



Resource Training Organization

Annual Report

2008 / 2009



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<i>info@rtobc.com</i>	19

Message from the Chair

On behalf of the Board of Directors, I am pleased to present the annual report of the Resource Training Organization (RTO) for fiscal 2008/2009.

2008/9 was an exciting year for RTO in which we set and achieved a series of significant goals as an organization. We continued to work closely with the Industry Training Authority and industry partners to expand our capacity and achieve our collective goals to support BC's apprenticeship training system. During this second year of operation we also successfully transitioned from the ITO development stage to a full service Industry Training Organization to offer a greater scope of services to our stakeholder groups.

This annual report describes the outcomes that have enabled the RTO to meet the Industry Training Authority (ITA) performance measures and continue to be a driving force in the development and standardization of apprenticeship training for the resource sectors in British Columbia. The results presented in this report demonstrate the RTO's continued success in expanding on a strong and dependable infrastructure upon which the mandate of the organization continues to be carried out with confidence.

The RTO Board is committed to the apprenticeship system in British Columbia. We will continue to work closely with industry and the ITA to play an important role in providing the BC economy with the skilled and knowledgeable workforce that will allow us to compete economically, socially, and responsibly in the global economy.

We look back on a very successful year, confidently look forward to meeting the challenges presented by current economic conditions, and anticipate continued accomplishments as we move RTO forward.

Sincerely,



Doug Daniels
Chair, RTO Board of Directors

APRIL - JUNE

- Completed two successful YESIT Youth Outreach events
- Participated in Canadian Apprenticeship Forum
- Oversaw successful delivery of initial Oil and Gas Rig Technician program offering

JULY - SEPTEMBER

- Developed and launched RTO collateral pieces
- Hired new Manager of Program Standards
- Secured funding for Shipbuilding Human Resources Steering Committee and Labour Market Information Project

Message from the CEO

I am pleased to report that 2008/2009, while only our second year of operation, was a year of solid achievements for RTO. It was a year in which we saw significant growth in terms of our organization and the challenges met and services provided. Some of our key achievements are noted below:

- Attainment of ITA **full service status** ensuring an expanded service offering to our stakeholders as well as an enhanced role for RTO to play in apprenticeship training,
- The appointment of Doug Daniels as our **new Chairperson** for the RTO Board of Directors with the departure of out-going chair Tom Kirk, who was appointed to the ITA Board of Directors,
- Implementation of an organizational **employee health and safety policy**,
- Execution on formative **communication/stakeholder engagement plan** which included expanded youth outreach activities and the launch of a full suite of RTO collateral,
- Launch of RTO website,
- Achieving **program reviews** for millwright, metal fabricator, steamfitter/pipefitter and machinist in a timely and efficient manner,
- Successfully meeting all budget targets for 2008/9, and
- The recruitment of new **Manager of Programs Standards and Quality Assurance**.

The progress made over the past year clearly reflects RTO's commitment to offering programs that meet the needs of both individuals and employers: for individuals, giving them the knowledge and skills that meet national standards and beyond. For employers, providing them with a mechanism to source and employ the highly-skilled workers they need to maintain a strong and viable presence in today's challenging marketplace.

We are confident in and respectful of the critical role RTO has to play in the BC apprenticeship system and we look forward to meeting challenges and obligations in this spirit. We believe that times of change and challenge bring opportunity and we look forward to building on our past success in 2009/10.

Yours truly,



Doug MacLaren
CEO RTO

OCTOBER – DECEMBER

- Launched RTO website
- Expansion of youth initiatives – career fairs, conferences
- Launched the Power Line Technician Program
- Successfully passed ITA Full Service Operational Audit performed by PWC

JANUARY – MARCH

- Completed program review phases for Millwright, Metal Fabricator, Steamfitter/Pipefitter and Machinist
- Completed four extra trade related projects for ITA
- Appointment of a new Chairperson

Organizational Overview

The Resource Training Organization (RTO) was established in 2007 to oversee the management and development of apprenticeship training for the resource sector in B.C. The RTO is funded provincially by the Industry Training Authority of B.C.

Mandate

To create and maintain an effective, efficient and responsive training system.

Vision

A skilled, adaptive workforce that supports the resource industry and economic growth in British Columbia.

Mission

To support the B.C. industries represented by the RTO with the current and progressive training and credentialing that effectively matches the supply of appropriately-skilled workers to the needs of the industry.

Corporate Governance

The RTO is governed by a 12 member board of directors, independent of government, ITA management and RTO management. The board has a fiduciary responsibility for direction, decisions, legal compliance, probity, and finance. (See Appendix 1 for list of board members.)

Sectors Served

- Mining and Smelting
- Oil and Gas
- Pulp and Paper
- Solid Wood
- Shipbuilding and Repair
- Utilities

Operational Strategic Direction

The RTO develops an annual Service Plan as part of its financial and performance accountability to the provincial government. It details concrete performance measures and targets, and reports progress against those targets on a quarterly and annual basis. Both quarterly and annual reports are submitted to the ITA for review and approval.

Key Highlights and Trainee Demographics

Key Measures and Targets for 2008/09

- Registered Training Participants (Apprenticeship, Foundation, Youth)
- Registered Sponsors
- Program Completion Rates
- Credentials Issued (Apprenticeship, Foundation, Youth)
- Training programs with updated standards

Significant accomplishments in the 2008/09 reporting period

- Achieved full service status
- Completed program review phase for the Millwright, Metal Fabricator, Machinist and Pipefitter/Steamfitter trades
- Hired Manager of Program Standards
- Expanded Youth Outreach Program
- Launched RTO web site
- Established Shipbuilding and Repair Industry Human Resource Steering Committee

Target Trades Training Groups

- Industrial Electrician
- Industrial Mechanic (Millwright)
- Welder (C, B, A)
- Industrial Instrumentation Mechanic
- Machinists
- Metal Fabricator (Fitter)
- Planer Mill Maintenance Technician I & II
- Rigger
- Marine Fitter (Machinist Fitter & Boilermaker Fitter)
- All related Foundation/ELTT Programs
- Steam Fitter/Pipe Fitter
- Saw Trades – Bench Person, Saw Filer, Saw Fitter
- Oil and Gas Rig Technician, 1, 2 and 3
- Power Line Technician
- Tool and Die Maker
- Winder Electrician
- Shipwright
- Electronic Technician
- Power Engineering (not an apprentice trade)

Strategic Priorities, Goals and Outcomes 2008/2009

Context

The performance measures and targets for fiscal 2008/09 are contained in a series of goals that embody the purpose of the RTO. The goals and strategic context are presented in the year's Service Plan.

GOAL 1: An Efficient, Effective Resource Training Organization

Strategies

- Develop transition plan to achieve Full Service status in 2008/9.
- Implement policies and procedures to ensure transparency and accountability.
- Ensure close alignment with ITA operational objectives and business plan.
- Promote information sharing and reduce duplication with ITA and other ITOs.
- Ensure cost effective and efficient business processes to increase ITO impact in supporting ITA objectives.
- Participate in the development of ITA service plan/strategy and annual training purchase plan.

Performance Measure	Target	Actual
1. ITO Progression	Pass ITA Full Service Stage Audit	Passed
2. Administrative Policies and Procedures	Complete	Complete
3. Performance Management System	Complete	Complete
4. Synergies across ITA and ITO	Harmonize best practices with ITA/ITOs	Achieved Target
5. Fiscal Accountability	Balanced Budget	Achieved



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

Strategies

- Support cost-effective and efficient training delivery.
- Increase number of registered sponsors.
- Align program delivery more effectively with industry and labour market needs.
- Identify actionable and credible labour market indicator (LMI) data sources, and utilize LMI to more precisely define industry demand.
- Foster participation within targeted groups (i.e., Aboriginal people, women, and recent immigrants).
- Identify and address apprenticeship continuation and completion barriers.
- Develop and deliver specific apprenticeship initiatives to increase youth engagement in apprenticeship training opportunities.

Performance Measure	Target	Actual
Demand driven training	Develop demand and supply driven model	Complete
Capacity (Seat Purchase)	4,845	
-Apprenticeship	4,500	4416-Rig Tech understated and PLT
-Foundation	345	316
Actual Percent Utilization	89.6% 89.9% 86.0%	
Number of apprentices (including 378 Rig Technicians registered in AB but resident in BC)	4,585	Exceeded target
Number of employers with active apprentices (excludes Rig Technician employers)	1,185	Exceeded target – 1583
Credentials awarded (includes 56 credentials awarded by AB to resident BC Rig Technicians)	1,588	Exceeded target – 1881
Completion rate		
-Industrial Instrumentation Mechanic	63.6%	14.9% - 5 yr program
-Millwright	71.3%	66.5%
-Welder A	33.3%	36%
-Metal Fabrication	36.8%	51.8%
Plan and deliver annual youth initiatives	Two initiatives	Exceeded target
Outreach with targeted groups	Support ITA initiatives	Achieved target

GOAL 3: INCREASE EFFECTIVENESS AND EFFICIENCY OF PROGRAM DEVELOPMENT AND DELIVERY

Strategies

- Establish comprehensive program development priorities. (See table page 14)
- Develop and maintain high quality program standards and specifications.
- Develop new programs as industry requirements merit (Logging Operator, Gold Seal Journeyperson Certification).
- Adopt ITA assessment tools and standards.
- Actively participate in national and jurisdictional trade initiatives.
- Capitalize on program development opportunities with potential partners.
- Expand training accessibility and flexibility for learners and industry.
- With training providers arrive at mutually acceptable funding and utilization targets.
- Pilot post-delivery evaluation process for all program delivery.
- Participate in ITA sponsored e-learning initiatives.

Performance Measure	Target	Actual
Prioritize programs to ensure updated to established standards	Program Priorities Matrix established	Complete
Program development guidelines/specifications	Complete	Complete – RFP, Implementation, Test
Number of programs with updated standards	7	Exceeded Target – Millwright, Steamfitter, Machinist, Metal Fab, IE, IIM, Welder A&B
Number of new programs launched	None	
Co-development opportunities and synergies	2	Achieved target – Reciprocal agreement TransCDA review committees, Gold Seal Project
ITA assessment tools and standards	Implement as appropriate	Achieved target
Support NOA and trade initiatives	Maintain and improve	Achieved target
Apprentices in updated programs	50%	Exceeded target
Launch e-learning delivery option	1 course	Exceeded target – Welder & Millwright
Adopt and support ITA funding and utilization measures	90%	Achieved target
Post-delivery evaluation framework and tools	Random audit of key programs	Achieved target – IIM, IE, Welder, Rig Tech

GOAL 4: HIGHLY ENGAGED STAKEHOLDERS AND SATISFIED CUSTOMERS

Strategies

- Ensure common understanding of mandate, vision, values and strategies.
- Involve stakeholders in strategy development and other key processes.
- Establish and implement customer-facing processes to increase service levels.
- Engage in targeted communication campaign and initiatives.
- Participate in and support ITA annual indexes.

Performance Measure	Target	Actual
Effective stakeholder relationships	Develop, measure, baseline, targets	Achieved Target – Stakeholder Engagement Strategy
Develop and implement communication strategy	Implement	Exceeded target – RTO Website, IE Toolkit, Consultation Groups, Communication Strategy
Launch RTO website	Launch	Launched
Support ITA annual indexes	Maintain and improve	Achieved target
Customer satisfaction index (industry, employers and apprentices)	Maintain or improve at 81 (+/- Margin of Error)	Achieved target
Produce RTO Annual Report	Annual Report delivered to ITA	Done



Outlook for 2009/10

RTO intends to focus on addressing skill shortages in trades in the resource sector.

Priorities

- Expand revenue sources
- Reinforce to all stakeholders the importance of apprentice safety
- Bring RTO programs up to Red Seal standards
- Attract under-represented groups including women, aboriginals and immigrants
- Implement communications plan targeting stakeholder engagement
- Complete review of five shipbuilding and repair trades
- Develop programs that provide individuals with the knowledge and skills they will require to ensure a skilled workforce for economic recovery



Financial Report

The summary financial outlook is based on several assumptions:

- On-going demand-driven increases in industry training participation across resource sector in BC
- Operationalization of supply-side recruitment practices and meaningful employer engagement of under-represented populations in workforce
- Ability to redirect resources from lower to higher priority programs in a timely fashion
- System-wide cooperation and participation in the establishment and implementation of flexible delivery models to support specific industry needs
- Increased responsibility and accountability of RTO as it moves towards Full Service Stage
- Achievement of significant and replicable efficiencies by training-program deliverers
- Province and ITA maintain or improve present funding levels

CULVER & CO.

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

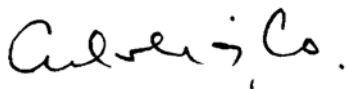
To the Directors of
RTO BC Resource Training Organization

We have audited the statement of financial position of **RTO BC Resource Training Organization** as at **31 March 2009** and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the Organization as at 31 March 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

We have not audited and do not express an audit opinion on the the financial statements of the preceding period.



Chartered Accountants

Vancouver, Canada

22 April 2009

RTO BC RESOURCE TRAINING ORGANIZATION

Statement of Financial Position

31 March 2009

	2009	2008 (unaudited)
Assets		
Current assets		
Cash	\$ 122,841	\$ 133,367
Due from ITA	159,910	98,875
GST receivable	16,440	9,219
Prepaid expenses and deposits	1,509	1,509
	<u>300,700</u>	<u>242,970</u>
Equipment, at cost	33,875	21,339
Less accumulated amortization	(10,734)	(1,782)
	<u>23,141</u>	<u>19,557</u>
	<u>\$ 323,841</u>	<u>\$ 262,527</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accruals	\$ 144,046	\$ 100,908
Deferred funding	23,000	83,213
	<u>167,046</u>	<u>184,121</u>
Net assets		
Invested in equipment	23,141	19,557
Unrestricted	68,654	58,849
Internally restricted [note 3]	65,000	--
	<u>156,795</u>	<u>78,406</u>
	<u>\$ 323,841</u>	<u>\$ 262,527</u>

Approved by the Directors:

_____ Director _____ Director

RTO BC RESOURCE TRAINING ORGANIZATION

Statement of Changes in Net Assets
Year ended 31 March 2009

	Unrestricted	Invested In Equipment	Internally restricted	Total 2009	Total 2008
	\$	\$	\$	\$	\$
Balance, beginning of year	58,849	19,557	-	78,406	-
Excess of revenue over expenditure	78,389	-	-	78,389	78,406
Amortization	8,952	(8,952)	-	-	-
Purchase of equipment	(12,536)	12,536	-	-	-
Transfer to internally restricted funds [note 3]	(65,000)	-	65,000	-	-
	68,654	23,141	65,000	156,795	78,406

RTO BC RESOURCE TRAINING ORGANIZATION

Statement of Operations
Year ended 31 March 2009

	2009	2008 (unaudited)
Revenue		
ITA Core Funding	\$ 405,945	\$ 309,441
ITA Project Funding	594,619	249,375
Service Canada and other funding	62,236	--
Interest	5,488	1,882
	<u>1,068,288</u>	<u>560,698</u>
Expenditure		
Accounting, audit and legal	11,166	8,345
Advertising and promotion	32,599	12,983
Amortization	8,952	1,782
Communications and youth outreach	32,850	--
Consultants	494,515	213,602
Insurance	3,464	3,746
Miscellaneous	--	24,193
Office	18,646	8,648
Rent and utilities	15,891	8,649
Salaries, contractors and employee benefits	271,187	159,416
Telephone and fax	12,522	6,782
Travel, meetings and room rental	88,107	34,146
	<u>989,899</u>	<u>482,292</u>
Excess of revenue over expenditure	\$ 78,389	\$ 78,406

RTO BC RESOURCE TRAINING ORGANIZATION

Statement of Cash Flows

Year ended 31 March 2009

	2009	2008 (unaudited)
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditure	\$ 78,389	\$ 78,406
Items not involving the use of cash		
Amortization	8,952	1,782
Changes in non-cash working capital:	87,341	80,188
Accounts payable and accruals	43,138	100,908
Deferred funding	(60,213)	83,213
GST receivable	(7,221)	(9,219)
Due from ITA	(61,035)	(98,875)
Prepaid expenses	--	(1,509)
	2,010	154,706
Investing:		
Equipment purchase	(12,536)	(21,339)
Increase (decrease) in cash position	(10,526)	133,367
Cash, beginning of year	133,367	--
Cash, end of year	\$ 122,841	\$ 133,367

RTO BC RESOURCE TRAINING ORGANIZATION

Notes to Financial Statements

Year ended 31 March 2009

1. General

RTO BC Resource Training Organization (RTO) is a Society incorporated under the Society Act (British Columbia) on 14 March 2008 and it commenced operation in the summer of 2008. It is a qualifying not-for-profit organization exempt from income tax.

RTO is sanctioned as an Industry Training Organization (ITO) by the Industry Training Authority (ITA) pursuant to the *Industry Training Authority Act*, and the provisions of Policy ITO 6000. RTO is responsible for training programs for resource industry in British Columbia. RTO will provide leadership and active engagement in defining and meeting relevant Industry needs.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and the following is a summary of significant accounting policies followed by the Organization.

(a) Change in accounting policies

Effective 1 April 2008, the Organization adopted the accounting standard for *Capital Disclosures – Section 1535* issued by the Canadian Institute of Chartered Accountants. This standard requires disclosure of information about an entity's capital and how it is managed, as well as the disclosure of any externally-imposed capital requirements, whether the entity has complied with them, and the consequences of any non-compliance.

Effective 1 April 2008, the Organization adopted the accounting standard for *General Standards of Financial Statement Presentation - Section 1400* issued by the Canadian Institute of Chartered Accountants. This standard requires management to make an assessment of an entity's ability to continue as a going concern. The adoption of this standard had no effect on the Organization's financial statements.

(b) Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires that trustees make estimates and assumptions that impact the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the recognized amounts of revenues and expenses during the year. Actual amounts may differ from these estimates.

(c) Financial instruments

The Organization has designated all of its financial instruments as "held for trading" which means they are measured and reported at fair value. Subsequent changes in fair value are recognized as gains or losses in the statement of operations in the period in which the changes in value takes place. The carrying value of cash, receivables, payables and accruals and deferred funding approximate their fair values due to the short term nature of these assets and

liabilities. The Organization did not enter into any derivative financial arrangements for hedging or speculative purposes.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits with maturities of less than 90 days held with a Canadian Chartered Bank.

(e) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Amounts received in the current period to fund future periods are recorded as deferred funding.

(f) Property and equipment

Property and equipment are recorded at cost. Amortization is provided using the straight-line method over 3 years, the estimated useful life.

(g) Contributed services

Contributed services are not recognized in these financial statements because it is impractical to determine a fair value.

3. Internally restricted assets

The Organization has internally restricted a portion of its assets for possible special projects and future activities. The amount restricted includes funding specifically designated for these purposes and amounts allocated by the board from time to time to fund such activities.

4. Management of capital and economic dependence

The Organization manages its capital to enable it to continue as a going concern and to meet the stated purpose of the Organization. The Organization considers its capital to consist of its fund balance and this is managed by making adjustments in light of economic conditions and the risk characteristics of the underlying assets. The Organization does not have any debt and is not subject to externally imposed capital requirements.

Funding is received from Industry Training Authority (ITA) and can be repayable if the terms of the funding agreements are not met. The directors are of the opinion no amount is repayable. Continuing operation requires further funding from ITA or other sources.

Appendix 1: Board of Directors

The RTO board is voluntary and reflects collaboration between industry and labour. Both the CEO and an ITA representative 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.

Current 12 member RTO Board

Doug Daniels (Acting Chair)	Canfor Corporation
Mike Agg	Teck
Ron Bettin	EnCana Corp
David Bonvie	Howe Sound Pulp & Paper Ltd.
Richard Boyce	United Steel Workers
Bob Hughf	Communications, Energy & Paperworkers Union
Jim Jones	Independent Director
George MacPherson	Marine Workers and Boilermakers Industrial Union, Local No. 1
Rick Maksymetz	West Fraser Timber Co. Ltd.
Capt(N) Alex Rueben	National Defence
Jane Staschuk	BC Federation of Labour
Greg Wishart	Interior Forest Labour Relations Association
<i>Doug MacLaren</i>	<i>CEO, RTO (Ex Officio)</i>
<i>Geoff Stevens</i>	<i>Industry Training Authority (Ex Officio)</i>

Resource Training Organization (RTO) was established in 2007 to oversee the management and development of apprenticeship training for the resource sector in BC.

RTO is funded provincially by the Industry Training Authority of BC.



Resource Training Organization

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