**Industry Training Authority** 

# 2016/17 – 2018/19 SERVICE PLAN



For more information on the Industry Training Authority, contact:

Industry Training Authority 800 – 8100 Granville Avenue Richmond, BC V6Y 3T6

phone: 778.785.2410 toll-free: (in BC) 1.866.660.6011 fax: 778.328.8701 email: customerservice@itabc.ca

or visit our website at *itabc.ca* 

## **Accountability Statement**

The 2016/17 – 2018/19 Industry Training Authority (ITA) service plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act* and the BC Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 16, 2016, have been considered in preparing the plan. The performance measures presented, which are consistent with the Taxpayer Accountability Principles and with ITA's mandate and goals, focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of ITA's operating environment, forecast conditions, risk assessment and past performance.

102

Gwyn Morgan, C.M. Board Chair

# **Table of Contents**

| Accountability Statement                         |  |
|--|--|
| Strategic Direction and Context                  |  |
| Performance Plan                                 |  |
| Financial Plan                                   |  |
| Summary Financial Outlook                        |  |
| Appendices                                       |  |
| Appendix A: Hyperlinks to Additional Information |  |

# **Strategic Direction and Context**

## **Strategic Direction**

ITA's accountabilities are defined in Part 3 of the <u>Industry Training Authority Act</u>. Each year, the Government provides a Mandate Letter to confirm and elaborate on ITA's accountabilities. This service plan reflects the direction provided by <u>ITA's 2016/17 Government Mandate Letter</u> and complies with the government's <u>Taxpayer Accountability Principles</u>. The plan continues to be significantly shaped by the findings and recommendations of Jessica McDonald's 2014 report, *The Industry Training Authority and Trades Training in BC: Recalibrating for High Performance* (McDonald Report) and <u>B.C.'s Skills for Jobs Blueprint</u>.

ITA is on track with the implementation of a new performance management framework outlined in this Service Plan, which is aligned with these directives.

# **Operating Environment**

Guided by a commitment to innovation and government's direction and priorities, ITA has developed a new vision and mission:

VISION: To create a world-class training and apprenticeship system for British Columbia

MISSION: To build the trades that build BC

To succeed, ITA must draw on the best possible labour market information and industry intelligence. ITA has built, and is now deploying, the capacity to do this: a new team of four Industry Relations Managers, supported by innovative customer relationship management (CRM) tools, is in place. Fifteen regionally based Apprentice Advisors are providing additional on-the-ground outreach and feedback. This increase in internal capacity – combined with BC's Labour Market Outlook, which is validated by the 11 newly implemented Sector Advisory Groups (SAGs) – provides ITA with significantly improved capacity for effective data-driven decision-making.

ITA is committed to continuous improvement in its decision-making and programs. In addition to better data, more effective industry involvement and higher-quality CRM capabilities, ITA is seeking out, testing and implementing innovative trades training strategies across BC.

#### **Risks, Opportunities and Response Strategies**

ITA is continuing to contribute to the work of the Labour Market Priorities Board (LMPB) to align decisions with labour market information; ITA will also align training investment decisions with LMPB and government priorities. Working with the national Forum of Labour Market Ministers, ITA is piloting innovative projects designed to increase employer engagement in apprenticeship. As well, ITA's commitment to Pan-Canadian harmonization activities will help reduce barriers to apprentice training mobility in Canada and ensure that British Columbia will have the right people with the right skills at the right time.

Demand for skilled trades is strong across several sectors, including residential construction, tourism and hospitality, transportation and a range of manufacturing industries. In the oil, gas and mining sectors, the demand for trades could be impacted by the decline in oil, gas and mineral prices, which could also affect the level and timing of energy and mining sector investments. ITA's improved ability to gather, assess and validate labour market and industry data allows for a greater capacity to identify and respond to fluctuations in industry training requirements across energy, natural resource and other sectors.

The Economic Forecast Council expects British Columbia's real GDP to grow by 2.7 per cent in 2016 and 2.6 per cent in 2017. Downside risks to BC's economic outlook include the potential for a slowdown in North American economic activity, ongoing fragility in Europe, and slower than anticipated Asian demand, particularly in China. Additional risks include uncertainty in the outlook for the Canadian dollar and weak inflation.

# **Performance Plan**

# **Goals, Strategies, Measures and Targets**

In 2014, the <u>McDonald Report</u> and the <u>B.C.'s Skills for Jobs Blueprint</u> provided ITA with guidance that led to the creation of a new performance management framework with outcomebased measures and performance indicators that are tightly linked to two key targets:

- Labour market demand
- Feedback scores from customers (apprentices and employers)

ITA embraced this guidance in the 2015/16 Service Plan, setting out a new performance management framework with more specific organizational goals. In 2016/17, ITA has further refined some goals, strategies and performance measures to sharpen its focus and more closely align with government's direction and with ITA's stakeholder and customer requirements. ITA has also developed a new evaluation framework to support implementation of the Taxpayer Accountability Principles.

### Goal 1: Demonstrate increased industry engagement in skills training and an increased number of employers sponsoring apprentices.

A successful industry training system relies on engaged and willing employer sponsors. Sponsorship is voluntary, and is influenced by economic factors as well as perceived value. Sponsors who feel that they have a voice in the training and certification process, as well as a return on their investment, are more likely to support apprenticeship. Sponsors also need to have confidence that the industry training system has the ability to provide nimble, innovative responses to changing requirements and demands in their sector.

ITA continues to enhance internal capacity to build, adapt and maintain a robust industry relations strategy. The Industry Relations Management team and a full complement of 15 regionally based Apprenticeship Advisors are working collaboratively to deepen ITA's relationship with industry, employers and apprentices. ITA is also working with the 11 newly established Sector Advisory Groups (SAGs) to identify training needs for each sectors and to provide feedback on training investment and program delivery. In addition, ITA is working collaboratively with employers and industry on innovative ways to increase employer engagement – providing better information, mentoring skills, networking and outreach.

ITA will continue to employ the strength of these integrated elements to demonstrate the value of apprenticeship to BC's industry and employers.

#### Strategies

- Deepen and strengthen engagement with industry, including Sector Advisory Groups, to inform ITA's multi-year training targets by identifying the needs of industry and delivering an enhanced industry relations management framework
- Continue to refine strategic sector priorities for the Sector Advisory Groups and engage a broad cross-section of industry to better inform the industry-led training system and to identify and deploy innovative best practices in trades training
- Use new and existing outreach, marketing and recruitment tools to increase the number of employer sponsors with a campaign utilizing Customer Relationship Management (CRM) tools to engage, inform and recruit employer sponsors.
- In partnership with Kamloops Chamber of Commerce, test fresh approaches to reach new businesses to provide them with information on apprenticeship and recruit new employer sponsors

| Terrormance weasure 1. Total Registered Sponsors |                |                   |                   |                   |                   |  |  |
|--|----------------|-------------------|-------------------|-------------------|-------------------|--|--|
| Performance Measure                              | 2014/15 Actual | 2015/16<br>Target | 2016/17<br>Target | 2017/18<br>Target | 2018/19<br>Target |  |  |
| Total Registered Sponsors                        | 9,958          | 10,500            | 10,500            | 11,000            | 11,500            |  |  |

#### Performance Measure 1: Total Registered Sponsors

Data Source: ITA Direct Access

<sup>1</sup> ITA's Direct Access information management system was custom designed to meet ITA's specific customer service and performance management requirements. It is subject to clear data entry procedures and business rules. Management is fully confident in the resulting data.

<sup>2</sup> Targets are based upon an increase of 500 registered sponsors, year over year. 2016/17 targets and beyond have been adjusted based on revised forecasts.

#### Discussion

Registered employer sponsors provide the work-based training that is the building block of most apprenticeships. About 80 percent of an apprentice's learning takes place on the job, where journeypersons pass on their knowledge and trade skills. The availability of employer sponsors who can offer high-quality work-based training and a wide scope of trade skills determines how many people can pursue apprenticeship at any given time, and how quickly they can complete their certification.

Forecast sponsor targets reflect labour market information, which indicates a growing need for more people working in trades. ITA's performance target for certifications issued show 5 percent increases year over year. Given the strong, but not exact, correlation between sponsors and apprentice employment levels, targets for this measure grow by a similar amount.

In some cases, there can be an inverse relationship between success in one measure and the inability to meet targets in another. In the case of this performance measure, the number of successful apprenticeship completions can negatively affect the number of active sponsors. As apprentices achieve certification, if they are are not replaced, the number of sponsors can actually go down. Economic conditions also impact sponsor counts, with fewer organizations sponsoring apprentices in weaker economic times.

|                     | Sponsor varae maen |                   |                   |                   |                   |  |
|---------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--|
| Performance Measure | 2014/15<br>Actual  | 2015/16<br>Target | 2016/17<br>Target | 2017/18<br>Target | 2018/19<br>Target |  |
| Sponsor Value Index | 77                 | 79                | 80                | 80                | 80                |  |

#### Performance Measure 2: Sponsor Value Index

Data Source: Sentis Market Research

<sup>1</sup> Since 2012/13, Sentis Market Research has been commissioned by ITA to conduct the survey for this performance measure. Data is collected by combined telephone and online surveys. Industry best practices and quality assurance methodologies are employed throughout the process.

#### Discussion

The willingness of sponsors to take on apprentices – and encourage other employers to do so – is dependent on the perceived value of apprenticeship to their business. Employers must believe that their involvement in apprenticeship provides a return on investment, and they must feel that the administrative burden is not too heavy.

ITA is deploying a number of new measures to improve both the value and the experience of apprenticeship for employer sponsors. Processes for apprentice and employer sponsor registration and reporting are now more streamlined, and 15 new, regionally-based Apprentice Advisors now provide on-the-ground support to employer sponsors and apprentices around the province. In partnership with the Kamloops Chamber of Commerce, ITA is also pilot testing new engagement approaches to provide information about sponsorship and to connect former, existing and potential apprenticeship sponsors.

The Sponsor Value Index, which is a measure of the sponsor-perceived benefits of hiring apprentices, provides insights that can guide improved program delivery and training outcomes. This is an annual survey of approximately 700 employers that sponsor apprentices. The results are calculated using satisfaction and importance ratings based on the following four statements:

- 1. Training/skills of apprentices align with company needs
- 2. Apprentices increase profitability
- 3. Sponsorship provides recruiting/retention advantages
- 4. Administrative requirements of sponsorship are manageable

ITA has set a target of 80 percent sponsor satisfaction, for an average of four out of five, as its optimal Sponsor Value Index going forward. This is consistent with practice in many private sector organizations.

## Goal 2: Demonstrate improved completion rates and transition to employment for youth, adults and under-represented groups.

ITA's objective is to prepare workers to enter the skilled trades workforce, to support their apprenticeship and to assist them in becoming the accredited workers required by industry. ITA is refining its metrics for success to better reflect the needs of apprentices and employers. ITA is also continuing to improve performance measures to track employer satisfaction with the skilled workforce emerging from BC's industry training system. ITA will also continue to improve measuring the successful progression of those choosing to pursue a career in the skilled trades through apprenticeship to certification – including high school and Foundation programs.

ITA's completion strategy rests on three pillars:

- Internal systemic changes to improve service, data and programs
- Enhanced customer support
- Working with trades training partners educators and employers to find ways to incent actions that support completion

#### Strategies

- Implement enhancements to ITA's youth programs to ensure better continuity from high school to apprenticeship through the introduction, in conjunction with the Ministry of Education, of the Skills Exploration and in-depth Trade Samplers courses
- Develop and implement a refreshed trades guide and other youth-oriented communications materials, including a rebranding of existing programs and a realignment to improve career pathways
- Develop new youth "trades sampler" modules, beginning in Grade 10, to encourage skills exploration and to better inform trades career decisions
- Utilize the Canada Job Fund-Employment Services and Supports Program (with funding aligned with all the Top 10 Trades) to deliver 24 programs to help under-represented and multi-barriered individuals enter trades exploration (sampler) programs that ladder participants into employment and/or support participants with continuing into trades Foundation training
- Continue to develop, and implement, apprentice completion initiatives and labour market outcomes
- Implement a customer support model that provides a personalized experience to apprentices and employer sponsors, resulting in an increase of successful apprenticeships
- Strengthen data-driven decision-making through improved research and analysis capabilities, by developing and implementing business intelligence tool sets, and by utilizing Labour Market Outlook reports developed by BC's Labour Market Information Office
- Continue to develop a high-performance ITA culture and continue to expand internal expertise

| I er tor mance measure 3.                                  | Conu    | Continuation Rates for Foundation Flograms |         |                 |        |  |  |
|--|---------|--|---------|-----------------|--------|--|--|
| Performance Measure  | 2014/15 | 2015/16                                    | 2016/17 | 2016/17 2017/18 |        |  |  |
|  | Actual  | Target                                     | Target  | Target          | Target |  |  |
| Continuation from Foundation<br>Programs to Apprenticeship | 57%     | 56%  | 58%     | 60%             | 60%    |  |  |

#### Performance Measure 3: Continuation Rates for Foundation Programs

Data Source: ITA Direct Access

<sup>1</sup> ITA's Direct Access information management system was custom designed to meet ITA's specific customer service and performance management requirements. It is subject to clear data entry procedures and business rules. Management is therefore fully confident in the resulting data.

<sup>2</sup> Business rules for ITA's Direct Access information management system have changed to better track youth participants. ITA expects those changes to result in the ability to deliver a reliable benchmark for ITA youth program participants in 2017/18.

#### Discussion

This measure is tracked and included in ITA's monthly statistical reports. It provides clarity on the value of pre-apprenticeship programs as effective pathways to apprenticeship. For 2016/17, the performance measure has been amended to include results for ITA youth program participants from the Secondary School Apprenticeship (SSA) and Accelerated Credit Enrolment in Industry Training (ACE IT) programs, reflecting government's priority to expand trades training opportunities for youth.

ITA will begin separate measuring of continuation rates from youth programs to apprenticeship, and will add this as a performance measure in the 2017/18 Service Plan.

Targets reflect achievable and meaningful levels of continuous improvement, and align with the targets for numbers of credentials issued over time.

| I CITOT Mance Wiedsure +     | · Itum            | Number of Credentials Issued |                   |                   |                   |  |  |  |
|------------------------------|-------------------|------------------------------|-------------------|-------------------|-------------------|--|--|--|
| Performance Measure          | 2014/15<br>Actual | 2015/16<br>Target            | 2016/17<br>Target | 2017/18<br>Target | 2018/19<br>Target |  |  |  |
| Number of Credentials Issued | 7,514             | 7,560                        | 7,938             | 8,335             | 8,752             |  |  |  |

#### Performance Measure 4: Number of Credentials Issued

Data Source: ITA Direct Access

<sup>1</sup> ITA's Direct Access information management sytem was custom designed to meet ITA's specific customer service and performance management requirements. It is subject to clear data entry procedures and business rules.

<sup>2</sup> Targets are based upon a 5 percent increase, year over year.

#### Discussion

Targets are set to align with provincial labour market requirements while taking into account trends in apprenticeship and the length of time apprentices typically spend in the program. Each credential issued verifies that an additional member of the workforce possesses the occupational skills needed to carry out a particular trade, which benefits both the individual and prospective employers. The number of credentials issued depends on the efficient functioning of the training system as a whole –

from recruitment into apprenticeship, to availability of work-based and technical training, to effective assessment tools and program completion. The number of credentials issued is the most encompassing of ITA performance measures and it is also strongly influenced by external factors.

Apprentice completion measures introduced by ITA – including the introduction of 15 Apprentice Advisors in the field to provide on-the-ground support for apprentices and sponsors navigating the system, and a Manager of Apprenticeship Completions to coordinate and lead completion strategies – positively affect this performance measure.

| I chief manee measure et  | Dutisi  |         |                 |     |         |  |
|---|---------|---------|-----------------|-----|---------|--|
| Performance Measure   | 2014/15 | 2015/16 | 2016/17 2017/18 |     | 2018/19 |  |
|   | Actual  | Target  | Target Target   |     | Target  |  |
| <ul><li>Satisfaction with ITA Credentials:</li><li>Employers</li><li>Credential Holders</li></ul> | 79%     | 79%     | 80%             | 80% | 80%     |  |
|   | 85%     | 86%     | 86%             | 86% | 86%     |  |

#### **Performance Measure 5:** Satisfaction with ITA Credentials

Data Source: Sentis Market Research.

<sup>1</sup> Since 2012/13, Sentis Market Research has been commissioned by ITA to conduct the survey for this performance measure. Data is collected by combined telephone and online surveys. Industry best practices and quality assurance methodologies are employed throughout the process.

#### Discussion

The satisfaction measures are survey-based measurements on a 100-point index relative to several potential outcomes of holding a credential, including:

- Demonstrating skill sets to employers
- Competitive employment/promotion advantage
- Contribution to earning potential and employer profitability
- Ability to work across Canada or abroad

Credentials are ITA's primary output, and their value rests in the satisfaction that customers – both credential holders and employers – have with the credentials. Satisfied customers mean that an ITA 'ticket' has real value: employers rely on it as a measure of competency and productivity, and workers covet it as a key to employability and pride.

The level of satisfaction with ITA credentials is an indicator of the extent to which ITA is serving its customers, meeting the needs of industry with relevant program standards, and contributing to career opportunities.

Satisfaction levels have remained largely consistent over the past several years, indicating ongoing high levels of satisfaction with ITA-issued credentials. Targets going forward reflect ITA's ongoing effort to ensure that alignment between industry needs and ITA programs can be consistently reflected within an index that is made up of multiple satisfaction indicators. ITA's targets for employers are similar to those for sponsors, with a target of 80 percent satisfaction, for an average of four out of five, consistent with practice in many private sector organizations. For credential holders, ITA's targets are higher – this reflects the additional value that those who earn credentials should feel with their achievement.

ITA is in the process of consulting with apprentices and experts across the country to develop an additional measure that will reflect apprentices' level of satisfaction with the trades training system. The measure will expand upon existing research collected through the BC Stats Apprenticeship Survey and will outline the satisfaction with industry training both for those who complete training and those apprentices who are currently in the training system. This measure will be included in ITA's 2017/18 Service Plan.

# Goal 3: Align policies and programs to support the implementation of provincial and Pan-Canadian apprentice harmonization and mobility.

Enabling mobility for apprentices will modernize a system that must attract more entrants from within BC or from other jurisdictions. Working with provincial and territorial partners, ITA will ensure that apprentices have the option to travel to other provinces and territories to work and receive the training needed to complete their apprenticeship.

#### Strategies

- Implement the Pan-Canadian Apprenticeship Mobility Protocol
- Work with other provincial stakeholders to implement the Forum of Labour Market Ministers (FLMM) Pan-Canadian Harmonization Initiative through the Canadian Council of Directors of Apprenticeship (CCDA)
- Work with other provinces and territories to ensure that British Columbia supports harmonization of 10 Red Seal Trades by September 2016
- Consult industry training stakeholders in British Columbia to ensure that they are abreast of Pan-Canadian Harmonization Initiatives and that they are prepared to support implementation in this province
- Facilitate the deployment of apprentices from British Columbia and Newfoundland and Labrador by removing barriers to employment and certification
- Continue to develop the partnership between British Columbia and Nova Scotia to enhance partnerships across the shipbuilding and marine industries to increase the mobility of apprentices, improve the sharing of labour market information and promote innovation and participation in the sector's trades

#### **Performance Measure 6**

#### Mobility and Harmonization Initiatives Implemented for Apprentices

| PPP   |                   |                   |                   |                   |                   |  |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|--|
| Performance Measure                             | 2014/15<br>Actual | 2015/16<br>Target | 2016/17<br>Target | 2017/18<br>Target | 2018/19<br>Target |  |
| 100% Implemenation of CCDA<br>Harmonized Trades | N/A               | N/A               | 100%              | 100%              | 100%              |  |

**Data Source:** Canadian Council of Apprenticeship (CCDA), New West Partnership, Pan-Canadian Apprenticeship Mobility Protocol.

#### Discussion

The CCDA has identified 10 Red Seal trades for harmonization in Phase I and an additional eight in Phase II. This includes analysis of the differences in provincial and territorial apprenticeship requirements across Canada. Following consultations with industry and training stakeholders, the CCDA has confirmed the following priorities for action:

- Sequencing of technical training curriculum content
- Total training hours (in class and on the job)
- Jurisdictional trade names and definitions
- Use of the most recent national occupational analyses for provincial and territorial technical training curriculum development
- Specific to the Mobile Crane trades, weight restrictions and equipment classifications
- By September 2017, 66 percent of apprentices in Red Seal trades across the country will be harmonized and 90 percent will be harmonized by 2020
- ITA is continuing to contribute to this program, working with CCDA and the 12 other jurisdictions in the program to advance these goals

# Goal 4: Funding for apprenticeship training investments and services meets labour market needs and jobs in demand.

Industry needs people with the right skills in the right place at the right time. ITA will support this by ensuring that its training investments take into account the most accurate labour market information, as validated by industry, to ensure that it is training apprentices appropriately.

#### Strategies

- Initiate multi-year planning process aligned with industry-validated training targets, utilizing newly created Sector Advisory Group strategic sector priorities
- Link ITA training investment to best available labour market information and target training investments to align with labour market needs and in-demand jobs
- Develop and implement new tools to make better use of data to drive decision-making and to find more efficiencies in the system
- Develop and implement an analytic framework to ensure that ITA's training investments provide the best return on investment for adult and youth programs
- Make Labour Market Demand Funds available to pilot test innovative trades training practices
- Continue to implement ITA's LNG Action Plan, recommendations in the McDonald Report, and commitments outlined in *B.C.'s Skills for Jobs Blueprint*

| Trades   |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Performance Measure  | 2014/15<br>Actual | 2015/16<br>Target | 2016/17<br>Target | 2017/18<br>Target | 2018/19<br>Target |
| Percentage of ITA-funded<br>Foundation seats in top in-demand<br>trades <sup>1</sup> | 72%               | 74%               | 76%               | 78%               | 80%               |

#### **Performance Measure 7:**

#### ure 7: Match Labour Market Information Data with Training Investment in the High Opportunity Trades

**Data Source:** BC Labour Market Scenario Model 2014-2024 (list based on high opportunity trades by job openings).

<sup>1</sup> High Opportunity Trades are: Carpenters; Cooks; Electricians (except industrial and power system); Heavy Equipment Operators (except Crane); Painters and Decorators (except Interior Decorators); Construction Millwrights and Industrial Mechanics; Welders and related Machine Operators; Heavy Duty Equipment Mechanics; Plumbers; Bakers; Plasterers, Drywall Installers and Finishers and Lathers; Machinists and Machining and Tooling Inspectors; Industrial Electricians; Sheet Metal Workers; Crane Operators; Steamfitters, Pipefitters; Sprinkler System Installers; Concrete Finishers; Gasfitters.

<sup>2</sup> Target is based on a 2 percent increase, year over year.

#### Discussion

Apprentices have an employer sponsor and are meeting a demand in the economy, and Foundation students are being trained to move into apprenticeships that fill labour market demand. ITA is working to meet the commitments outlined in *B.C.*'s *Skills for Jobs Blueprint* to align skills investments with the high opportunity trades. Increasing funding for Foundation training seats in these high opportunity trades ensures investments in the right trades in response to labour market demand.

Based on industry input, ITA identified four priority areas of innovation to help individuals access pathways into in-demand trades: increasing number of partnerships, expanding regional access to technical training, delivering flexible training and increased student supports. ITA's Labour Market Demand fund will support pilots to test and evaluate new models reflecting these four priorities. In 2015, ITA launched the Canada Job Fund-Employment Services and Supports Program with funding aligned with the high opportunity trades. The 24 programs supported by the Canada Job Fund represent a \$10 million investment to help under-represented and multi-barriered individuals enter trades exploration (sampler) programs that ladder participants into employment and/or a continuation into trades Foundation training.

Foundation training participants are supported with tuition, textbooks, work gear and other trainingrelated supports in any of the high opportunity trades, and other trades in demand in communities throughout BC. Program services also include job search and employment placement supports.

# **Financial Plan**

| (\$000)  | 2014/15<br>Actual     | 2015/16<br>Forecast | 2016/17<br>Budget | 2017/18<br>Budget | 2018/19<br>Budget |  |  |  |
|--|-----------------------|---------------------|-------------------|-------------------|-------------------|--|--|--|
|  | Total Revenue (\$000) |                     |                   |                   |                   |  |  |  |
| Ministry – Core Operating Grant                | 94,444                | 94,444              | 96,434            | 96,974            | 97,679            |  |  |  |
| Ministries                                     |                       |                     |                   |                   |                   |  |  |  |
| Project-Based Funding – Province               | *9,204                | *10,426             | *10,190           | *_                | *-                |  |  |  |
| Project-Based Funding – Federal                | 7                     | -                   | -                 | -                 | -                 |  |  |  |
| Other Revenue                                  | 1,452                 | 1,346               | 1,418             | 1,418             | 1,418             |  |  |  |
| Total  | 105,107               | 106,216             | 108,042           | 98,392            | 99,097            |  |  |  |
|  |                       | То                  | tal Expenses (\$0 | 00)               |                   |  |  |  |
| Industry Engagement                            | 1,547                 | 1,536               | 950               | 950               | 950               |  |  |  |
| Define Standards                               | 2,161                 | 1,826               | 1,630             | 1,630             | 1,630             |  |  |  |
| <b>Deliver Assessments &amp; Certification</b> | 2,117                 | 2,824               | 2,400             | 2,400             | 2,400             |  |  |  |
| Invest in Training Pathways                    | 87,655                | 87,941              | 91,600            | 81,950            | 82,655            |  |  |  |
| Customer Contact Centre                        | 2,315                 | 3,135               | 3,100             | 3,100             | 3,100             |  |  |  |
| Communication                                  | 2,619                 | 1,566               | 687               | 557               | 712               |  |  |  |
| Business Support                               | 6,502                 | 7,388               | 7,675             | 7,805             | 7,650             |  |  |  |
| Total Expenses                                 | 104,916               | 106,216             | 108,042           | 98,392            | 99,097            |  |  |  |
| Net Income                                     | 191                   | -                   | -                 | -                 | -                 |  |  |  |
| Total Liabilities                              | 5,565                 | 6,000               | 6,000             | 6,000             | 6,000             |  |  |  |
| Accumulated Surpluses/Retained Earnings        | 22,405                | 22,405              | 22,405            | 22,405            | 22,405            |  |  |  |
| Capital Expenditures                           | 2,875                 | 2,000               | 2,000             | 2,000             | 2,000             |  |  |  |

## **Summary Financial Outlook**

\* Project-Based Funding is dependent upon the results of the procurement process or on application review processes undertaken throughout the fiscal year.

## **Key Forecast Assumptions**

The summary financial outlook reflects the following assumptions:

- Ongoing receipt of a core operating grant from the Ministry of Jobs, Tourism and Skills Training (excluding BC Canada Job Fund allocation)
- In 2016/2017, the ITA will receive \$10.2 million in project funding under the Canada Job Fund; the Ministry transfers the approved funding allocation to ITA through a Letter of Agreement, inclusive of targets and outcomes

## Sensitivity Analysis

Increased pressures on ITA's training investment may result from:

- Alignment with labour market demand information
- Sector Advisory Groups' input on effective training models
- Approval and implementation of the refreshed Youth Strategy, to achieve targets outlined in the BC Education Blueprint
- Approval of a multi-year plan to realign ITA's training investment to demand, as outlined by both the 2014 McDonald Report and *B.C.'s Skills for Jobs Blueprint*
- Implementation of Innovative Training delivery pilot tests
- Harmonization of 10 trades in 2016/2017 and 8 trades in 2017/2018

## **Management Perspective on Future Financial Outlook**

Key activities envisioned within this Service Plan will be primarily funded within the core operating grant. These activities are aligned with delivering on ITA's Mandate Letter, the recommendations of the 2014 McDonald Report as well as the outcomes specified in *B.C.'s Skills for Jobs Blueprint*. ITA is not a capital-intensive organization and has no capital projects valued at more than \$50 million. Capital activity is primary focused on ITA's digital strategy being implemented over a three-year period.

# **Appendix A:**

# **Hyperlinks to Additional Information**

All information pertaining to the Board governance on ITA's website meets the requirements outlined by the Board Resourcing and Development Office's board governance disclosure requirements. Additional information can be found at:

- ITA 2015-16 Mandate Letter
- <u>ITA Corporate Governance</u>
- ITA Organizational Overview
- <u>Taxpayer Accountability Principles</u>
- <u>The Industry Training Authority and Trades Training in BC: Recalibrating for High</u> <u>Performance, Jessica McDonald, 2014</u>
- <u>B.C.'s Skills for Jobs Blueprint</u>
- <u>Glossary of Terms</u>