefits		100,000
Administrative Support		70,000
		<u>330,000</u>
General Office Expenses		<u>40,000</u>
Capital Projects		-
Depreciation		-
<b>Total General Operations and Administration</b>		<b>370,000</b>
<b>Program Development and Maintenance</b>		
Industrial Electrician (Note 2)		100,000
Welding - Levels B & A (Note 3)		75,000
Millwright (Note 4)		68,000
Industrial Instrumentation Mechanic (Note 5)		100,000
<b>Total Program Development &amp; Maintenance</b>		<b>343,000</b>
<b>Total Expenses</b>		<b>713,000</b>
<b>Projected Net Income (Loss)</b>	<b>\$</b>	<b>-</b>

Note 1 - \$100,000 + 1.5 % of Total ITA training investment in assigned programs (\$13, 250,000) = \$300,000

Note 2 - All development work completed by March 31/07. Budget estimate for pilot implementation of standards tools = \$100,000

Note 3 - C Level development work to be completed in April 07 under MCA contract (\$55,000); B & A Level estimate = \$75,000

Note 4 - Contribution Agreement with IFLRA for all remaining development work = \$68,000

Note 5 - Estimated costs for program standards modification & update = \$100,000

## Appendix A: Summary of Participant Registration and Completion by Program

Performance Measure	Baseline	2006/07 Forecast	2007/08
<b>Industrial Electrician</b>			
Registered Participants		112	
Credentials Awarded			
Completion Rate *	41% **		
<b>Millwright</b>			
Registered Participants	695	928	877
Credentials Awarded	124		
Completion Rate	73% **		
<b>Planer Mill Maintenance Technician I</b>			
Registered Participants	5	20	1
Credentials Awarded	6		
Completion Rate	39%		
<b>Planer Mill Maintenance Technician II</b>			
Registered Participants	13	30	21
Credentials Awarded	10		
Completion Rate	39%		
<b>Industrial Instrumentation Mechanic</b>			
Registered Participants	136	184	193
Credentials Awarded	20		
Completion Rate	39% **		
<b>Steam Fitter – Pipe Fitter</b>			
Registered Participants	94	304	244
Credentials Awarded	24		
Completion Rate	39%		
<b>Machinists</b>			
Registered Participants	271	320	343
Credentials Awarded	50		
Completion Rate	39%		
<b>Saw Trades – Benchperson</b>			
Registered Participants	20	48	8
Credentials Awarded	11		
Completion Rate	39%		

Performance Measure	Baseline	2006/07 Forecast	2007/08
<b>Saw Trades – Saw Filer</b>			
Registered Participants	14	48	11
Credentials Awarded	21		
Completion Rate	39%		
<b>Saw Trades – Saw Fitter</b>			
Registered Participants	77	80	50
Credentials Awarded	9		
Completion Rate	39%		
<b>Oil and Gas Rig Technician</b>			
Registered Participants	64		2
Credentials Awarded			
Completion Rate	39%		
<b>Welder C</b>			
Registered Participants	681	942	
Credentials Awarded	6		
Completion Rate	39%		
<b>Welder B</b>			
Registered Participants	361	405	
Credentials Awarded	6		
Completion Rate	39%		
<b>Welder A</b>			
Registered Participants	180	216	
Credentials Awarded	11		
Completion Rate	42% **		
<b>Metal Fabricator</b>			
Registered Participants	268	416	490
Credentials Awarded	33		
Completion Rate	42% **		

\*Completion rates are average of all completion rates for non-top 20 trades. Completion rate is specific for top 20 trades.

\*\* Top 20 trades.