



THE RIGHT SKILLS ► A PROVEN ADVANTAGE

SERVICE PLAN 2007/08–2009/10



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## MESSAGE FROM THE CHAIR

To: The Honourable Colin Hansen

*Minister of Economic Development and*

*Minister Responsible for the Asia-Pacific Initiative and the Olympics*

On behalf of the board of directors, management and staff of the Industry Training Authority (ITA), I am pleased to submit this Service Plan for fiscal 2007/08 – 2009/10.

This plan defines the strategic approach and success measures that will guide our operations over a three-year period. We have a solid base of growth and policy improvement to build upon. Our challenge now is to maintain momentum, as we complete the transition to a truly industry-led training model – characterized by innovation, program quality, and accountability for results.

The single most important characteristic of our operating environment is the extent to which skill shortages are now evident, and continuing to grow.

As a vibrant economy continues to drive demand for skilled workers, there is growing recognition of the need for creative solutions to address supply-side shortfalls. There are, for example, opportunities to enhance trades participation on the part of under-represented groups, such as aboriginals. A system-wide focus on retention and completion will also be key to supply-side success.

Similarly, today's market conditions are driving demands for improved regional access, and for training better tailored to the needs of specific sectors and employers. We also continue to see an interest in industry training on the part of a wider range of employers, including ones whose skills requirements are outside the traditional scope of the trades.

Risks on the demand or industry side of our operations relate to managing growth, while maintaining program quality. One of the key determinants of our success will be the effective involvement of sector-specific Industry Training Organizations (ITOs). The interest in ITOs to-date is encouraging, although sustaining that interest will be dependent on the ability to deliver on industry expectations.

The following are among the initiatives pursued, operational changes made, and accomplishments achieved since our last Service Plan was tabled:

- continued strong growth in participation;
- advancements in the formation and operation of various ITOs;
- continued approval and rollout of new and revised training programs;

- improvements in key customer-service processes such as apprenticeship applications;
- development of training purchase plans on the part of each public training institution in accordance with our funding and accountability framework;
- transition from the Service BC contracted customer service office to in-house staffing, and relocation of our customer service office;
- a best-practices study and pilot testing of alternative training delivery;
- preparation for deployment of a mobile training unit; and
- further development and evaluation of youth programming.

All of these remain focal points for the coming years, and are addressed by the goals and performance measures defined in this Service Plan. In addition, we are building on our system capacity through processes and technology to ensure the long-term sustainability of the industry training system.

System capacity will be further enhanced by virtue of the higher level of funding the ITA will receive over the three-year period covered by this plan. Virtually all additional funding is being directed towards training program delivery. This allocation has been made to ensure follow-through on the Premier's commitment to create 7,000 more apprenticeship technical training spaces by 2010.

The outlook for the ITA, in the board's opinion, is highly positive. We are confident that our performance management framework positions us to capture opportunities, manage risks, and maintain momentum. In so doing, we will fully capture the potential of an industry-led and outcomes-focused training system.

This Service Plan was prepared under the board's direction in accordance with the *Budget Transparency and Accountability Act*. The board is accountable for the contents of the plan, including the endorsement of performance measures and targets. The plan is consistent with government's strategic priorities and Strategic Plan.

All significant assumptions, policy decisions, and identified risks as of January 2007 have been considered in preparing and reviewing this plan. The performance targets have been determined based on an assessment of the ITA's operating environment, forecast conditions and past performance.

Sincerely,



Bev Briscoe  
Chair, Board of Directors

## ORGANIZATIONAL OVERVIEW

The Industry Training Authority (ITA) is mandated to govern, expand and improve the industry training system. It ensures that training opportunities are accessible to all British Columbians, and that industry's growing requirements for skilled labour are met.

### Initiatives and Achievements

#### Fast-Tracking Industry Leadership

Industry Training Organizations (ITOs) are the most important way in which industry is shifting from an advisory to a managerial role in the training system. The ITA is on target to have six ITOs in operation by the end of 2006/07. The financial and accountability framework for ITOs has been refined in order to accelerate their development.

While the six were approved and launched at different times, all are expected to have boards, senior administrators and business plans in place, and to have moved past start-up and into their development phases by March 31, 2007. They are expected to be joined by as many as four more operating ITOs during the next fiscal year.

ITOs are already developing improved analysis of labour-market requirements, and will play a key role in aligning training outcomes with employer needs.

The ITA's scope of operation includes a wide range of traditional trades, and some emerging fields of training. The common elements in ITA-governed training are that it is conducted primarily on-the-job and developed in close collaboration with industry.

The ITA provides service to two customer groups:

1. Industry – any employer or group of employers with a need for formally trained workers possessing credentials within the ITA's scope of operation; and
2. Learners – apprentices and trainees who participate in industry training programs with the intent of obtaining skills and credentials that are in-demand on the part of employers.

The ITA is focused primarily on industry-training governance, policy development, and system-wide coordination. A group of 21 full-time staff are based at the ITA's office in Richmond. This group is organized along the following functional lines, which are reflective of the ITA's core business areas and major programs:

- Customer Service
- Product (training program) Development
- Finance and Administration
- Policy and Research
- Industry Training Organization (ITO) Development
- Communications and Marketing

Vice presidents or directors with lead responsibilities for each of these functions report to the chief executive officer.

The ITA also employs an additional group of 19 staff, who work from a recently re-located customer service office in Vancouver. These staff provide information and services to both industry and learners, and deal with administrative matters such as registrations, examinations and certifications. These client service functions were formerly carried out on a contractual basis by Service BC staff, but were brought in-house during 2006-07. Service BC offices, however, continue to provide industry training information and services in locations outside the Lower Mainland.

Primary responsibility for training program development, implementation and maintenance is being increasingly devolved to industry-led and sector-specific ITOs. ITOs receive funding from the ITA and assume responsibility for specific training programs. ITO accountability is provided primarily through annual business plans submitted to the ITA for review, and for approval with respect to funding received from the ITA. ITO business plans contain performance targets aligned with the ones in this Service Plan.

During 2006/07, a total of 16 public training institutes (colleges and university colleges) and 21 private training institutes received ITA funding to provide technical training leading to ITA credentials. These institutes deliver the vital in-school component of apprenticeship, and are the point of intersection between industry training and the broader post-secondary education system. The ITA works to facilitate

effective liaison between training institutes and industry stakeholders – thus leveraging institutional expertise, and ongoing pursuit of best practices in technical training delivery.

Trainer accountability is provided through institute-specific training purchase plans, developed in consultation with the institutes and relevant ITOs. These plans specify the type and scope of training to be provided, consistent with a system-wide financial and accountability framework. The framework defines standardized program outcomes and prioritizes training types. Training institutes wishing to deliver programs leading to ITA credentials, and which they have not previously delivered, are required to go through a designation process.

The ITA's mandate and accountabilities to its shareholder (the Government of British Columbia) are defined in its enabling legislation – the *Industry Training Authority Act* – and in the *Budget Transparency and Accountability Act*, the *Financial Information Act* and the *Financial Administration Act*. Further accountability is provided by a Shareholder's Letter of Expectations, executed by the ITA and the Minister of Economic Development, to whom the ITA has a reporting relationship.

The most recently executed Shareholder's Letter of Expectations (July 2006) establishes accountabilities relating to under-represented groups, youth participation, and innovative training delivery. This direction is reflected in the goals and measures set out in this plan.

## CORPORATE GOVERNANCE

The Industry Training Authority is governed by a nine-member board of directors, independent of government and ITA management and appointed by the Minister of Economic Development. The board has a fiduciary role, consisting of:

- vision and strategic direction;
- review and approval of policy and standards; and
- resolution and selection of options with respect to major strategic issues.

Board members are drawn from diverse sectoral backgrounds, and have a range of industry and training-related expertise. Three standing board committees have responsibility for finance, human resources and governance, and policy development.

ITA governance complies with the recommendations of the Board Resourcing and Development Office (as set out in section three of its best practice guidelines), and full disclosure in this regard is available at [www.itabc.ca](http://www.itabc.ca).

### Initiatives and Achievements

#### Better Return on Training Dollars

One of the key features of the financial and accountability framework, which guides ITA purchases of training from public training institutes, is standardization of the cost and outcomes of pre-apprenticeship or foundation programs.

Standardization has been based on assessments of the time needed to teach key entry-level skills. These programs now provide a recognized level one credit upon program completion, which is an advantage to both trainees and employers.

Standardization and priority-setting have also contributed to reductions in the costs per seat purchased for training. While the most significant of these cost savings have likely now been

realized, the ITA anticipates that some ongoing productivity improvement can be achieved.

The more pertinent measure is the cost per participant actually trained. Beginning in 2007/08, the registration and tracking of trainees in foundation programs will enable the ITA to calculate this number. It is the subject of a performance measure and targets defined elsewhere in this plan.

Cost per training seat purchased is, however, a useful interim measure (albeit input-based) and is reflective of efficiencies achieved thus far. Ongoing program quality, meanwhile, will be assured through such performance measures and targets as continuation to apprenticeship.

Productivity Trend and Forecast	2004/05	2005/06	2006/07 Forecast
Cost per Training Seat Purchased	\$3,562	\$3,017	\$2,892

## ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN

The Industry Training Authority's vision, mission and values are consistent with, and will support achievement of, the government's overarching vision. The ITA's activities reflect government's core values of integrity, fiscal responsibility, accountability, respect and choice.

**Government Vision:** *To be a prosperous and just province, whose citizens achieve their potential and have confidence in the future*

More specifically, there is an alignment between many of the goals and performance measures defined in this Service Plan, and two of government's Five Great Goals for the decade ahead:

**Government Goal:** *Make British Columbia the best-educated, most literate jurisdiction on the continent*

### Specific Linkages

- "Expanding industry training and apprenticeship opportunities" is among the current initiatives identified by government in connection with this goal
- The percentage of British Columbians successfully completing an apprenticeship, diploma or degree is one of four performance measures associated with this goal

### ITA Activities

Enabling growing numbers of British Columbians to enhance their skills and attain formal educational credentials is central to the mandate of the ITA. This government goal will be advanced by the pursuit of all organizational goals and performance measures defined in this Service Plan. Measures such as completion rates and number of credentials awarded align particularly closely with this government goal, and are incorporated into this plan in a comprehensive manner. The ITA has also revised its measures to better account for recent direction from government relating to under-represented groups and training innovation.

**Government Goal:** *Create more jobs per capita than anywhere else in Canada*

### Specific Linkages

- Labour/skills shortages are referenced within the discussion of priority actions identified by government in connection with this goal

### ITA Activities

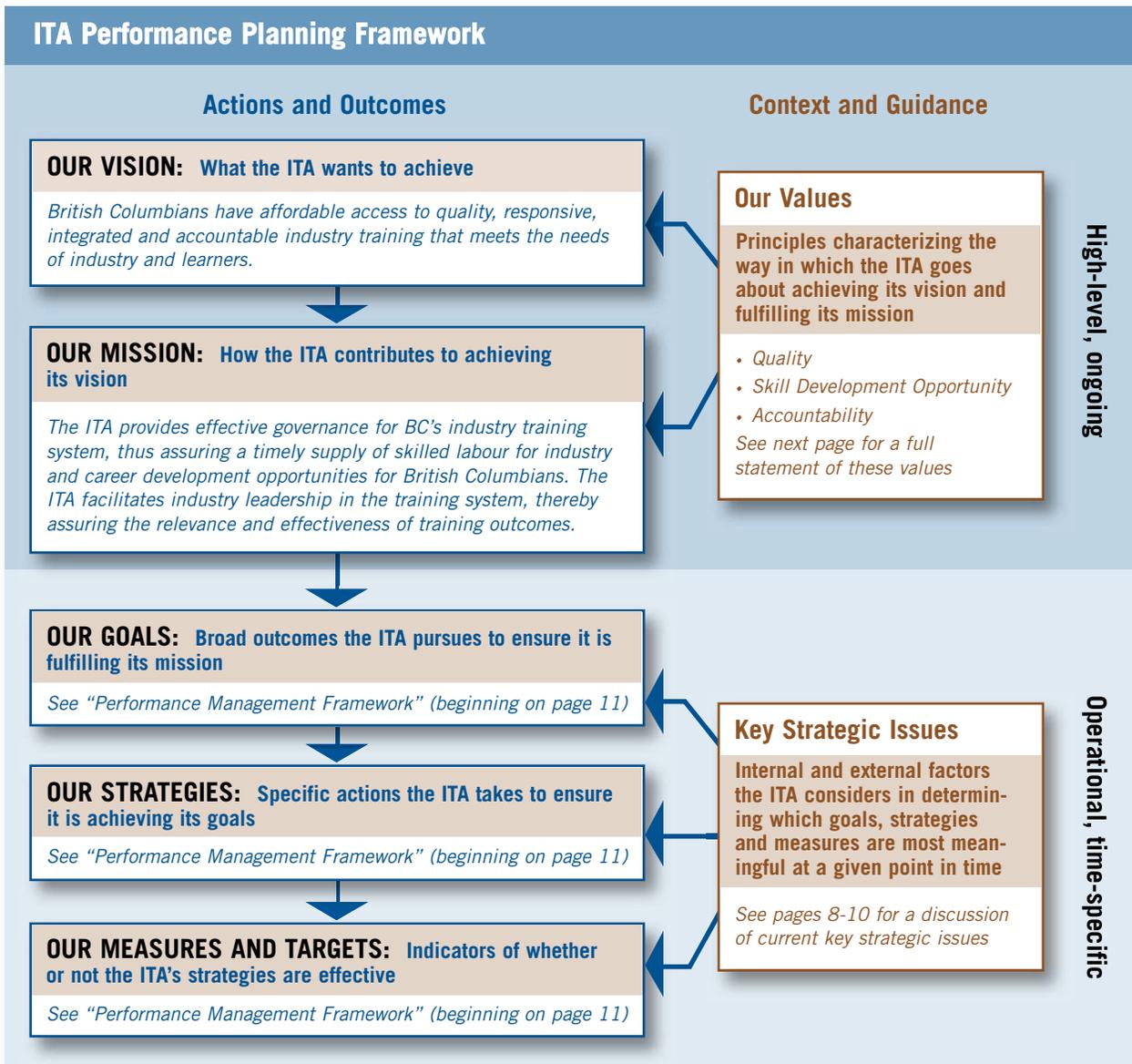
A sufficiently large and skilled workforce is one of the pre-conditions for job creation. It attracts investment and enables employers to maximize their productivity and pursue growth opportunities. This government goal will be advanced by pursuit of all organizational goals and performance measures defined in this Service Plan – which are collectively aimed at improving skill levels within the British Columbia workforce.

## STRATEGIC CONTEXT

### PERFORMANCE PLANNING FRAMEWORK

The diagram below shows the Industry Training Authority's (ITA's) performance planning framework, and the connections among its key elements. It defines the various levels of actions and outcomes the organization is pursuing, and key sources of guidance for its activities.

High-level elements (vision, mission and values) have remained consistent since the ITA's inception. Operational-level elements evolve over time in response to current strategic issues. These operational details are defined in the "Performance Management Framework" section of this Service Plan.



### ITA Values

**Quality** – Our standards will be clear, measurable and outcomes-based. Training will be current and relevant. We will use competitive training sources, while maintaining the highest standards of training.

**Skill Development Opportunity** – Training will be accessible to British Columbians and we will recognize skills obtained in other jurisdictions. BC credentials will be portable throughout the province and other jurisdictions. The system will be flexible and offer multiple paths and time-frames. We recognize the learner's obligation for personal development and life-long learning.

**Accountability** – We will respond to customer needs and be considerate of other stakeholder inputs. We will answer to the shareholder and the public with integrity and openness. We will be performance based and meet our shareholder's expectations, continuously assessing our training programs to ensure they meet the needs of our customers – employers and learners. We will also operate with fiscal responsibility, using criteria-based decision making, and achieve positive outcomes from the training dollars invested.

### KEY STRATEGIC ISSUES

The ITA's operating environment is characterized by a broad scope of activities, multi-stakeholder involvement, and rapidly evolving marketplace requirements. There is also an ongoing focus on further development of the organization's internal processes and infrastructure. Accordingly, a number of key strategic issues – representing risks, opportunities and capacity issues – are under continual assessment, and are reflected in the ITA's goals, strategies and measures.

These issues have been identified over the course of the ITA's ongoing consultations with its client and stakeholder audiences; on the basis of direction from government and dialogue with other public agencies; and through the ITA's own analysis of training and labour-market developments in BC and other jurisdictions. Their significance is verified by demographic and other data. Their potential impacts on the training system and the BC economy, if not effectively responded to, are deemed to be highly significant.

Key Strategic Issue	Status and Implications	Linkages to Goals and Measures
Labour market demand growth	Employment growth is projected to continue at a strong pace of 2.0% in BC in 2007, with the addition of another 43,000 jobs. Recent gains have been concentrated in sectors such as construction, which is heavily dependent on industry training. This represents opportunity, in the form of a demand-side pull, and creates an imperative to maintain supply-side and system-capacity growth.	<ul style="list-style-type: none"> <li>• Goal 1 (refined) addresses growth in training participation, measured in terms of both demand (employers) and supply (apprentices/trainees)</li> </ul>
Labour market supply constraints	BC is experiencing modest population growth, mainly due to in-migration gains. However, employment growth outpaced labour-force growth throughout early 2006. With low unemployment here and in much of Canada, supply constraints will become more acute and widespread. Demographic trends will exacerbate the impact, given anticipated elevated levels of retirement and BC's relatively high median age. This will increase the challenge of meeting demand for ongoing growth in industry training participation.	<ul style="list-style-type: none"> <li>• Goals 1 and 6 provide an ongoing focus on youth, which is a key to addressing demographic impacts and increasing long-term supply</li> <li>• Goal 3 (new) focuses on accessibility and flexibility – features expected to enhance recruitment into trades in an increasingly competitive labour market</li> </ul>
Under-representation/ utilization	There are relatively low levels of female and aboriginal participation in the trades – representing opportunities to better address general labour-supply constraints.	<ul style="list-style-type: none"> <li>• Goal 1 includes new measures/sub-measures focusing specifically on female and aboriginal participants</li> </ul>
Degree of industry support	An industry-led training model is dependent for its success on the active engagement of employers and industry associations. There is a critical leadership role for industry through the operation of Industry Training Organizations (ITOs). While industry commitment to-date has been strong, ITO formation and operation are still in their early stages.	<ul style="list-style-type: none"> <li>• Goal 2 addresses industry engagement, through prioritized expansion of the ITO framework</li> <li>• ITO development is also defined as a core function/business area for the ITA</li> <li>• Goal 6 addresses stakeholder awareness</li> </ul>

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Key Strategic Issue	Status and Implications	Linkages to Goals and Measures
Technical training capacity	Capacity to provide work-based training to growing numbers of apprentices is being assured through concurrent growth in the number of registered employers. Capacity to provide technical training, however, 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, although the allocation of additional training program delivery funding alleviates this risk.	<ul style="list-style-type: none"> <li>• Goal 4 addresses trainer adherence to training purchase plans, through which delivery prioritization and outcomes are defined</li> <li>• Goal 3 (new) addresses expanded use of alternative models, which commonly alleviate demands on conventional training</li> <li>• Youth programs (goal 1) also provide some access to delivery capacity within the K-12 system</li> <li>• More effective use of training capacity is also an ITA focal point, and is encompassed within Goal 4</li> </ul>
Retention and completion	Relatively low rates of apprenticeship completion are confirmed by statistical assessments in BC and elsewhere. Low completion makes growth in participation less meaningful, and reduces the return on investments in training.	<ul style="list-style-type: none"> <li>• Refinements to goal 1 will see continuation and completion measured for training participants by category</li> <li>• Goal 3 (new) focuses on accessibility and flexibility – features expected to enhance retention and completion</li> <li>• Goal 5 encompasses direct measures of customer satisfaction</li> </ul>

## Initiatives and Achievements

### A New Information Technology Platform

Development of a new information technology platform is underway, which will allow for more efficient management of BC's industry training system, and for better tracking and reporting of outcomes.

The new system will significantly improve service to training participants. Apprentices, for example, will be able to complete registration and other transactions online, as well as to access technical training marks and other information. These improvements will be key

to achieving targeted levels of service and customer satisfaction.

The new system will automate ITA business processes, and provide a common platform for further improvement of the ITA web site and development of customized ITO web sites. It will also facilitate more efficient sharing of documentation throughout the industry training system.

Full implementation of the new system is expected to be achieved in phases over the course of calendar 2007 and 2008.

## PERFORMANCE MANAGEMENT FRAMEWORK

The Industry Training Authority has established six goals, and associated strategies and performance measures, which will guide its activities over the next three years. This performance management framework is closely derived from the ITA's vision and mission statement, and is informed by the organization's values and its assessment of key strategic issues (see page 7).

Collectively, these goals, strategies and performance measures comprise the overall intended results of this Service Plan, and progress will be reported in annual reports. The ITA has organized its core business areas to maximize its efficiency in delivering these intended results.

### CHANGES TO THE FRAMEWORK

There is a high degree of continuity between the performance management framework in this Service Plan, and that in the most recent previous plan.

Key changes and refinements include:

- expanded and consistent measures of participation by all main categories of training participants;
- addition of measures/sub-measures focusing specifically on female and aboriginal participation;
- addition of a measure relating to Industry Training Organization (ITO) performance and accountability;
- addition of a goal with respect to accessibility, flexibility and alternative training;
- addition of measures relating to technical training wait times, number of seats purchased and cost per participant trained; and
- definition of service level standards and targets.

Benchmarks and targets will be defined over the coming year, with respect to various new or refined measures. The inclusion of these measures

within this plan, however, reflects the ITA's commitment and capacity to undertake new program initiatives in some areas (such as aboriginal participation and alternative delivery), and to more broadly and rigorously track outcomes.

### RATIONALE FOR GOAL SELECTION

Goals and performance measures are established with reference to the ITA's ongoing consultations with its customer and stakeholder audiences. These include annual surveys, which provide data and insight on current issues and priorities. ITOs are also emerging as an important consultative forum on a sector-specific basis.

#### ITA GOALS: 2007/08-2009/10

1. Expand supply-side and demand-side participation
2. Provide infrastructure (primarily ITOs) to assure active and effective industry engagement and leadership
3. Expand training accessibility and flexibility through introduction of innovative alternative technical training models
4. Manage program delivery and funding through an effective financial and accountability framework
5. Ensure high-quality program standards and high levels of client satisfaction with ITA services
6. Ensure high levels of stakeholder awareness and intent to participate by target groups, through communications and marketing initiatives

Measures have been selected with reference to data availability and reliability, and the degree to which achievement is attributable to the ITA. Wherever possible, measures are quantitative, and focus on either key outcomes or closely connected indicators. Given the ITA's focus on process improvement and growth management, benchmarking is incorporated with reference to its own past performance. Efficiency-related measures (e.g. completion and continuation rates, cost per participant trained) are included.

### **PERFORMANCE MANAGEMENT SYSTEMS**

The Apprenticeship Information Management System (AIMS) is the data source currently relied on in connection with various performance measures relating to participation and service-level standards. AIMS, the original version of which was implemented in 1988/89, relies on manual data entry carried out by ITA Customer Service staff and by training institutes.

AIMS is a real-time or live system, whose utility for statistical tracking is limited. System and procedural upgrades, however, have allowed for stable monthly measurement and reporting, and management's confidence in AIMS-derived performance data is therefore high. Design and planning for a new information technology system, including registration and tracking functions, is currently underway. (See "A New Information Technology Platform" page 10.)

Performance measurement relating to customer satisfaction, stakeholder awareness and youth intent is undertaken by independent market-

research experts. There are no data-collection uncertainties or issues relating to the other measures in this plan.

## **Initiatives and Achievements**

### **Innovation in Training Delivery**

Apprenticeship technical training is largely provided in full-time sessions of six to 10 weeks at a post-secondary institute. Recent research has confirmed that such structured approaches can be a barrier to participation for many apprentices and employers, particularly in times of high employment and economic growth, and in more remote locations.

Alternative delivery is being piloted in various programs in BC – with approaches ranging from more flexible scheduling, through to online and self-paced models – and has generally been well-received by both apprentices and employers.

The ITA will now work with ITOs and training institutes to ensure a broader availability of the most effective options. An alternative training strategy will build in part on best-practices identified in a study recently commissioned by the ITA. One major milestone will be the launch of a mobile training unit in Northern BC in March 2007.

Experience elsewhere suggests that in some cases, the amount of time spent in classrooms can be reduced by as much as half, through various forms of alternative delivery, while still maintaining quality outcomes.

**GOALS, STRATEGIES, AND PERFORMANCE MEASURES**
**GOAL 1: Expand supply-side and demand-side participation**
**Strategies:**

- Continue to address both demand and supply-side barriers, with a particular focus on facilitating increased aboriginal participation
- Continue to work collaboratively on provision and expansion of youth programs
- Credential and track progress of foundation program trainees, and encourage their advancement to apprenticeship
- Monitor rates of completion and continuation to apprenticeship

Performance Measure	Baseline		Targets		
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
<b>All Participants<sup>1</sup></b>					
- Registered Participants	26,525	36,000	36,000	TBD – Based on ITO Forecasts	TBD – Based on ITO Forecasts
- Credentials/Credits Awarded	n/a	Establish Baseline	TBD	TBD	TBD
<b>Apprenticeship</b>					
- Registered Participants	23,266	28,000	28,000	TBD – Based on ITO Forecasts	TBD – Based on ITO Forecasts
- Credentials Awarded	2,899	3,200	3,500	4,000	4,000
- Completion Rate <sup>2</sup>	42%	40%	42%	44%	46%
<b>Foundation Programs<sup>3</sup></b>					
- Registered Participants	n/a	4,000 <sup>4</sup>	4,000	TBD – Based on ITO Forecasts	TBD – Based on ITO Forecasts
- Credentials Awarded	n/a	4,000	4,000	TBD	TBD
- Completion Rate	n/a	Establish Baseline	TBD	TBD	TBD
- Continuation to Apprenticeship	n/a	Establish Baseline	TBD	TBD	TBD

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Performance Measure	Baseline		Targets		
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
<b>Youth Apprenticeship</b>					
- Registered Participants	3,259	4,000	4,000	TBD – Based on ITO Forecasts	TBD – Based on ITO Forecasts
- Credits Awarded	n/a	Establish Baseline	TBD	TBD	TBD
- Completion Rate	n/a	Establish Baseline	TBD	TBD	TBD
- Continuation to Apprenticeship	n/a	Establish Baseline	TBD	TBD	TBD
- Percent of Female Participants	n/a	Establish Baseline	TBD	TBD	TBD
Registered Sponsors with Active Apprentices	8,819	9,200 <sup>5</sup>	9,500 <sup>6</sup>	TBD – Based on ITO Forecasts	TBD – Based on ITO Forecasts
Aboriginal Participation	n/a	Establish Baseline, Develop Strategy	25% Increase Over Baseline	50% Increase Over Baseline	100% Increase Over Baseline

<sup>1</sup> “All Participants” includes the total of apprenticeship, foundation program and youth apprenticeship participants. It is equivalent to the “number of registered trainees/apprentices” measure in the most recent previous Service Plan – with the addition of foundation program participants, who are now registered with the ITA.

<sup>2</sup> This completion rate is calculated quarterly, by determining how many of the apprentices who registered in the same quarter six years earlier have completed their programs and obtained certification.

<sup>3</sup> Foundation programs are pre-apprenticeship programs, directly aligned with apprenticeship programs, which provide one pathway into industry training. This category includes both newly approved, industry-driven programs, as well as those previously known as Entry Level Trades Training (ELTT).

<sup>4</sup> Registration of foundation program participants with the ITA will take place upon program completion, beginning in late 2006/07.

<sup>5</sup> This target has been adjusted downward by 300, reflecting recent trends in sponsor participation. The adjustment is not expected to impact targeted growth in training participants.

<sup>6</sup> This target has been adjusted downward by 1,000, reflecting recent trends in sponsor participation. The adjustment is not expected to impact targeted growth in training participants.

**GOAL 2: Provide infrastructure (primarily ITOs) to assure active and effective industry engagement and leadership**

**Strategies:**

- Accelerate rollout and capacity development of Industry Training Organizations (ITOs) in prioritized sectors
- Continue to refine policy framework and operational guidelines, based on implementation experience
- Work with ITOs on development of aligned business plans and monitor performance against targets

Performance Measure	Baseline		Targets		
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
Number of Operating ITOs	3	6	Up to 10 <sup>7</sup>	TBD	TBD
ITO Performance and Accountability Framework	n/a	Business Plans with Measures & Targets Approved by ITA	Performance Targets Substantially Met by ITOs	Performance Targets Substantially Met by ITOs	Performance Targets Substantially Met by ITOs

<sup>7</sup> This target has been adjusted (from 10-15) in light of strong progress in ITO formation. This progress is reflected most particularly in the fact that approximately 85% of apprentices are pursuing programs within the scope of operation of ITOs already launched or under development. The revised target also aligns with anticipated ITA resources.

**GOAL 3: Expand training accessibility and flexibility through introduction of innovative alternative technical training models**

**Strategies:**

- Develop system-wide applications for outcomes and findings from alternative-delivery pilot projects and best-practices study
- Work collaboratively with ITOs and training institutes on design and implementation of new alternative-delivery programs
- Implement demonstration projects and corporate partnerships for mobile training program (“TradeRoutes”)
- Continue to expand regional availability of technical training

Performance Measure	Baseline		Targets		
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
Development of Alternative Training Model Strategy	n/a	n/a	Strategy Approved	TBD	TBD
Number of Apprentices Using Alternative Models	n/a	Establish Baseline	TBD	TBD	TBD

**GOAL 4: Manage program delivery and funding through an effective financial and accountability framework**

**Strategies:**

- Continue working with all training institutes (public and private) to facilitate alignment of training delivery with financial and accountability framework
- Involve ITOs in process, and ensure training purchase plans reflect sector-specific priorities
- Minimize waiting times and maximize program utilization
- Improve return on training dollars invested

Performance Measure	Baseline		Targets		
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
Development of Institution-Specific Training Purchase Plans, in Consultation with ITOs and Training Institutes	Agreement-in-Principle with Public Training Institutes re Framework	Plans in Place – Substantial Consistency With Framework	Plans in Place – Consistency With Framework	Plans in Place – Reflective of ITO Priorities	Plans in Place – Reflective of ITO Priorities
Number of Apprentices Waiting More Than 12 Months for Next Level of Apprenticeship Technical Training	n/a	Establish Baseline	<7% of Apprentices Waiting	<5% of Apprentices Waiting	<3% of Apprentices Waiting
Apprenticeship Training Spaces Purchased	18,098	20,166	23,200	25,200	27,200
Cost per Participant Trained	n/a	Establish Baseline	Maintain or Improve	Maintain or Improve	Maintain or Improve

**GOAL 5: Ensure high-quality program standards and high levels of client satisfaction with ITA services**

**Strategies:**

- Continue to update program standards and curriculum and assessment tools, in cooperation with ITOs and other industry stakeholders
- Continue annual Customer Satisfaction Index measures, address identified deficiencies
- Continue to refine business processes and provide necessary customer-service staff support, to ensure achievement of service level standards
- Continue to work with industry on development and approval of new programs and refinement of existing programs

Performance Measure	Baseline		Targets		
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
Industry Training Programs Updated to Established Standards <sup>8</sup>	9	20	40	60	95% of all Programs
Customer Satisfaction Index	81 (+/- survey margin of error)	81 (+/- survey margin of error)	Maintain or Improve	Maintain or Improve	Maintain or Improve
Service Level Standards (time to complete)					
- Registrations	Standards and Targets Established (for 1st 4 measures)	- 27 days	- 20 days	- 10 days	- 1 day
- Assessments		- 45 days	- 10 days	- 10 days	- 10 days
- Certifications		- 6 days	- 5 days	- 5 days	- 5 days
- Exam Results		- 15 days	- 15 days	- 15 days	- 15 days
- Customer Inquiries		- n/a	- Establish Baseline & Targets	- TBD	- TBD

<sup>8</sup> “Established standards” are of two types: i) standards established nationally through the Inter-Provincial (Red Seal) Program for 45 occupations, and consisting of National Occupational Analyses and National Endorsement Examinations; and ii) provincial standards established by the ITA and consisting of/reflected in Program Profiles, Program Outlines, Level Examinations, Practical Assessments, Log Books and Certification Examinations. Apprentices meeting provincial standards receive a BC Certificate of Qualification, and those meeting Inter-Provincial (Red Seal) standards receive an endorsement to their provincial qualification. Targets for future years have been adjusted upward significantly to reflect increased capacity in this regard by virtue of ITO formation.

**GOAL 6: Ensure high levels of stakeholder awareness and intent to participate by target groups, through communications and marketing initiatives**

**Strategies:**

- Continue annual Stakeholder Awareness Index measures, address identified deficiencies
- Partner in and leverage communications and marketing efforts on part of other groups as appropriate
- Continue development of ITA web site, in conjunction with new information technology platform, to provide online customer-service platform
- Continue development of recognition and scholarship programs for current and prospective training participants
- Continue implementation of communications strategies targeting youth

Performance Measure	Baseline		Targets		
	2005/06 Actual	2006/07 Forecast	2007/08	2008/09	2009/10
Stakeholder Awareness Index	78 (+/- survey margin of error)	81 (+/- survey margin of error)	Maintain or Improve	Maintain or Improve	Maintain or Improve
Percent of BC Youth (grades 10-12) who Intend to Pursue Trades Qualifications Post-High School	19.5% (+/- survey margin of error)	Maintain or Improve	Maintain or Improve	Maintain or Improve	Maintain or Improve

## SUMMARY FINANCIAL OUTLOOK

This summary financial outlook is based on the key assumptions, risks and sensitivities noted on the following page, which are consistent with the broader strategic context outlined in a previous section.

(\$000's)	2004/05 Actual	2005/06 Actual	2006/07 (forecast)	2007/08 (forecast)	2008/09 (forecast)	2009/10 (forecast)
<b>REVENUE</b>						
Contributions from the Province <sup>(1)</sup>	78,054	77,795	90,631	97,941	101,338	105,738
Other Income	533	689	1,134	1,058	1,090	1,090
<b>Total Revenue</b>	<b>78,587</b>	<b>78,484</b>	<b>91,765</b>	<b>98,999</b>	<b>102,428</b>	<b>106,828</b>
<b>COSTS</b>						
<b>General Operations &amp; Admin</b>						
General Operations & Admin	4,203	5,616	6,415	6,307	6,237	5,906
Depreciation	102	139	290	400	700	700
<b>Total General Operations &amp; Admin</b>	<b>4,305</b>	<b>5,755</b>	<b>6,705</b>	<b>6,707</b>	<b>6,937</b>	<b>6,606</b>
<b>Program Operations Costs</b>						
Training Program Delivery	70,368	72,074	80,798	86,992	90,191	94,922
Program Development & Maintenance	1,582	1,416	2,500	3,000	3,000	3,000
Supply Side Initiatives (Aboriginals)	–	–	–	300	300	300
Industry Training Organizations	–	639	1,245	2,000	2,000	2,000
<b>Total Program Operations Costs</b>	<b>71,950</b>	<b>74,129</b>	<b>84,543</b>	<b>92,292</b>	<b>95,491</b>	<b>100,222</b>
<b>Total Costs</b>	<b>76,255</b>	<b>79,884</b>	<b>91,248</b>	<b>98,999</b>	<b>102,428</b>	<b>106,828</b>
Projected Net Income (loss) <sup>(2)</sup>	2,332	(1,400)	517	0	0	0
<sup>(1)</sup> Contributions from the Province						
Ministry – General Funding <sup>(3)</sup>	77,281	77,281	90,281	96,938	101,338	105,738
ACE IT – Directed Funding	773	427	–	–	–	–
YES 2 IT - Directed Funding	–	87	350	1,003	–	–
	78,054	77,795	90,631	97,941	101,338	105,738

<sup>(2)</sup> Approval to incur a deficit in F 05/06 was received from the Ministry in August 2005.

<sup>(3)</sup> Increased funding of \$6.6M in F 07/08, \$11.0M in F 08/09 and \$15.4M in F 09/10 has been allocated to address the Premier's commitment to add 7,000 apprenticeship training spaces over three years.

Key Assumptions	Risks and Sensitivities
<ul style="list-style-type: none"> <li>• Demand-driven increases in industry training participation</li> </ul>	<ul style="list-style-type: none"> <li>• Requires ongoing commitment of resources sufficient to train growing numbers and improve completion</li> </ul>
<ul style="list-style-type: none"> <li>• Need to focus on supply-side recruitment and broader representation issues</li> </ul>	<ul style="list-style-type: none"> <li>• Requires commitment of resources to new initiatives, particularly ones targeting under-represented groups</li> </ul>
<ul style="list-style-type: none"> <li>• Larger responsibility on the part of industry for training development, management and delivery, including co-funding (through Industry Training Organizations or ITOs)</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficient commitment on the part of industry would jeopardize achievement of system-wide goals</li> </ul>
<ul style="list-style-type: none"> <li>• Improvements in productivity/training costs per seat purchased</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to achieve ongoing productivity improvements could result in higher training purchase costs</li> </ul>
<ul style="list-style-type: none"> <li>• Adherence to performance expectations/targets on the part of ITOs and training institutes</li> </ul>	<ul style="list-style-type: none"> <li>• Significant performance deficiencies could jeopardize achievement of system-wide goals</li> </ul>
<ul style="list-style-type: none"> <li>• Some expansion (sectors/programs) beyond the traditional scope of the trades</li> </ul>	<ul style="list-style-type: none"> <li>• Scope expansion could require additional resources</li> </ul>

### FUTURE FINANCIAL OUTLOOK

Industry has, thus far, enthusiastically embraced the ITO framework, with several sectors now well-advanced in their efforts to develop sustainable models.

Significant improvements have already been achieved in the areas of business-process improvement, efficiency of capacity use, and reductions in training-purchase costs. This has reduced Industry Training Authority (ITA) costs, relative to the scope and level of activity

undertaken, and there is believed to be potential for further improvement.

The ITA continues to incur relatively high costs associated with infrastructure development (e.g. replacement of the AIMS system), but the level of such expenditures will likely decline over time.

The ITA will have the benefit of increased funding in 2007/08 – 2009/10, virtually all of which has been allocated to training program delivery, in order to address the Premier’s commitment to add 7,000 training spaces over three years.



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