



**GOVERNMENT'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF JOBS, TOURISM & SKILLS TRAINING  
(AS REPRESENTATIVE OF THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE INDUSTRY TRAINING AUTHORITY  
(AS REPRESENTATIVE OF THE CORPORATION)**

**FOR 2013/14**

**PURPOSE**

This Letter of Expectations (the Letter) provides Government's annual direction to the Crown Corporation and is an agreement on the parties' respective accountabilities, roles, and responsibilities. The Letter confirms the Corporation's mandate and priority actions, articulates the key performance expectations as documented in the Government's Expectations Manual for British Columbia Crown Agencies<sup>1</sup>, and forms the basis for the development of the Corporation's Service Plan and Annual Service Plan Report. The Letter does not create any legal or binding obligations on the parties and is intended to promote a co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown corporations. The Government's s Expectations Manual identifies roles and responsibilities for the Government and Crown corporations, and provides for a Government's Letter of Expectations (Letter) to be developed.

## **CORPORATION ACCOUNTABILITIES**

Government has provided the following mandate direction to the Industry Training Authority (ITA) under the *Industry Training Authority Act*:

- Through innovation and collaboration, develop training that is relevant and responsive to industry, community and labour market needs;
- Expand access to training in all regions of the province for groups that are traditionally underrepresented or face barriers to labour force participation;
- Attract more young people into trades training, promoting the benefits and rewards of a trades career path, and assist the transition from school to work;
- Demonstrate the link between effective skills training and improved productivity and global competitiveness;
- Create avenues for training delivery and certification processes that are efficient, effective, and flexible; and
- Ensure labour mobility under the Agreement on Internal Trade; the Trade, Investment and Labour Mobility Agreement; and any other trade agreements to which the government may become a party, to ensure appropriate recognition of worker skills developed elsewhere, and to support multi-lateral and bi-lateral labour mobility initiatives.

## **SPECIFIC CORPORATION ACCOUNTABILITIES**

To achieve this mandate, the Corporation is directed to take the following specific actions, in accordance with performance measures outlined in the accompanying Service Level Agreement Letter:

1. Continue to work closely with the Ministries of Jobs, Tourism and Skills Training, Education and Advanced Education, Innovation and Technology, and others as required, to implement the following initiatives under the Canada Starts Here: BC Jobs Plan - Skills and Training Action Plan:
  - a) Expand opportunities for youth to begin training for trades careers prior to graduation, by increasing the capacity in K-12 apprenticeship programs by 50% by 2015/16;
  - b) Increase the number of apprentices who complete trades training programs, and the number of employers/sponsors who participate in apprenticeship training through improved web portal and services and new coaching supports for apprentices and employers;
  - c) Implement flexible apprenticeship training initiatives (e.g. front-end loaded delivery models) that reduce the amount of time apprentices must spend away from the

workplace and/or enhance the productivity of new apprentices as they begin the workplace-based components of their training program, while maintaining the quality, depth of training and certification reputation. The Industry Training Authority is to work with Industry Training Organizations, public and private training institutions and others to design, implement and evaluate such initiatives; and

- d) Develop and implement “Trades Recognition BC”, an initiative to accelerate the development and implementation of competency-based assessment tools and processes for high demand trades between April 2013 and March 2015 to support the domestic and offshore recruitment and certification of semi-skilled trades workers. As part of this initiative, the Industry Training Authority is also directed to work with Industry Training Organizations and public and private trainers to develop “gap training” initiatives to provide workers participating in Trades Recognition BC assessments with the specific skills they need to gain their trades credentials as quickly as possible.
2. Continue expanding opportunities for industry input into BC’s industry-driven trades training system.
3. Conduct a review of national and international best practices in apprenticeship training on an annual basis, and, where appropriate, apply the lessons learned to BC’s industry training system.
4. Provide quarterly progress reports on each of the actions identified in 1 and 2, and the implementation activities referenced in Service Level Agreement letter, in addition to the current reporting requirements.

#### **GENERAL CORPORATION ACCOUNTABILITIES**

Over the past decades, British Columbians have come to expect high quality products and services delivered by their Crown corporations. The Province is well served by our Crown corporations and it is up to the Boards and Senior Management teams of these organizations to manage in the best interests of the Province and our citizens.

For those Crown corporations that are commercial entities, they are expected to earn positive returns for their shareholders, the people of British Columbia, to help provide health care, education and other critical social services required by our growing and aging population.

As a Crown corporation, it is critical that the operations of the entity be done as efficiently as possible, in order to ensure families are provided with services at the lowest cost possible. In addition, it is expected that Crown corporations, to the greatest extent possible, participate in the Government’s open data and public engagement opportunities.

British Columbians rightly expect openness and transparency from both their Government and Crown corporations and it is incumbent upon both parties to be as open and transparent as possible with citizens.

Government sets broad policy direction to ensure the Corporation's operation and performance is consistent with government's strategic priorities and Fiscal Plan, and as such, the Corporation will:

- Ensure that the Corporation's priorities reflect Government's goals of putting families first; creating jobs and building a strong economy; and open government and public engagement;
- Ensure that prior to commencing collective bargaining or initiating changes to non-union compensation on or after January 1, 2012, coordination with Government occurs to develop detailed plans for funding proposed compensation changes or other incentives under the Province's Cooperative Gains Mandate and to ensure clarity on the applicability of the freeze on executive and management compensation announced on September 14, 2012. Savings plans must be based on real savings that are measurable and incremental to existing business plans that are included in the Province's budgets and three-year fiscal plan. They must not include proposals for:
  - increased funding from Government,
  - reductions in service, or
  - transferring the costs of existing services to the public.

However, plans may also include new revenue generation opportunities that are voluntary in nature to consumers and taxpayers.

In any year, incremental realized savings/revenues must fully offset incremental costs of compensation increases.

Savings and bargaining plans must be reviewed and approved by Government before any proposed changes to union or non-union compensation are made. Any changes to an approved plan also require approval by Government.

Commencing the effective date of any changes to the collective agreement and/or non-union compensation plans, the Corporation must report to Government on the implementation of a plan, including information on progress in meeting savings targets. The frequency and metrics used in that reporting will be defined by Government in consultation with the Corporation;

- Government is undertaking reviews of all Crown corporations. The Corporation is expected to participate in the review as requested, and to implement the recommendations of the review;
- A review of executive compensation in Crown corporations and related recommendations were provided to government by a working group of Crown corporation board chairs in July, 2012.

Government has responded to those recommendations by changing elements of its executive compensation policies for Crown corporations. These policies are found at [http://www.fin.gov.bc.ca/psec/disclosedocs/crown\\_corporation\\_executive\\_compensation\\_july\\_2012.pdf](http://www.fin.gov.bc.ca/psec/disclosedocs/crown_corporation_executive_compensation_july_2012.pdf) and include the requirement to incorporate the performance priorities articulated in this letter in any performance-related compensation the board establishes for executives. Boards should be familiar with this policy and contact the Public Sector Employers' Council Secretariat for assistance in applying it;

- Conduct its affairs with the principles of integrity, efficiency, effectiveness, and customer service;
- Display annual *Financial Information Act* – Statement of Financial Information and Executive Compensation Disclosure Schedules, a Remuneration for Appointees to Crown Agency Boards Schedule and Corporate Governance Disclosure in an easily accessible website location;
- Inform Government immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan;
- Ensure that any planned deficit spending or use of the retained earnings is approved in advance by Treasury Board;
- Comply with Government's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;
- Ensure Government is advised in advance of the release of any information requests by the Corporation under the *Freedom of Information and Protection of Privacy Act*;
- Ensure any debit/credit card payment services provided to the public are in compliance with the international *Payment Card Industry Data Security Standards*;
- For Corporations subject to the *Public Sector Employers Act*, ensure the Corporation's membership in the Crown Corporation Employers' Association is in good standing;
- Annually assess the Board appointment process to ensure that succession results in a balance of renewal and continuity of Board membership, and provide the results of this assessment to the Shareholder for consideration;
- Ensure that Board appointments to Crown corporation subsidiaries comply with Board Resourcing and Development Office's Best Practice Guidelines and are approved by Cabinet; and

- Comply with Government's requirement that lobbyists not be engaged to act on behalf of the Corporation in its dealings with Government.

## **GOVERNMENT'S RESPONSIBILITIES**

### **SPECIFIC GOVERNMENT RESPONSIBILITIES**

Specific to the Corporation, Government will:

- consult with the Corporation in developing the government's annual expenditure and capital plans, in order to consider the financial requirements of the Corporation;
- consult with and seek input from the Corporation on relevant programming when considering proposed trades-related capital expansion at public post-secondary institutions;
- consult with and continue to work with the Corporation on periodic reviews of facility capacity and requirements for effective delivery of trades training;
- work with the Corporation and Industry Training Organizations to assess trades-related supply and demand on a regional basis and will produce an annual regional trades labour market information report to support planning for training delivery; and
- On a quarterly basis, meet with the Corporation to review the achievement of the goals, objectives, performance and financial targets and risk assessments identified in the GLE and accompanying Service Level Agreement Letter.

### **GENERAL GOVERNMENT RESPONSIBILITIES**

Government is responsible for the legislative, regulatory, and public policy frameworks in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, Government will:

- Issue performance management guidelines, including annual guidelines for Service Plans and Annual Service Plan Reports (<http://www.gov.bc.ca/caro/publications/index.html>);
- Review and provide feedback and final approval of the Corporation's Service Plans and Annual Service Plan Reports; and
- On a quarterly basis, meet with the Corporation to review the achievement of the goals, objectives, performance and financial targets and risk assessments identified in the Corporation's Service Plan, and provide direction to the Corporation as required.

Government has developed the following policies and resources to support the Ministries and Corporations with their regulatory and public policy requirements:

- [Shareholder's \(Government's\) Expectations Manual for British Columbia's Crown Agencies](#)
- [Best Practice Guidelines – BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations](#)
- [Remuneration Guidelines for Appointees to Crown Agency Boards](#)
- [Capital Asset Management Framework](#)

## AREAS OF SHARED ACCOUNTABILITY

### REPORTING

Government and the Corporation are committed to transparency and accountability to the public and have reporting and disclosure requirements in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and/or the *Financial Information Act*. Government provides an Information Requirements and Events Calendar (<http://www.gov.bc.ca/caro/publications/index.html>) to the ministries responsible and the Corporations that set out the dates the Crown corporations must submit their financial information, service plans, annual service plan reports, and other information to government in order to meet the statutory reporting dates and other government requirements.

The parties agree that each will advise the other in a timely manner of any issues that may materially affect the business of the Corporation and/or the interests of Government, including information on any risks to achieving financial forecasts and performance targets.

The Corporation will post the most recent signed copy of the Government's Letter of Expectations on its website and the Crown Agencies Resource Office will post a signed copy of the Letter on its website.

### REVIEW AND REVISION OF THIS LETTER

The Minister of Jobs, Tourism and Skills Training is accountable for undertaking reviews of this Letter and monitoring its implementation. Government and the Corporation may agree to amend this Letter on a more frequent than annual basis.



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Honourable Pat Bell  
Minister of Jobs, Tourism and Skills Training



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Frank Pasacreta  
Chair, Industry Training Authority

December 14, 2012

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Date

Dec 28 2012

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Date

cc. Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Peter Milburn  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Sheila Taylor  
Associate Deputy Minister  
Ministry of Finance

Dave Byng  
Interim Deputy Minister  
Ministry of Jobs, Tourism and Skills Training

Kevin Evans  
Chief Executive Officer  
Industry Training Authority