

# Annual Report



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# The Organization in 2022

Technical Safety BC is an independent, self-funded organization that oversees the safe installation and operation of technical systems and equipment across the province. In addition to issuing permits, licences, and certificates, we work with industry to reduce safety risks through assessment, research, education and outreach, incident investigations, and enforcement.

We deliver safety services across the following technologies in the province:

- Electrical equipment and systems;
- natural gas and propane appliances and systems, including hydrogen;
- boilers, pressure vessels, and refrigeration systems;
- elevating devices, such as elevators and escalators;
- passenger ropeways, such as aerial trams and ski lifts;
- amusement rides and devices;
- railways, including commuter rail, common carrier rail, and heritage rail;
- complex and integrated technical systems involving several technologies.

The safety services we deliver include:

- Assessing technical work and equipment, including collecting information through in-person and remote assessments, incident investigations, and registering new equipment and designs.
- Certifying individuals and licensing contractors and operators to perform regulated work.
- Supporting clients in the development of safety management approaches, and auditing their safety management plans or equivalent standard approaches.
- Educating and sharing technical systems safety information with our clients and the broader public to better control risks.
- Taking enforcement actions that promote an equitable safety system where all participants are compliant with regulations.
- Conducting research, including contributing to provincial and national safety code development and updating regulations for the technologies we serve.

We operate within a legislative and regulatory framework that includes the:

- Safety Authority Act
- Safety Standards Act and Regulations
- Railway Safety Act and Regulations
- Freedom of Information and Protection of Privacy Act
- Workers Compensation Act
- Ombudsperson Act
- Public Interest Disclosure Act
- Offence Act

# Our Strategy

In 2022, we launched our new Strategy, designed to equip our organization with the resiliency and agility required to support a robust safety system in changing social, environmental, and economic conditions.

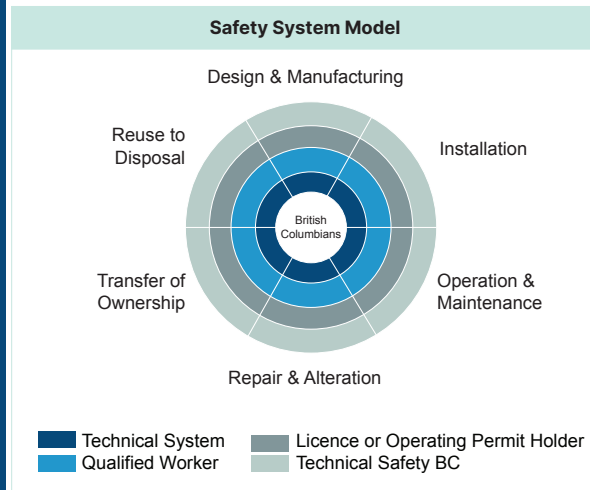
**We aspire to build confidence in a safety system that improves the wellbeing of British Columbians.**

## Safety is a Shared Responsibility

Workers, licence or permit holders, manufacturers, associations, trade unions, consumers, regulators, and government all have a role to play.

Safety requirements, risks, and participants change throughout the lifecycle of equipment.

We assess what protections are in place at every stage: design and manufacturing, installation, operation and maintenance, repair and alteration, transfer of ownership, reuse to disposal.



Our model of the BC Safety System describes how people influence the safety of technical equipment throughout its lifecycle.

## Our Values Reflect Our Vision for Safe Technical Systems. Everywhere.

### We See Genius in Diversity

When we each bring our unique perspective to the table, in the spirit of collaboration and respect, ideas improve and our impact on the safety system becomes greater.

### We Foster Confidence

We communicate directly, listen actively, explain our decisions, and share what we know to build confidence in each other, our organization, and the safety system.

### We Make the Complex Simple

Through simplification of our initiatives, we promote understanding and engagement, making safety accessible to everyone.

### We Adapt

As society changes, we create and adopt new ideas, skills, and tools that will enable us to meet the safety challenges of a highly connected world.

## We Have Chosen Six Areas of Focus

<b>Risk-based Oversight</b> We identify, evaluate, and prioritize technical safety risks.	<b>Safety Behaviour</b> We address the decisions and behaviours that lead to technical failure.	<b>Safety Information Ecosystem</b> We partner with safety-minded organizations to pool data and act on insight.
<b>Client Success</b> We deliver value to clients, lower barrier to participation, and pursue a level playing field.	<b>Sustainability</b> We prioritize the long-term health of the safety system, the environment, and our organization.	<b>Cultural Leadership</b> We invest in the expertise of people and stimulate a culture that is willing and able to innovate.

## We Build Capabilities in Execution that Advance Safety at Scale

- ✓ Learning**  
Leverage field expertise, research, and analytics to understand safety system risks and their root causes.
- ✓ Partnership and Collaboration**  
Work with organizations, clients and partners to design and run the safety system.
- ✓ Agility**  
Respond to the changing environment using a human-centric mindset.
- ✓ Digitalization**  
Use technology to achieve scale and support data-driven decision-making.
- ✓ Product and Program Design**  
Develop interventions that deliver safer outcomes and value to participants.

## We Measure the Outcomes of Our Efforts

<b>Safety Behaviour</b> How effective are we at influencing people in the system to make safety-minded decisions?	<b>Safety System Risk</b> How effective are we at identifying, understanding, and reducing risk across the safety system?	<b>Financial Sustainability</b> Are we managing our financial choices so that we can increase value to clients and stakeholders?	<b>Market Participation</b> Are we increasing adoption of safety protocols?	<b>People</b> Is our culture enabling the performance of the organization?
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“I am very proud of how the organization is working with partners from across the safety system to identify and address hazards and to help people make informed, safety-minded decisions.”

## Letter from the Chair of the Board

As British Columbians continue to adapt to the decline of the global pandemic, they do so under a new set of economic uncertainties, with inflation, rising interest rate pressures, and continuing supply chain and labour challenges. While the construction industry remained robust throughout the pandemic, in 2022 the industries we regulate started to see signs of weakness as consumers and industry slowed investments in housing and infrastructure.

Despite these challenges, Technical Safety BC continued to make progress towards its vision of Safe technical systems. Everywhere.

For the first time in over a decade we welcomed a new President and Lead Executive Officer, Phil Gothe. Phil oversaw the launch of a new organizational strategy designed to build trust and confidence in our safety system. With clear focus and measurable outcomes, this strategy will guide initiatives and investments that will improve transparency, accessibility, value-for money, and safety for years to come.

With the new strategy and 2022-2024 Business Plan in play, the organization made notable progress on key initiatives in 2022. We continued to move forward with a multi-year business transformation initiative, digitalizing services and simplifying tools to facilitate access to the safety system. We also made significant progress to advance reconciliation efforts with Indigenous communities, including working with the Tk'emlúps te Secwépemc people on an Indigenous Nations Safety Initiative and consulting with them on the tragic ammonia incident that occurred at an ice

making facility on reserve land in Kamloops this past May. In addition, as an independent, self-funded organization, Technical Safety BC carefully managed its financial commitments, continuing to deliver core services, invest and innovate, while balancing increased resource constraints.

This year we welcomed Wency Lum to our Board of Directors. We are excited about the expertise that Wency brings to our organization. I'd also like to extend my gratitude to retiring Board member Judy Cavanagh for her commendable service to public safety in British Columbia.

As we look ahead, I am optimistic about the future of Technical Safety BC and its impact on our Province. I am very proud of how the organization is working with partners from across the safety system to identify and address hazards and to help people make informed, safety-minded decisions.

To learn more about Technical Safety BC's activities, safety incidents of note, and the organization's ongoing efforts to make the province safer, I invite you to view our [2022 State of Safety report](#).

**George Abbott**  
Chair of the Board

“I would like to express my sincere appreciation to every member of our Technical Safety BC team, and to you, our clients, and partners. Thank you for your commitment, skills, ideas, and for all that you have contributed to the safety system over the past year.”



## Letter from the President and Lead Executive Officer

As I look back on the year, my first full year as President and Lead Executive Officer, I am delighted by the progress we have made in defining and building the collective ownership and confidence in British Columbia's safety system. Safety is a shared responsibility, and it is through the combined efforts of our team, clients, partners and the public that the province is safer for everyone.

This year we introduced a new strategy for Technical Safety BC that sets the framework for what we are calling 'safety at scale'. Safety at scale means a more effective, equitable, and efficient safety system. It includes identifying and removing the barriers that limit access, a more people-centric approach to making processes simple and user-friendly, and using technology to augment human decision-making. Additionally, it will allow us to focus on future-proofing the safety system as current technologies age, new technologies emerge, and the environment changes.

For our clients and partners, I hope you've seen increased value in your interactions with us. We are focused on creating more ways for you to access our services, including streamlining and simplifying our products and services, and making it easier to interact with us online or by phone. We are also improving resources such as our [Find a Licensed Contractor](#) tool, adding historical safety information and making it easier for people to find a contractor who is properly licensed and qualified to perform regulated work.

We have also expanded our incident investigation work, using a combination of data and experience

to complete 81 investigations caused by unsafe conditions created by unqualified workers, system failures, or poor asset management choices. These investigations allow us to identify, understand, and reduce incidents by sharing our learnings and recommendations to help prevent similar occurrences, not just in BC, but across Canada.

Looking ahead, our team will continue to help British Columbians and the safety system adapt to the ongoing impacts of climate change. This is a generational challenge, one that will continue to receive our focus as we assess and address emerging risks over the lifecycle of technologies and to aid in recovery after extreme weather events. We will also explore ways to enable the safe adoption of new technical systems through appropriate regulation and other approaches.

I would like to express my sincere appreciation to every member of our Technical Safety BC team, and to you, our clients, and partners. Thank you for your commitment, skills, ideas, and for all that you have contributed to the safety system over the past year.

A handwritten signature in black ink, appearing to read 'Phil Gothe', written over a light blue horizontal line.

**Phil Gothe**  
President & Lead Executive Officer

# Report on Performance

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# Report on Performance

This past year continued to challenge our province. While still navigating the evolving impacts of the pandemic, we experienced global supply chain issues, unprecedented inflation, and faced more extreme weather events related to climate change. Through it all, we were able to harness learnings from these crises to focus on resilience and agility. Our organization continued to adapt quickly to support our clients and to improve how people can participate in the safety system more easily and effectively.

We continue to transform our core IT systems, enable digitalization of our business, simplify products and processes, improve the client and employee experience, and advance the safety information ecosystem. This multi-year digital transformation project will empower our clients and employees with better processes and tools. It will also help us identify safety trends much faster, meaning we will be able to further prioritize the development of timely and impactful programs, products, and services.

In 2022, we established six strategic priorities to progress towards our organizational vision of Safe technical systems. Everywhere.

These six priorities are:

- 1. Risk-based Oversight:** Identify, evaluate, prioritize, and address hazards.
- 2. Safety Behaviour:** Focus on the needs, knowledge, and mindset of safety system participants to design programs and products that provide value to clients and promote safety-minded behaviours.
- 3. Safety Information Ecosystem:** Partner with other organizations with a shared interest in safety to share data and act on insight.
- 4. Client Success:** Facilitate access to, and participation in, the safety system.
- 5. Sustainability:** Prioritizing the long-term sustainability of the safety system, the environment, and our organization.
- 6. Cultural Leadership:** Engage and empower employees to innovate in a dynamic environment.

These priorities drive our current business plan and prepare us for the years ahead by building on the foundations of the safety system, ensuring we adapt to the changing world, transforming our organization for the future, and carefully managing our financial commitments and sustainability.

Looking ahead to the next three years, we have a solid [2023-2025 business plan](#) and our [Strategy](#) to guide us. Safety depends on decisions made by people participating in the safety system, working together to manage safety risks when installing, operating, and maintaining technical systems. Our priority over the next three years will be to continue to invest in the foundational tools and processes that enable our employees and clients to better perform their core safety-oriented work, building trust and confidence in the safety system for years to come.

# Agility, Prioritization, and Resilience: Our Path to Thrive

Our [2022 Business Plan](#) outlined a portfolio of strategic initiatives and operational programs and services. Throughout the year, these initiatives evolved based on the needs of our clients, the resources available, the financial performance of our organization, market conditions, and our need to adapt to changing circumstances.

The advantage gained from adopting an agile business planning approach was the ability to direct the right resources at the right time, within our prioritization model, when faced with new challenges or opportunities. This agile approach also ensured we could successfully continue to deliver core capabilities and services to create a safer British Columbia.

As our province continued to navigate a lot of uncertainty, our organization was able to adapt accordingly, and we achieved some great success towards strengthening the safety system. Here is a snapshot of what we accomplished:

- To improve the safety of electrical equipment across the province, we adopted a new edition of the Canadian Electrical Code that includes changes to support the safe installation of electrical systems and equipment for electrical workers.
- To make it easier for our clients to take out the right permits, at the right time, and in the right place, we launched a Municipal Jurisdiction pilot project for the City of Victoria. This included improvements to our online portal to help reduce potential errors and improve the experience for clients who work in multiple jurisdictions.
- To improve the safety of gas technical equipment across the province, changes to the BC gas installation codes have been adopted into the Gas Safety Regulation.
- We developed and published our Environment, Social and Governance commitment framework, including measures and targets, designed to address the most significant risks and opportunities in the areas of climate action and equity, diversity and inclusion, and Indigenous reconciliation and partnerships.
- We piloted our first mobile app with Elevating contractors to test usability with elevating mechanics and validate efficiency and efficacy of remote assessments for construction hoist extension inspections.
- We collaborated with the Tkemlúps te Secwépemc people on an Indigenous Nations Safety Initiative in partnership with WorkSafeBC; and on an ammonia gas release incident that occurred on reserve land in consultation with our incident investigations and operations teams.
- We updated the [Find a Licensed Contractor tool](#), offering a modernized and accessible digital experience and extending the lookup information available to users by including contractor enforcement information (if applicable). Enforcement information includes compliance orders, monetary penalties, and discipline orders.
- As part of our climate resiliency program, we developed a climate hazard inventory for gas, electrical, boilers, pressure vessels and refrigeration, and elevating devices. We also researched opportunities to enable the safe adoption of low-carbon technologies that will inform the development of key pilot projects.
- To improve the number of safety insights and accuracy of Structured Resource Allocation-a program that prioritizes safety officer assessments towards the most likely sources of risk in the field - we have updated and piloted new hazard maps for the gas technology and carbon monoxide poisoning. These maps are a key input for prioritizing assessments and help us to identify, evaluate, prioritize and address hazards.

- We improved how we share the findings from our incident investigations by providing the learnings, and recommendations to industry, the public, and other safety partners to enhance awareness and prevention measures. For example, to share the investigation findings from two gas line explosion incidents, we developed a public outreach strategy that included more engaging [website content](#) and increased media relations. We also presented findings and learnings from the reports at the Canadian Common Ground Alliance Damage Prevention Symposium.
- We continued to work with the Building and Safety Standards Branch on proposed changes to the amusement devices program including new training and safety plan requirements. We also hosted several town halls and advisory committee meetings to inform and engage industry in the development of potential oversight tools.
- To help educate the public and increase safer practices when accessing regulated technology, we ran public safety campaigns for extreme weather (flood and fire safety), carbon monoxide safety, chairlift safety, home renovations (hire a licensed contractor), and our ammonia safety awareness program.
- We introduced changes to the Safety Standards General Regulation requiring licensed contractors to publish their company name and Technical Safety BC licence number when advertising their services to the public. Requiring contractors to include this information in their advertising will help deter unlicensed workers from advertising fraudulent services and educate the public on the importance of licensed work.
- We moved our organization to a fully-hybrid work model to allow our employees the flexibility to work from home while adopting more in-person connections.
- As part of our digital transformation journey, we launched our [new website](#) to create a more user-friendly experience for clients, partners, and the public, regardless of location, ability, device, technology limitations or situational boundaries.
- We launched an initiative to engage licensed contractors and learn about the experiences and challenges they've had with licensing. This also provided an opportunity to hear their ideas and priorities around improving the licensing function.
- We started offering in-person client engagement and education events again, providing valuable opportunities for safety officers to connect with clients. We also reopened several offices allowing us to offer both in-person and remote exams, creating more accessibility and opportunities for equity.

# Corporate Governance

The Safety Authority Act created BC Safety Authority (now operating as Technical Safety BC) and contains the basic rules by which the organization is governed. The Act is supplemented by a Board Governance Manual, Administrative Agreements with the Province of BC, and Protocol Agreements.

# The Board



**George Abbott** Chair of the Board

**Location:** Victoria, BC

**Director since:** January 6, 2014

**Latest date for retirement:** April 1, 2027

**Appointed by:** Board

**Positions held:** Ex officio, Governance & Human Resources Committee;  
Ex officio, Finance & Audit Committee; Ex officio, Strategic Advisory Committee

George Abbott is a veteran politician with a PhD in political science at the University of Victoria. First elected as an MLA for the Shuswap in 1996, George has served as Minister of Education, Minister of Aboriginal Relations and Reconciliation, Minister of Health, Minister of Community, Aboriginal and Women's Services, and Minister of Sustainable Resource Management.

George was Deputy House Leader for the Official Opposition and critic for municipal affairs and forests. He was Deputy Chair of the select standing committees on Forests, Energy, Mines and Petroleum Resources, and was a member of the select standing committee on Aboriginal Affairs. Additionally, he sat on the Official Opposition Caucus Committee on Crime.

Before his election to the Legislative Assembly, George was a political science instructor at Okanagan University College. He also owned the oldest and largest berry farm in the Interior.



**Jeremy Black**

**Location:** Whistler, BC

**Director since:** April 2, 2017

**Latest date for retirement:** April 1, 2023

**Appointed by:** Board

**Positions held:** Chair, Finance & Audit Committee

Jeremy Black is a Chartered Professional Accountant (CPA) and business executive with nearly 30 years of varied business, financial, and leadership experience.

Jeremy is the Chief Financial Officer of Metrie, a large, privately-owned manufacturer and distributor of specialty building products. Before Metrie, he was the Senior Vice President and Chief Financial Officer of Whistler Blackcomb where he led finance, investor relations, information technology, and strategy development initiatives for the largest and most visited four-season mountain resort in North America.

Prior to joining Whistler Blackcomb in 2013, Jeremy was the Vice President, Business Development & Corporate Secretary of Ritchie Bros. Auctioneers. In addition to bringing significant financial expertise to the board, he brings an in-depth knowledge of safety and risk management, including experience as an asset owner responsible for multiple technologies overseen by Technical Safety BC.



## Judy Cavanagh

**Location:** New Westminster, BC

**Director since:** July 3, 2019

**Retired:** July 3, 2022

**Appointed by:** Minister

**Positions held:** Member, Governance & Human Resources Committee;  
Member, Strategic Advisory Committee

Judy Cavanagh is currently a consultant with The Cavanagh Group. Previously she was an executive director for Operations and Strategic Initiatives with the Office of the Premier, former Deputy Minister of Government Priorities and Women's Equality, and Assistant Deputy Minister with Intergovernmental Relations, Human Resources and Women's Equality.

She has also served as a Director of AgSafe BC and Oxfam Canada. She holds a Bachelor of Arts in sociology and anthropology from Simon Fraser University in Vancouver.

Judy lives in New Westminster, BC.



## Jeremy Coughlin

**Location:** Delta, BC

**Director since:** February 18, 2020

**Latest date for retirement:** February 17, 2026

**Appointed by:** Board

**Positions held:** Member, Strategic Advisory Committee;  
Member, Finance & Audit Committee

Jeremy Coughlin is currently the Vice President of Enterprise Analytics for Coast Capital Savings. He oversees all aspects of data management and analytics for the company. Jeremy brings with him a wealth of experience in the data analytics industry.

Prior to joining Coast Capital Savings, Jeremy held a director position at Ritchie Bros and led major strategic data initiatives to develop robust company performance markers. He holds an MBA in Technology Commercialization as well as a B.Sc. in Psychology, both from the University of Alberta.



## Neil Cumming

**Location:** Richmond, BC

**Director since:** March 31, 2016

**Latest date for retirement:** January 6, 2023

**Appointed by:** Board

**Positions held:** Member, Governance & Human Resources Committee;  
Member, Finance & Audit Committee

Neil Cumming is a civil engineer and business leader with extensive experience in civil engineering, business management and project management in BC.

He is a former President and CEO of Levelton Consultants Ltd. where he enjoyed success in a number of technical, managerial and leadership positions.

Neil has been active with numerous business practice and technical committees of the Canadian Standards Association, the American Concrete Institute, Engineers and Geoscientists BC, and the Canadian Construction Documents Committee. He was a Director of the Consulting Engineers of BC (now ACEC-BC) from 2001-05, and served as President in 2003-04. He has also served on the national board of directors of the Canadian Council of Independent Laboratories.



## David Guscott

**Location:** Vernon, BC

**Director since:** April 1, 2018

**Latest date for retirement:** March 31, 2024

**Appointed by:** Board

**Positions held:** Chair, Governance & Human Resources Committee

David Guscott is an experienced and accredited board member having served on eight boards in BC and Ontario. He recently retired as president and CEO of E-Comm911 where he worked with municipalities, fire, police, and ambulance across BC to grow E-Comm to become the largest 9-1-1 emergency call centre in Canada, driven by a strong vision for service and accountability.

David came to BC in 2006 to join VANOC where he was Executive Vice-President for Celebrations and Partnerships for the 2010 Olympic and Paralympic Winter Games. He was Deputy Minister of three ministries in Ontario including Transportation, Labour, and Communications.

He brings to the board extensive experience in developing partnerships with municipalities; a strong technical background in public safety, transportation, and environmental management; as well as broad board experience.

David has a Masters of Public Administration from Queen's University.





## Ivan Limpright

**Location:** Abbotsford, BC

**Director since:** July 3, 2019

**Latest date for retirement:** July 3, 2025

**Appointed by:** Minister

**Positions held:** Member, Finance & Audit Committee;  
Member, Governance & Human Resources Committee

Ivan Limpright is the former President of United Food and Commercial Workers Union (UFCW), the largest private sector union in British Columbia. Previously, he held positions such as secretary/treasurer, director, and union representative with UFCW.

Active in his community, Ivan has also served as Director for BC Forum and Concert Properties Limited, Chair of the Board of Trustees for UFCW's pension plan, and as Chair of the Board of Trustees for UFCW's Health and Welfare Benefits Plan.

He studied labour relations at the Labour College of Canada and attended the Labor and Worklife Program at Harvard Law School.

He lives in Abbotsford, BC.



## Wency Lum

**Location:** Victoria, BC

**Director since:** July 3, 2022

**Latest date for retirement:** July 3, 2025

**Appointed by:** Minister

Wency Lum is an Associate Vice-President University Systems and Chief Information Officer (CIO) at the University of Victoria (UVic) and is responsible for the institution's Information Technology (IT) strategy, policy, governance and projects to enable UVic's academic, research and administrative functions. Wency has held several IT leadership positions within the Government of British Columbia. She has worked as an information security consultant for multiple industry sectors in the US and began her career implementing financial and supply chain management systems for United Nations peacekeeping missions.

Wency serves on Boards for BCNET, the higher education shared services organization for BC's 25 post-secondary institutions; the Canadian University Council of CIOs; and the Victoria Foundation. She holds a Bachelor of Science from McGill University and a Master of Business Administration from the University of Victoria.





## Nancy Olewiler

**Location:** Vancouver, BC

**Director since:** April 1, 2018

**Latest date for retirement:** March 31, 2024

**Appointed by:** Board

**Positions held:** Member, Finance & Audit Committee;  
Member, Strategic Advisory Committee

Nancy Olewiler is an economist and professor of the School of Public Policy at Simon Fraser University. She holds a PhD in economics from the University of British Columbia and her areas of research include natural resource and environmental economics and public policy.

She has published widely on a range of environmental and natural resource issues, including studies on energy and climate policy, natural capital and ecosystem services, managing catastrophic risk, and federal tax policy. She has served on federal and provincial government advisory committees and currently is Co-Chair of BC's Climate Solutions Council, a member of two expert committees for the Canadian Climate Institute (Mitigation and Adaptation), a member of the External Advisory Committee on Regulatory Competitiveness, and Chair of the Macroeconomic Accounts Advisory Committee for Statistics Canada. Nancy has served on the boards of TransLink, BC Hydro, and the Pembina Institute, and currently sits on the boards of the Institute for Research on Public Policy and GenomeBC.



## Daniel Smythe

**Location:** Mission, BC

**Director since:** April 11, 2021

**Latest date for retirement:** April 10, 2024

**Appointed by:** Board

**Positions held:** Member, Strategic Advisory Committee;  
Member, Governance & Human Resources Committee

Daniel Smythe is an Associate Professor, Electrical Instruction at the University of the Fraser Valley and is actively involved with Advisory Groups and Committees within the University.

He has been in the electrical contracting industry since 2007, both as a past owner and operator of Zimcan Electrical Contracting, and as a licensed Red Seal Construction Electrician. He also holds a Field Safety Representative certification. As an active member of the BC Electrical Instructors Articulation Committee and past Chair of the Curriculum Sub-committee, he supported collaboration among training providers related to apprenticeship training programs across BC.

He is actively involved with Skills Canada BC sitting as a BC Technical Chair and is also a BC Representative on the National Technical Committee (Electrical Installations). Daniel brings with him a wealth of knowledge of safety and technical issues within the safety system which Technical Safety BC regulates.



## Gail Stephens

**Location:** Victoria, BC

**Director since:** December 7, 2017

**Latest date for retirement:** December 7, 2023

**Appointed by:** Minister

**Positions held:** Chair, Strategic Advisory Committee

Gail Stephens brings more than 20 years of experience leading large, complex organizations to the Technical Safety BC board of directors. Her past experience includes serving as CEO of the British Columbia Pension Corporation and as the Chief Administrative Officer for the City of Winnipeg and City Manager for the City of Victoria.

Most recently, Gail was the startup Chief Operating Officer, then interim President and Chief Executive Officer for the Canadian Museum of Human Rights, where she led the museum and its management departments through its first few years of operation.

Gail has sat on numerous boards, including Coast Capital Savings, the David Foster Foundation, Via Rail Canada Inc., and the BC Industry Training Authority. She is currently the President of Gail Stephens Consulting, which provides management consulting services.



## Ken Tourand

**Location:** Merritt, BC

**Director since:** January 7, 2020

**Latest date for retirement:** January 6, 2026

**Appointed by:** Board

**Positions held:** Member, Finance & Audit Committee;  
Member, Governance & Human Resources Committee

Ken Tourand is President and CEO of the Nicola Valley Institute of Technology (NVIT), BC's Indigenous public post-secondary institution.

Prior to taking on this role in 2010, he worked in a variety of senior management and leadership roles with NVIT, where he has worked since 1995.

Ken serves on the board of directors for the BC Association of Institutes and Universities and is past chair of the Colleges and Institutes Canada (CICAN) Indigenous Advisory Committee where he led a national committee responsible for development of a national Indigenous protocol for post-secondary institutions. He currently sits as an Advisory member for the BC Aboriginal Business Awards.

Ken has an undergraduate degree in business administration from Simon Fraser University and a Master of Arts in leadership and training from Royal Roads University.



## Angela Wesley

**Location:** Terrace, BC

**Director since:** January 7, 2020

**Latest date for retirement:** January 6, 2026

**Appointed by:** Board

**Positions held:** Member, Governance & Human Resources Committee;  
Member, Strategic Advisory Committee

Angela Wesley started Wes-Can Advisory Services in 1992-a consultancy which provides advisory and facilitation services to First Nations and other governments throughout British Columbia in the areas of strategic planning, land management, community development, communications, community engagement, and capacity building.

She has extensive board experience, having been appointed to the BC Treaty Commission by the Province of BC in December 2018; serving as President/Chair of the HFN Group of Businesses since 2010; and Director of the BC Land Title and Survey Authority since September 2017.

Angela also has extensive experience working within First Nations and between First Nations and governments. She represents signatories to the Maa-nulth Treaty; served as legislative chairperson for the Huu-ay-aht First Nations; and was land claims manager for the Nuuchahnulth Tribal Council in Port Alberni. Angela has a certificate in aboriginal governance from the University of Arizona, and has held the Institute of Corporate Directors' Director designation since 2016.

## The Role of the Board

Technical Safety BC is governed by a Board of Directors that provides oversight and ensures that we are prudent, transparent, and collaborative in our practices. The Board has the fiduciary responsibility to oversee the conduct of our business and ensure that all major issues affecting the business and affairs of the organization are given proper consideration. In performing its functions, the Board also considers the legitimate interests of industry, communities, and government.

## Director Selection

Directors are appointed on the basis of merit; they must meet the qualifications established in the Safety Authority Act; and abide by a [code of conduct](#) and our [governance manual](#).

The Safety Authority Act states that the Board will consist of at least nine, but no more than 15, members. The Minister may appoint up to three directors. The remaining directors are appointed by the sitting directors. Non-government candidates for the Board are screened and shortlisted by a nominating committee based on their knowledge, skills, diversity, and abilities. The directors make final selections from a list of suitable candidates provided by the nominating committee.

As of December 31, 2022, the Board consists of twelve members, three of whom were appointed by the Minister.

## Committees of the Board

The work of the Board is supported by committees that provide additional focus on matters such as:

- financial affairs, audits, insurance and investments;
- governance and nominating functions, President and Lead Executive Officer performance evaluation and recruitment, compensation and other human resources matters;
- technical and enterprise risk oversight;
- regulatory development and compliance; and
- strategic advice and oversight.

The 2022 committee structure included the:

- Finance and Audit Committee;
- Governance and Human Resources Committee; and
- Strategic Advisory Committee.

Each committee operates according to a Board-approved mandate outlining its duties and responsibilities. When required, these committees make recommendations to the Board for approval.

## The Finance and Audit Committee

The Finance and Audit Committee assists the Board in fulfilling its oversight responsibilities relating to financial reporting, treasury management, accounting systems, budgets, internal controls, and the audit process. The Chair of the Finance and Audit Committee is required to be a financial expert.

The Finance and Audit Committee's major accomplishments in 2022 included the following:

- Provided oversight to management's financial risk management policies and procedures, including the implementation of the Investment Strategy to align with the revised Marketable Investment Policy.
- Reviewed Technical Safety BC's investment portfolio and reserve requirements.
- Reviewed and approved the Spending Authority Policy and provided oversight to management's internal financial controls framework.
- Reviewed the 2021 financial statements, notes to the financial statements and Management Discussion and Analysis with management and the external auditor.
- Reviewed the external auditor's plan to audit the 2022 annual financial statements.
- Reviewed and approved the 2023 Operating and Capital Budget to support delivery of strategic priorities outlined in the 2023-25 Business Plan.
- Provided oversight and project governance to the P4 Business Transformation Project and budget with respect to strategy, risk and regulatory activities and all applicable expenditures; and received quarterly project reports.
- Reviewed and approved the internal auditor's annual audit plan, audit charter, and reviewed regular reports by internal auditors on the audits performed while monitoring management's responses.
- Reviewed and evaluated the performance of the internal auditor.
- Reviewed the quality of the audit, the audit team, and the audit partner.
- Reviewed the 2021 insurance claims experience and approved the 2022-2023 insurance coverage and renewal.
- Reviewed and approved fee setting plans and initiatives for 2022.
- Reviewed directors' fees and expenses for 2021.
- Reviewed the 2022 Calendar of Reporting and Committee workplan.

## Governance and Human Resources Committee

The Governance and Human Resources Committee assists the Board in oversight responsibilities relating to governance, compensation, and human resource policies and strategies. This committee also serves as the Nominating Committee for new Board Director recruitment.

The Governance and Human Resources Committee's major accomplishments in 2022 included the following:

- Provided oversight to the Collective Bargaining Strategy for Technical Safety BC.
- Provided oversight to the Board orientation process for one Board appointment.
- Provided oversight to the 2022 Board Director Evaluation process.
- Approved the corporate results for the 2021 Annual Targets and Key Results Plan (for excluded employees).
- Approved the 2023 Variable Incentive Plan (for excluded employees).
- Reviewed the annual conflict of interest declarations of directors and officers.
- Reviewed the annual reporting of the organization's compliance with the principal legislative, regulatory and contractual requirements to which it is subject.
- Conducted the annual review of Technical Safety BC's governance practices and made recommendations to the Board to enhance committee mandates, and governance structure including, the 2022 Calendar of Reporting and Board and Committee workplan.
- Reviewed and recommended Board education and future training.
- Reviewed and recommended performance plans and evaluated the performance of the President and Lead Executive Officer and the Corporate Secretary.
- Reviewed the succession plan for the President and Lead Executive Officer.
- Reviewed the performance and compliance of management concerning occupational health and safety and the program.
- Reviewed the state of the organization's culture, including support for the ongoing efforts to expand cultural competency in Indigenous awareness; and efforts relating to workplace culture, in response to the evolving nature of the pandemic.
- Provided oversight, approved, and recommended the publication of the 2021 Annual Report and the 2022 Annual Public Meeting to the Board.
- Provided oversight, approved, and recommended the publication of enforcement actions and investigation findings and other regulatory actions including identification of involved parties to the Board.
- Provided oversight, approved and recommended the publication of the environmental, social and governance framework, targets and measures.

## Strategic Advisory Committee

The Strategic Advisory Committee assists the Board in fulfilling its oversight responsibilities by reviewing management's recommendations which relate to strategic planning, implementation of key strategic initiatives, regulatory responsibilities, stakeholder consultation, and safety oversight.

The Strategic Advisory Committee's major accomplishments in 2022 included the following:

- Guided the annual strategic planning process resulting in a refreshed Strategy.
- Reviewed and approved the 2023-2025 Business Plan.
- Supported the work of Technical Safety BC's climate action and sustainability work focused on reducing the organization's greenhouse gas emissions and further our environmental, social and governance mandate; building resiliency in the safety system through climate adaptation; and supported efforts to reduce emissions in BC, in alignment with the Provincial Government's CleanBC Plan.
- Reviewed the Business Continuity Plan, Crisis Communications Plan, and Critical Incident Response capability and preparedness.
- Reviewed data governance practices and policy.
- Reviewed and approved the 2021 State of Safety Report.
- Reviewed Incident Investigations' learnings, Compliance and Enforcement program development, and unpermitted work capture progress. Reviewed and approved the 2020 State of Safety Report.
- Reviewed the Information Technology and Information Security strategy and progress (save and except with respect to the P4 Business Transformation Project).
- Reviewed the Structured Resource Allocation Program progress and value of machine learning in assessment operations.
- Received reports on technical risk registries and operational activities including education and enforcement.
- Received updates on market insights and stakeholder engagement activities and the communications strategy.
- Reviewed regulatory change plans and made recommendations for amendment of legislation to the Province of British Columbia to update reference standards, improve the safety system, and evolve the governing legislation and regulations in accordance Technical Safety BC's Strategy.
- Reviewed the 2022 Calendar of Reporting and Committee workplan.



## Directors' Attendance

In 2022, there were four regularly scheduled Board meetings: a two-day strategic planning session, and an Annual Public Meeting. One additional Board meeting was conducted in February 2022, with the new President and Lead Executive Officer. The following table illustrates the number of meetings each director attended as compared to the number of meetings each director was eligible to attend during the 12 months that ended December 31, 2022.

Directors	Board Meetings <sup>1</sup> (9 Held)	Finance & Audit Meetings (4 Held)	Governance & Human Resources Meetings (6 Held)	Strategic Advisory Meetings (4 Held)	Total
George Abbott	9/9 <sup>2</sup>	4/4	5/6	4/4	22/23
Jeremy Black	8/8	4/4	–	–	12/12
Judy Cavanagh <sup>3</sup>	6/6	–	3/3	2/2	11/11
Jeremy Coughlin	8/8	4/4	–	4/4	16/16
Neil Cumming	8/8	4/4	6/6	–	18/18
David Guscott	7/8	–	6/6	–	13/14
Ivan Limpright	8/8	4/4	6/6	–	18/18
Wency Lum <sup>4</sup>	4/4 <sup>5</sup>	–	–	2/2	6/6
Daniel Smythe	8/8	–	5/5 <sup>6</sup>	4/4	17/17
Nancy Olewiler	8/8	4/4	–	4/4	16/16
Gail Stephens	8/8	–	–	4/4	12/12
Ken Tourand	8/8	4/4	4/6	–	16/18
Angela Wesley	7/8	–	6/6	4/4	17/18

<sup>1</sup> Includes four quarterly Board meetings; two-day Board Strategic Planning Session; one day Annual Public Meeting; one day Board/President & LEO meeting; and a one-day Board Orientation session

<sup>2</sup> Includes a one-day Board Orientation session

<sup>3</sup> Retired from the Board July 3, 2022

<sup>4</sup> Appointed to the Board July 3, 2022

<sup>5</sup> Includes a two-day Board Orientation session

<sup>6</sup> Appointed to Governance & Human Resources Committee effective August 25, 2022; and attended two Governance and Human Resources Committee meetings as an observer



## Directors' Compensation

The Governance and Human Resources Committee is responsible for making recommendations to the Board regarding director compensation. The last independent review of Technical Safety BC's director compensation practices against comparable organizations was conducted in 2018. Adjustments to the quantum of meeting fees and annual retainers payable to Board and committee members were made, effective April 1, 2019.

Director compensation is set at such a level to:

- Affirm the directors' responsibilities and the professional nature of the work that directors are expected to perform.
- Attract and retain qualified individuals to serve as directors.
- Partially compensate directors for their time and lost opportunity costs and be seen as "value received" for value given.
- Foster high levels of engagement and commitment to best-in-class governance.
- Recognize the different levels of time and responsibility associated with the Board Chair, Committee Chair, and director positions.
- Recognize an element of public service.
- Reflect Technical Safety BC's values.

The following table shows director compensation as of December 31, 2022.

Fee	2022 \$
Annual retainer – Chair	46,500
Annual retainer – Finance and Audit Committee Chair	20,000
Annual retainer – Governance and Human Resources Committee Chair	20,000
Annual retainer – Strategic Advisory Committee Chair	18,000
Annual retainer – Directors	13,400
Board/Committee meetings fee	825
Maximum daily meeting fee	1,650
Teleconference of less than one hour	400

## Directors' Retainer and Meeting Fees

The following table reflects the total retainers and meeting fees earned by directors in 2022 as compared to 2021.

Directors	Retainer	Meeting Fee	Total Retainer/ Fee 2022	Total Retainer/ Fee 2021
	\$	\$	\$	\$
George Abbott (Board Chair)	46,500	18,150	64,650	74,125
Jeremy Black (Committee Chair)	20,000	9,900	29,900	38,975
Judy Cavanagh <sup>7</sup>	13,400	9,075	15,775	33,200
Jeremy Coughlin	13,400	13,200	26,600	29,900
Neil Cumming	13,400	14,425	27,825	36,500
David Guscott (Committee Chair)	20,000	10,300	30,300	38,975
Ivan Limpright	13,400	14,425	27,825	35,675
Wency Lum <sup>8</sup>	6,700	4,525	11,225	n/a
Nancy Olewiler	13,400	13,200	26,600	29,900
Daniel Smythe	10,050	11,950	25,350	21,600
Gail Stephens (Committee Chair)	18,000	9,900	27,900	35,325
Ken Tourand	13,400	12,775	26,175	35,675
Angela Wesley	13,400	13,600	27,000	34,025
<b>Total</b>	<b>211,700</b>	<b>155,425</b>	<b>367,125</b>	<b>451,350</b>

<sup>7</sup> Retired from the Board on July 3, 2022

<sup>8</sup> Appointed to the Board on July 3, 2022

# The Executive Team



**Phil Gothe**  
President and Lead Executive Officer

Phil believes that the primary role of leadership is to imagine and create conditions for thriving. Known as a caring and thoughtful leader, in Phil's words "To Live is to Lead," believing that we all have an opportunity to lead in our personal and professional lives for the benefit of everyone.

With Technical Safety BC since 2009, Phil has invested in relationships internally and externally to advance the understanding and treatment of safety risks, and enable the development of ground-breaking new approaches to technical safety oversight. He has a deep regard for the knowledge and capability of employees and clients, and believes that developing a system of engaged safety system participants is vital to maintaining confidence in the safety system.

Phil began his career in naval operations in the Royal Canadian Navy. Before joining Technical Safety BC in 2009, he spent 10 years leading business strategy development and continuous improvement consulting engagements in the forest products, helicopter, and heavy equipment industries. Phil has an MBA from the University of Western Ontario, and obtained a Chartered Director designation from The Directors College.

Inspired by lifelong learning and peoples' infinite capacity to adapt and grow, Phil steers Technical Safety BC in its aspiration to continuously build confidence in a safety system that supports ongoing prosperity in British Columbia.



**Kate Baillie**  
Vice President, Marketing & Communications

Kate has spent her career putting clients and teammates at the centre of what she does. She is a curious and inspiring leader who looks at opportunities holistically to motivate and engage teams towards practical, multi-dimensional solutions. Comfortable in a constantly changing landscape, she listens actively and digs for the truth, using observation and data to build cases for change.

Kate joined Technical Safety BC from TELUS, where she led teams in marketing, communications, and customer experience. She has a Bachelor of Applied Arts degree from Ryerson Polytechnical University and an MBA from the Richard Ivey School of Business at the University of Western Ontario.

When not obsessing over safety, Kate works to improve diversity in the workplace, mentors up-and-coming leaders and likes to spend time outside – either doing hard labour in her garden or enjoying all the amazing hiking and kayaking that Vancouver has to offer.



**Wesley Ma**  
Vice President, Finance

Wesley has an extraordinary ability to humanize finance by drawing employees into the stories behind the numbers, and making them come to life. He is a solution-oriented leader known for navigating strategic and financial complexity with thoughtfulness. As a skilled listener, he draws from multiple sources of insight to solve challenges and enable opportunities that bring broad benefit to our people and clients.

Prior to joining Technical Safety BC, Wesley worked in various management roles at PwC and MNP. He serves as Treasurer for Community Living Society, and holds board positions with Building Officials Association of BC and Queen's Park Healthcare Foundation. Wesley graduated from the University of Calgary with a Bachelor's of Commerce, and is a Chartered Professional Accountant.

Wesley enjoys leveraging his knowledge and experience to help not-for-profit organizations.



**Kate Parker**  
Vice President, People

Kate is driven by the belief that an organization will only truly excel when its people are encouraged and challenged to show up as their best selves every day. At Technical Safety BC, she uses courage, energy, and curiosity to get at the heart of our challenges and opportunities and facilitates bold conversations that question the status quo. To fulfill on our promise to model the integration of humanity and technology, Kate draws on her experience driving cultural transformation and people-focused change, building our capacity to adapt to changing environments and develop each person to their maximum potential.

Kate has a proven track record of transforming HR practices across industries including mining, heavy machinery, and healthcare. She holds a degree in Psychology and Kinesiology from Simon Fraser University and completed her graduate studies at UBC's Sauder School of Business. Kate is a recognized speaker in the areas of leadership development, diversity and employee health and wellness. Outside of the office, she is most often found on the North Shore trails, or creating new dishes in the kitchen, but rarely following a recipe!



## Derek E. Patterson

Vice President, Regulatory Leadership and Corporate Secretary

Derek actively supports individuals and initiatives that improve technical safety in BC. His extensive professional experience underpins a principled, comprehensive, and astute capacity for strategy and problem solving. He is courageous in his leadership of peers and reports alike, respectfully challenging, and empowering individuals in their contributions to the organization.

Derek is highly experienced in the practice of regulatory law and change management, having served as chief legal, risk and compliance advisor, and corporate secretary to senior leadership teams and Boards of both public companies and Crown corporations.

Prior to joining Technical Safety BC, Derek held senior positions with a number of organizations, including the Insurance Corporation of BC and the Investment Industry Regulatory Organization of Canada. Derek holds a law degree from Osgoode Hall Law School and an MBA from the Schulich School of Business at York University, as well as ICD.D and CPHR designations. He is called to the bar in both Ontario and British Columbia.



## Claudio Pini

Vice President, Business Transformation and Technology

Claudio is a true transformer of organizations. Using his gift for facilitating proactive discussions to get to the heart of our organization's needs, he develops strategies to leverage technology in ways that support and enable people to achieve positive outcomes for Technical Safety BC, our clients, and the public.

Claudio brings over 25 years of experience and thoughtful implementation in IT infrastructure, application management, and operations. Coming to Technical Safety BC from the University of British Columbia, Claudio held several senior IT roles supporting staff, faculty, and students. Prior to UBC, Claudio was a consultant with Accenture for 17 years, working with clients as diverse as Best Buy Canada, BC Hydro, and Dupont.



## Abraham van Poortvliet

Vice President, Data Analytics and Decision Science

Exploration and discovery have been recurring themes in Ab's life. In his role of VP, Data Analytics and Decision Science, he now supports others in their discovery and innovation. By nurturing leadership in others, Ab aims to create a culture of experimentation and learning that propel safety knowledge and action. Together with his team, Ab carries responsibilities for research & analytics, business intelligence, engineering, incident investigation, and risk management.

Ab has worked in a variety of progressive roles at Technical Safety BC since he joined in 2005. Originally from the Netherlands, Ab previously worked as a project leader for safety engineering in railway infrastructure, and as a risk analyst at the Dutch Ministry of Transportation. Ab holds an MBA from Simon Fraser University, a doctorate in public administration, and an MSc in applied physics. He is a registered Professional Engineer and Chartered Professional Accountant in British Columbia.



## Lisa Prescott

Vice President, Operations

With an engineering background and a love of learning, Lisa brings a unique perspective and long-standing passion for safety and risk management to Technical Safety BC. She aspires to serve as a whole-hearted, ethical leader, fostering a culture of trust and empowerment and inspiring her team and colleagues to deliver quality services.

Lisa has a wealth of experience in the public sector, including BC Hydro, the BC Transmission Corporation, and most recently the City of Vancouver where she spent 12 years in leadership roles in strategy, recreation, facilities management, corporate security, and environmental services. With this experience comes deep knowledge in operational leadership, asset management, regulatory compliance, and strategy implementation. Her education includes a Bachelor of Science in Industrial Engineering from the University of Manitoba and a Master of Science in Mechanical Engineering from the University of Alberta, with a specialization in Engineering Management.

Lisa is an enthusiastic and appreciative user of many of the technologies that Technical Safety BC regulates, and you can often find her enjoying ski lifts, roller coasters, and trampolines.

Lisa Prescott joined Technical Safety BC as VP, Operations in October 2022.

## Executive Compensation

Name & Principal Position	Salary	Incentive Plan Compensation Paid	Pension	Health & Wellness Benefits	All Other Compensation Paid	Total	Previous Two Years' Totals <sup>1</sup>
	\$	\$	\$	\$	\$	\$	\$
(A)	(B)	(C)	(D)	(E)			
Phil Gothe <i>President &amp; LEO</i>	285,663.54	66,837.79	28,137.96	5,989.50	12,771.60	399,400.39	2021 = 309,042.60 2020 = 313,939.24
Kate Baillie <i>VP, Communications &amp; Marketing</i>	220,344.00	56,484.51	21,703.94	4,832.94	9,120.00	312,485.39	2021 = 262,836.01 2020 = 268,086.68
Kate Parker <i>VP, People</i>	201,834.40	54,169.21	19,880.59	5,854.19	9,441.60	291,179.99	2021 = 258,557.35 2020 = 264,801.08
Derek Patterson <i>VP, Regulatory Leadership &amp; Corporate Secretary</i>	243,688.80	65,400.63	24,003.39	5,989.50	8,400.00	347,482.32	2021 = 309,336.26 2020 = 316,446.49
Claudio Pini <i>VP, Business Transformation &amp; Technology</i>	199,884.80	53,642.74	19,688.68	5,836.31	9,120.00	288,172.53	2021 = 255,785.90 2020 = 235,403.84
Ab van Poortvliet <i>VP, Data Analytics &amp; Decision Science</i>	201,834.40	52,932.47	19,880.59	3,514.19	8,400.00	286,561.25	2021 = 256,751.67 2020 = 263,354.99
Wesley Ma <i>VP, Finance</i>	196,273.60	52,628.80	19,332.99	5,798.67	10,161.60	284,195.66	2021 = 220,632.19 2020 = N/A
Lisa Prescott <sup>2</sup> <i>VP, Operations</i>	44,690.80	—	4,402.04	870.54	2,620.80	52,584.18	—
Maureen Sheenan <sup>3</sup> <i>VP, Operations (Acting)</i>	129,309.83	—	12,737.01	3,089.98	6,300.00	151,436.82	—

(A) Salary earned

(B) Variable Incentive Pay

(C) Pension

(D) Extended Healthcare, Dental, Group Life, Long Term Disability, Short Term Disability, Accidental Death and Dismemberment

(E) Car Allowance, Vacation Leave Payout, etc.

<sup>1</sup> In support of Technical Safety BC's efforts to manage the financial challenges posed by the COVID-19 pandemic, the variable incentive payment was reduced by half for the amount earned in the 2020 financial year, which is reflected in the 2021 executive compensation totals.

<sup>2</sup> Commenced in role as of October 3, 2022

<sup>3</sup> Commenced in role as of January 3, 2022, and ended October 2, 2022

## Executive Compensation Plan

Technical Safety BC is a progressive employer with a strategy to build confidence in a safety system that improves the wellbeing of British Columbians. The objectives of Technical Safety BC's executive compensation plan are to:

- Open configuration options.
- Attract and retain capable individuals with diverse skill sets.
- Remain internally fair and externally competitive.
- Demonstrate sensitivity to our clients, partners, and the communities we serve.
- Offer a total rewards package that balances stable elements of compensation with pay at risk.
- Achieve alignment of our priorities and efforts to our Strategy and three-year Business Plan.

Technical Safety BC's executive compensation plan elements comprises the following:

- **Base salary:** Technical Safety BC establishes salary ranges according to a blended market position that is midway between the public not-for-profit sector and the private sector markets. The range spans from 80% to 120% of the blended market median. Placement within the salary range depends on the competence, experience, and level of contribution to the business plan and strategy.
- **Variable Incentive Plan:** This element is the at-risk portion of annual compensation and is dependent on the achievement of critical corporate performance established annually by the Board of Directors, and individual objectives aligned to our Strategy. It is also intended to reinforce our value of accountability at the leadership level in the organization. Corporate performance is assessed by management and audited by Internal Audit and approved by the Governance and Human Resources Committee (G&HR) at year end. The Board of Directors assesses the performance of the President and Lead Executive Officer annually. The President and Lead Executive Officer assesses the performance of the remaining executive team members.
- **Pension plan:** Technical Safety BC supports a pension plan that will contribute to employees' financial well-being in their retirement years.
- **Health and wellness benefits:** A mix of extended health, dental, and income protection benefits are offered to support the health of employees.
- **Car allowance:** A monthly car allowance is provided to account for business travel using personal vehicle.



# Advisory Groups and Committees

Technical Safety BC engages panels of industry experts who volunteer their time to provide input and recommendations on topic-specific issues related to the design, implementation and evaluation of safety policy and regulation, service design, and technical safety programs.

A very special thank you to the following experts for working with us to improve safety across BC in 2022.

## Ammonia Risk Prevention Working Group

Purpose: To manage aspects of the ammonia release technical risk through a tailored behavioural-based intervention program to improve safety and prevent incidents, and to evaluate the effectiveness of the program in influencing industry change and safety outcomes.

Eamon McGinley City of Vancouver	Norman Scott CurlBC	Steve Napper City of Delta	Ron Dietrich Recreation Facility Association of BC & Westshore Recreation
Geoff Chesterton Recreation Facility Association of BC	Percy Chua WorkSafeBC	Terry Welsh Recreation Facility Association of BC	
Gordon Harkness WorkSafeBC	Ron Booth City of Westminster	Willa Thorpe City of Port Alberni	
Kimberly Dennis CurlBC			

## Amusement Program Re-Design Advisory Group

Purpose: To allow members to engage in deeper conversations on the proposed amusement rides and devices program redesign. This group presents an opportunity for industry members to provide input on implementation details and discuss how Technical Safety BC can support the amusement industry.

Craig Work Herold Engineering Ltd.	David Rose City of Burnaby	Eric Sambell FlyOver Attractions	Jim Gibson Pat-T-Perfect
Dave Horton Ness Lake Bible Camp	David Wells Auton Engineering	Garnett Pawliw Vancouver Partyworks	Juan P Goula YMCA of Greater Vancouver
David Green City of Fort St. John	Elliott Harder Ness Lake Bible Camp	Jamie Stevens Jamie's Millwright Service Inc.	Kristen Hyodo Sasamat Outdoor Centre

Lindsay Kenny Village of Fruitvale	Ross Muirhead Inter-Mtn. Testing Ltd.	Vanessa Cumming City of Fort St. John	Ron Dietrich Westshore Parks and Recreation
Paul Burgess PNE	Stacey Miranda City of Williams Lake	Ron Betts Chase Canyon Eco-Adventures Ltd.; DBA Treetop Flyers Zipline	
Paul Chatterton BC Camps Association	Todd Manton KMZ		

## Amusement – Trampoline Court Forum

Purpose: To build relationships and discuss various topics to prepare the industry and onboard new clients to the new Amusement Regulations. This group was prioritized in 2022 as we anticipate they will be the first group onboarded upon Regulations coming into effect. Additionally, this group has never been regulated before.

Michael Marti Extreme Air	Rodney Wilson Airhouse	Alex Campbell (Owner/operator), Luke Schuler (managing partner) Flying Squirrel	Luke Shaheen Apex Trampoline Park
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## Chairlift Safety Advisory Group

Purpose: To discuss risk mitigation strategies for falls from carriers by brainstorming, co-creating, and testing potential solutions with group members. In addition, understand the behavioural, structural, and environmental causes of falls from carriers and misloads/misunloads through discussion and data collection. Finally, build and strengthen relationships with the passenger ropeways industry.

Bob Bell Canada West Ski Areas Association (CWSAA) and Selkirk College	Jeff Chandler Canadian Association of Snowboard Instructors (CASI)	Perry Schmunk Canadian Ski Instructors' Alliance (CSIA)	Mike Manara Mount Washington Alpine Resort
Brandon Misener Hudson Bay Mountain Village	Dean Roberts Sun Peaks Ski Resort	Jesse Crawford Mount Washington Alpine Resort	Mike St. Eve Vail Resorts (Whistler Blackcomb)
Brent Carmichael Doppelmayer	Duncan Currie Sun Peaks Ski Resort	Layne Marrett Mount Washington Alpine Resort	Nathan Dorward Revelstoke Mountain Resort
Craig Bolt Kaerus Group	Eric Bobert Big White Ski Resort	Martin Randell SilverStar Mountain Resort	Shawn Whitty Apex Mountain Resort
Dale Logan Mount Washington Alpine Resort			

## Business Transformation (P4) Advisory Group

Purpose: To consult with industry professionals and validate client journeys, pain points and optimal process, as well as evaluate proposals regarding iteration of our information technology systems of communication with the safety system in BC.

Doug Cordero  
Slope Side Mechanical

Shawne McCorkell  
Houle Electric

Dale Risvold  
Canem

Carmen DeGoey  
Camosun College

Sandra LeNoble  
RAM Mechanical

Sue Edmondson  
TK Elevators

Jon Fairbrother  
Prime Engineering

Richard Mathews  
District of Squamish

Matt McInnis  
Electrical Contractors  
Association of British Columbia

Oskar Kwieton  
Shape Property Management

Clayton Mullen  
University of British Columbia

## Climate Action Engagement Contributions

In June 2022, we hosted a Climate Safety Summit attended by 150 safety partners from across the province, who provided valuable feedback on our climate hazard inventory to identify technical vulnerabilities and safety hazards that may result during extreme weather events. In November, we shared preliminary findings with 90 clients through two webinar sessions and gathered further insights into the needs of the industry.

## Engage Site, Survey, Focus Group, and Interviews

Technical Safety BC would like to thank all individual contributors to our online Engage portal at [engage.technicalsafetybc.ca](https://engage.technicalsafetybc.ca), as well as to survey respondents and those who participated in interviews with us, for their direct feedback to all of our active projects and inquiries. Safety is a shared responsibility, and the knowledge of BC's experts and industry professionals is an invaluable resource.

More information about our client education and awareness work can be found in our [2022 State of Safety](#).

# Environmental, Social, and Governance Commitment

We aspire to build confidence in a safety system that improves the wellbeing of British Columbians. As a purpose driven organization, our environmental, social, and governance (ESG) reporting provides an overview of our priorities to help improve the safety system by creating a more inclusive, equitable, and sustainable future.

In 2022, we formalized this commitment in our business plan to increase safety outcomes in British Columbia.

Our ESG commitments include:

1. Indigenous reconciliation and partnerships
2. Climate action
3. Equity, diversity, and inclusion

Using elements of the Global Reporting Initiative (GRI) framework, we will regularly monitor, measure, adjust, and report on our efforts to address the most significant risks and opportunities aligned with our vision of Safe technical systems. Everywhere.

## Indigenous Reconciliation and Partnerships

In 2022, we furthered our pledge to work together with Indigenous peoples toward technical safety by referencing item 92, Business and Reconciliation, of the Truth and Reconciliation calls to action.

Alongside WorkSafeBC, we collaborated with the Tk'emlúps te Secwépemc people on an Indigenous Nations Safety Initiative. Our incident investigations and operations teams also consulted with Tk'emlúps te Secwépemc on a fatal ammonia incident at an ice making facility that occurred in an industrial park on reserve land in Kamloops.

We engaged with a local artist for a First Nations Cultural Panel to be featured in our Terrace office and sought guidance from the Kitsumkalum and Kitselas Nations to honor a cultural opening ceremony at our office in the spring of 2023.

Partnering with the Climate Action and Sustainability team at the Climate Summit, we supported a proposal for the Pacific Institute for Climate Solutions. This proposal resulted in an awarded grant, allowing us to hire an intern to complete research regarding impacts of climate change events on reserve land. This report will lay the foundation as we explore climate resiliency in partnership with BC's remote and Indigenous communities.

We recognize that change and inclusion must happen within our organization to further understanding of how we can better share safety information at Indigenous reserves and for Indigenous peoples. This year, our Indigenous Reconciliation and Partnerships team:

- Featured cultural information and education on our internal intranet, like Indigenous Veterans Day and the history and awareness for The Missing & Murdered Indigenous Women & Girls relay (Tears to Hope)
- Reviewed the organization's Indigenous Relations onboarding education, a mandatory course for new employees
- Welcomed a co-op student with a Master of Public Policy and Global Affairs to the organization
- Sought networking opportunities to further Indigenous recruitment, attending events like the Forward Summit, WorkForce Forward, Inclusivity Job Fair, and BC Treaty Commission forum
- Hired an Indigenous consultant to support and guide our external engagement strategy and help with best practices, including decolonizing language in our communications.

On the National Day for Truth and Reconciliation, we held a lunch and learn to share stories of personal history connecting our employees with their part in the journey towards reconciliation.

Going forward, we will continue expanding our work to deliver on Truth and Reconciliation calls to action:

- Co-op education programs for Indigenous students and a bursary program with the Nicola Valley Institute of Technology (Call to Action #7)
- Embedding Indigenous language into the organization through territorial acknowledgements and the naming of office spaces (Call to Action #13,14)
- Adopted the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) as our framework for reconciliation (Call to Action #43)
- Policy changes for historical documents & territorial acknowledgments (Call to Action #47)
- Internal education on anti-discrimination & anti-racism (Call to Action #57)

## Climate Action

In 2022, our Climate Action and Sustainability team focused on:

- Preventing safety incidents and hazards related to climate change for the technical systems and equipment that we regulate;
- Enabling the safe adoption of low-carbon technologies;
- Understanding educational and training needs to support climate safety; and
- Reducing energy consumption within the organization.

### Preventing Safety Incidents and Hazards Related to Climate Change

We completed the first phase of our climate resiliency program by developing a climate hazard inventory for the following technologies: gas; electrical; boilers, pressure vessels and refrigeration; and elevating devices. The information in this inventory helps us identify technical vulnerabilities and safety hazards that may result when there is a flood, wildfire, heatwave, or other extreme weather event. We launched this work at our Climate Safety Summit, attended by 150 safety partners from across the province, who provided valuable feedback. In November, we shared preliminary findings with 90 clients through two webinar sessions and gathered further insights into the needs of the industry.

Throughout the year, the Incident Investigations team also helped to identify climate events and low-carbon technologies as contributing factors to incidents. We have been tracking safety incidents and hazards related to climate change and analyzing the data to augment the climate hazard inventories.

### Enabling the Safe Adoption of Low-Carbon Technologies

Using funding provided by BC Hydro, we researched opportunities to enable the safe adoption of low-carbon technologies. As a result, several priority pilot projects were identified to launch in 2023. These pilots will provide relevant safety information about newer electrical technology, like electric vehicle chargers and energy management systems, and are intended to remove barriers to their adoption, in alignment with BC's goals. The project started in 2021 and the report was completed in 2022. These efforts contribute to the Provincial Green House Gas Emissions Reduction strategy.

### Understanding Educational and Training Needs to Support Climate Safety

As our understanding of emerging risks from climate change and low-carbon technologies evolves, we are able to identify training and knowledge gaps for employees and clients. Through our research on low-carbon technologies, we have identified several training opportunities. In addition, we launched an internal Climate Advisory Group for our energy technologies in order to proactively identify emerging knowledge and training gaps. We will work cross-organizationally to implement training throughout 2023.

### Reducing Energy Consumption within the Organization

To deliver our safety services, we recognize that travel to sites and offices is unavoidable. We are tracking the greenhouse gas emissions produced by our fleet vehicles and monitoring to reduce energy consumption within our facilities. We have ordered five electric vehicles and 11 hybrid vehicles and plan to implement and scale a low-emission vehicle pilot program once we receive them. Our goal by 2050 is to become net-zero for emissions generated by fleet and facilities. This aligns with BC's commitment to reach net-zero carbon pollution the same year, through the CleanBC initiative.

#### Greenhouse gas emissions from fleet and facilities for our baseline year (2019) and 2022

	2019 (Baseline) - tCo2e	2021 - tCo2e	2022 - tCo2e
Fleet*	768	393	517
Facilities**	76	58	62
Total	844	451	580
Facilities % Renewable	79%	74%	73%
Overall % Renewable	7%	10%	8%

\* Fleet Emissions for 2019 and 2021 updated in 2023 due to usage of revised CO2 fuel emission factor (from 2.200 CO2 kg/L to 2.3073 CO2 kg/L) for 'Light-duty trucks' published in the '2021 B.C. BEST PRACTICES METHODOLOGY FOR QUANTIFYING GREENHOUSE GAS EMISSIONS'

\*\* Facilities Emissions for 2019 and 2021 updated in 2023 due to usage of Revised Emissions Factors, Purchased Electricity (Integrated Grid Factors) published by the BC Government

## Equity, Diversity, and Inclusion

Equity, diversity, and inclusion (EDI) are integral parts of our organizational culture. We know that fostering fulsome relationships through these pillars will allow us to remove barriers that limit access to safe decision making. This year, we strived to better understand our clients and our employees.

Externally, we sought to understand the diversity that makes up our client group. We collaborated with researchers at Majid Khoury and Associates to conduct a client segmentation study in March. The study of 2,946 clients set out to learn more about our clients, how they like to connect with us, and what preferences they hold.

We developed a Home Renovation campaign targeting Mandarin speakers, as Mandarin is one of the top five spoken languages in BC. Based on this pilot, we are planning to expand additional public safety campaigns targeted first to Punjabi and Mandarin speakers.

Internally, we supported four active employee resource groups:

- Indigenous Relations and Reconciliation
- Green Initiatives and Sustainability
- Equity, Diversity, and Inclusion
- Mental Health and Wellness

In June we held a Leadership Conference where over 100 leaders participated in learning experiences and training to progress their knowledge, connection, and understanding of EDI and Indigenous Reconciliation. Topics focused on mitigating bias, microaggressions, communication styles, allyship, psychological safety, and employee resiliency. To further align with our environmental, social, and governance framework, the event featured local businesses, vendors, caterers, and speakers.

In July, we were honored to march in the Vancouver PRIDE parade. Technical Safety BC was among 120 parade entries that celebrated diversity, inclusivity, and advocacy for 2SLGBTQAI+ communities.

We also performed our second in-depth inclusion audit of our organization in 2022, asking employees to provide feedback and insight on their experience through an equity, diversity, and inclusion lens. Ninety percent of the questions scored 70% or higher. Additionally, results showed that we have been successful at achieving additional benchmarks to move us on the [Global Diversity & Equity Inclusion Benchmarks \(GDEIB\)](#) scale, advancing from level 2 (reactive) to level 3 (proactive).

# Management Discussion and Analysis

As a not-for-profit organization, Technical Safety BC operates within a long-term financial planning strategy, balancing the investments in the safety system over a period of years. Technical Safety BC builds capabilities that advance safety at scale in a sustainable manner. Prudent investment in employees, training, tools, and assets support our work in assessment, education and outreach, enforcement, and research, which is essential to achieving our objectives and advancing technical safety in the province.

This Management Discussion and Analysis details Technical Safety BC's financial and operating results for the year-ended December 31, 2022 and should be read in conjunction with the audited financial statements.



## Financial Overview

Technical Safety BC closely manages financial sustainability in order to deliver quality services and value for money for our clients into the future. Much of our revenue is linked to activities in the construction industry and thus fluctuates in line with its economic growth or contraction. We set an annual budget that reflects an expected revenue trend and considers our long-term capital needs. Within this we use agile approaches to allow us to respond to changing economic conditions and emerging priorities.

2022 revenues increased by 3.7% compared to 2021. BC saw residential construction decline while non-residential construction increased. Although total revenue increased, 2022 revenue was lower than budgeted and spending was reduced to end the year on budget. Given the tight resource constraints, several key initiatives and projects were prioritized to advance the strategy and continue to improve aging digital infrastructure. We monitor and forecast reserve balances to ensure financial sustainability and further the organization's impact.

**Table 1: Key financial performance indicators:**

Key Financial Performance Indicators	2022	2021
<b>Monetary indicators (in 000's)</b>	\$	\$
Total Revenue	79,063	76,236
Operating Expenditures	78,066	75,509
Salaries and Benefits	57,215	54,763
Unrealized gain (loss) on investments	(1,951)	307
Excess (Deficiency) of Revenue over Expenditures	(954)	1,034
Operating reserve	338	3,139
Capital Budget Spend	7,152	5,036
<b>Other indicators</b>		
Total Volumes (in 000's)	317	330
Average Fee (\$)	246	229
Contribution Margin	43.6%	44.3%
Overhead Ratio	44.8%	42.9%
Full Time Equivalent employees (FTE's)	446	442

Total revenues, excluding unrealized losses on investments, were \$79.1M, an increase of 4%, or \$2.8M from 2021. 2022 saw a mild decline in permit volumes, reflecting falling demand in the residential sector. Beginning in March 2022, inflationary pressures prompted the Bank of Canada to raise interest rates to combat rising inflation after strong post-pandemic growth in 2021. The housing market responded to the increased cost of borrowing and home sales and prices fell, dampening construction activity towards the end of the year. In contrast to the residential sector, permits from commercial projects saw a slight increase over 2021, reflecting mixed sentiment among businesses.

Investment and Other Revenue was negative in 2022 because of \$2.0M unrealized losses on investments, as the market values of equities and bonds fell in response to increasing interest rates.

Below expectation revenues prompted Management to implement cost control measures, reducing operating budgets and pursuing efficiency. As a result, operating expenses grew by just 3% from 2021 despite inflationary pressures and continued investment in corporate projects. The focus in 2022 included building regulatory tools and an evaluation framework to support the expanded regulation of amusement devices; operationalizing machine learning to better prioritize inspections; reviewing and recommending adoption of new codes for electrical, gas and boiler, pressure vessel and refrigeration systems; and launching our new website.

Our investment in the business transformation program continued with development of the certifications functionality nearing completion and the first release of the new system in early 2023.

For the year ending on December 31, 2022, Technical Safety BC generated a deficit of \$1.0M of revenue over expenses, which was in line with the annual budget.

Compared to 2021, cash and current investments increased by \$5.5M and \$7.1M, respectively and long-term investments decreased by \$16.9M. The decrease in long term investments is primarily due to the funds transfer between long-term investments to cash and current investments in anticipation of a transfer of invested funds to new investment managers. Overall cash and investments declined in value as a result of declining market values of investment holdings and an increased cash outflow to fund capital projects.

As at December 31, 2022, total reserves had decreased from \$16.1M to \$11.4M. The business transformation program requires increased levels of capital investment; this is funded through a planned draw-down on the reserves.

## Revenue

As a self-funded organization, Technical Safety BC primarily generates revenue through installation and operating permits, license and certificate issuance, inspections of technical work and equipment, and the registration of new equipment and designs.

Our total revenue, including unrealized gain (loss) on investments reached \$77.1M in 2022, which was 1% higher than the prior year's \$76.5M. Services and related fee revenue was \$77.7M and realized investment and other income was \$1.4M. This is offset by \$2.0M in unrealized losses from investments.

**Table 2: Components of total revenue**

Revenue (in 000's)	2022 \$	2021 \$
Installation permits	45,938	43,739
Operating permits	19,369	18,370
Certification and licensing	4,716	4,639
Design registration	2,563	2,250
Inspections	1,735	1,595
ASA and ESA	1,604	1,675
Equipment approvals	961	1,053
Client education and administrative	596	1,105
Miscellaneous service revenue	213	254
<b>Total service and related fee revenue</b>	<b>77,695</b>	<b>74,680</b>
Other revenue	356	524
Realized investment and interest income	1,012	1,032
Unrealized gain (loss) on investments	(1,951)	307
<b>Total revenue</b>	<b>\$77,112</b>	<b>\$76,543</b>

In 2022, 59% of service and related fee revenue consisted of installation permits (\$45.9M) and 25% came from operating permits (\$19.4M). The percentages are unchanged from 2021. The overall transaction volume was 316,667, which was 4% lower than in 2021. Compared to 2021, installation permit volume decreased by 2% while the average transaction value increased resulting in increased installation permit revenues. Operating permit volume increased by 2%, and further enhanced with an increase in transaction values compared to 2021. Certification and licensing volumes decreased by 34% compared to 2021, this decrease was budgeted due to the timing of 3-year certification renewal cycles. The overall service revenue decrease in transaction volumes was offset by higher average permit values, resulting in a \$3.0M increase (4%).

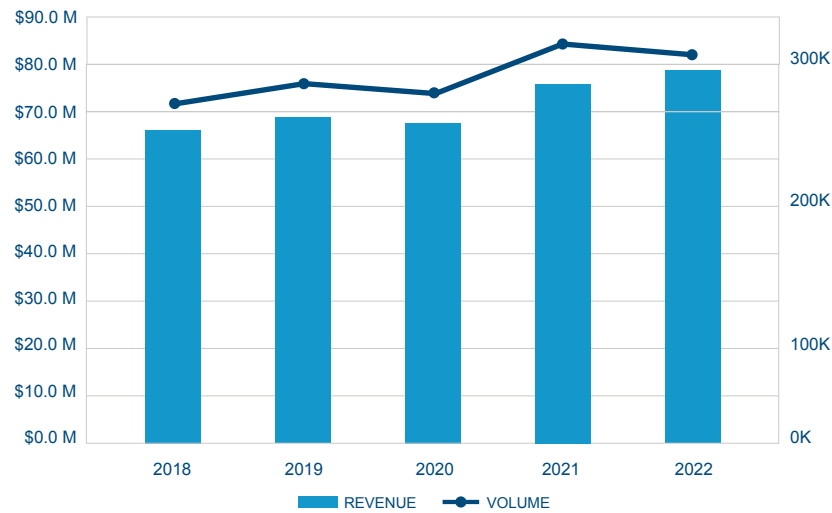
Realized investment and other revenue fell by \$187K from 2021. Unrealized losses on investments was \$2.0M in 2022, compared to an unrealized gain on investments of \$0.3M in 2021.

We continue to focus on identifying and acting on compliance and enforcement to improve overall safety. In 2022, we estimated that this initiative resulted in the issuance of \$0.7M in unpermitted work permits. Technical Safety BC is committed to this program as it is an integral part of the safety system.

### Service Revenue by Year

Service revenue fell by 2% from 2019 to 2020 and grew by 12% in 2021, reflecting the significant fluctuations in construction activity caused by the pandemic. Year-over-year revenue increased by 4% from 2021 to 2022, as a result of an increase in the average transaction value, despite volumes decreasing.

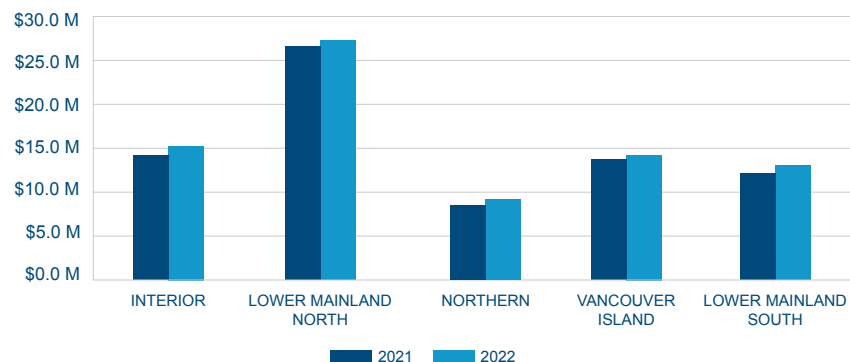
Graph 1: Service revenue and volume by year



### Service Revenue by Region

Service revenue growth was seen in all regions. Demands from prior development plans and pandemic recovery continued to support revenues in the suburbs and regional cities.

Graph 2: Service revenue by region

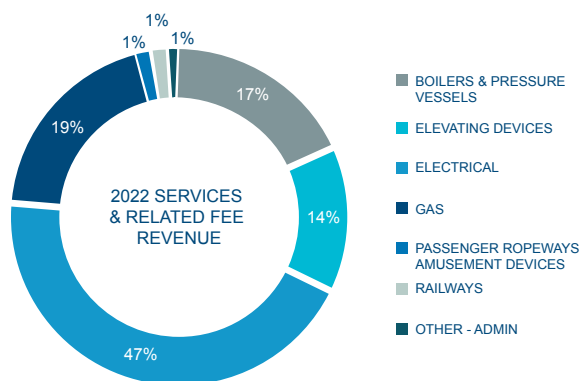


### Service Revenue by Technology

Service and related fee revenues are derived from the oversight of seven different technologies: electrical; gas; boilers, pressure vessels, and refrigeration; elevating devices; railways; passenger ropeways; and amusement devices.

Electrical technology contributes the largest portion (47%) of service and related fee revenue. The next three largest revenue sources are gas; boilers, pressure vessels, and refrigeration; and elevating devices. The percentage of each revenue category is relatively consistent year-over-year.

**Graph 3: Total service and related fee revenues by technology**



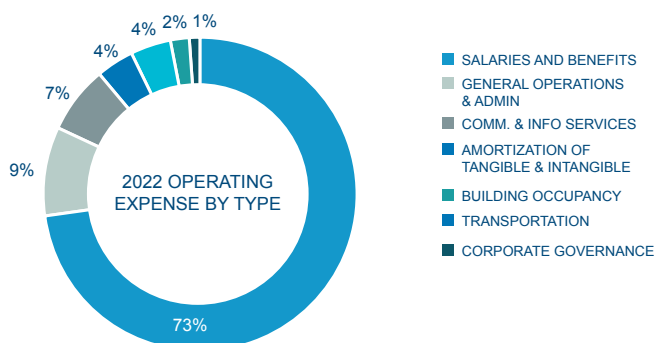
Other revenue: related to administration revenue

## Expenses

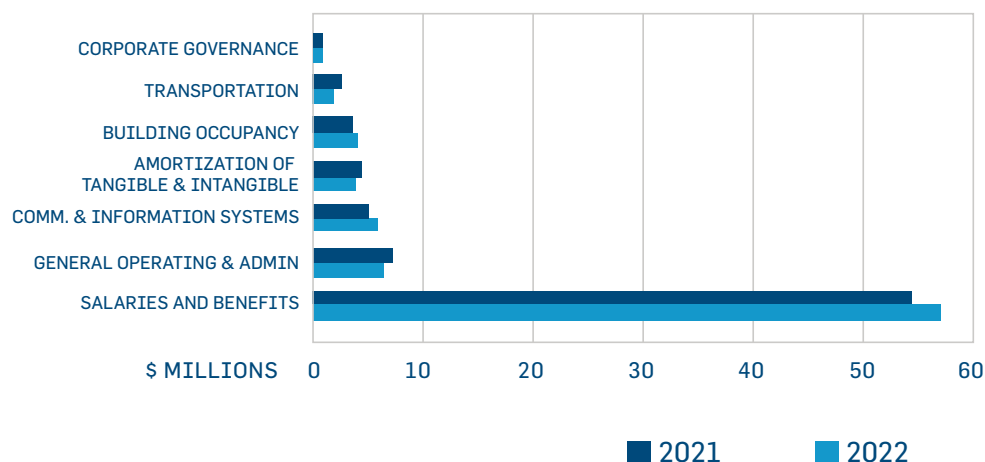
In 2022, Technical Safety BC reduced spending plans to respond to underwhelming permit volumes and the economic outlook. Measures were taken to limit new recruitments and prioritize core activities.

Salaries and benefits made up the largest proportion of expenses at 73%, similar to 2021. Management negotiated a new collective agreement, with wage increases comparable to recent union agreements at other Provincial organizations. Information system costs increased steadily as we continued to invest in digitalization, cybersecurity, and transition to more cloud-based services. Transportation costs increased significantly with inflationary pressures on fuel and more typical levels of business travel after the easing of public health restrictions. Costs related to external resources dropped substantially as resources were focused on a limited scope of initiatives.

**Graph 4: Composition of 2022 operating expenses**



**Graph 5: Annual operating expense comparison**



**Salaries and Benefits** expenses were \$2.5M (4%) higher than last year reflecting wage increases similar to recent union agreements at other organizations.

**General Operating and Administration** expenses decreased \$0.7M (10%) mainly because of fewer initiatives and reduced involvement of external resources.

**Communication and Information Services** expenditures grew by \$0.5M (11%) over the prior year, in response to evolving technology needs.

**Amortization of Tangible Capital and Intangible Assets** was \$0.4M (11%) less than last year due to supply chain delays in acquiring new vehicles and computer hardware delivery.

**Building Occupancy** was similar to the previous year.

**Transportation** spending was \$0.6M (72%) higher than last year as a result of resumed travel across regions post-pandemic and higher fuel prices.

**Corporate Governance** was similar to the previous year.

## Capital Spending

During 2022, Technical Safety BC spent \$7.2M in capital investment. Approximately \$4.9M was contributed to the business transformation program. This is a multi-year program with the goal of advancing Technical Safety BC's technology to improve agility, simplicity, and stability. This investment will help Technical Safety BC provide more value and more timely client services. In addition, innovative and enhanced features will be available for clients to increase efficiency and convenience with additional self-serve options, with the first phase to be released in early 2023.

Other capital expenditures included rebuilding the website, digital remote assessment tools, plant registration, and projects to streamline business processes using digital tools.

The new Terrace office was completed at a cost of \$0.7M. Due to supply chain shortages, fleet vehicle purchases were minimal, at only \$0.2M.

## Reserves and Unrestricted Net Assets

Technical Safety BC's net assets consist of investments in tangible capital assets and intangibles, as well as operating, capital, and education reserves. In 2022, the operating reserve was reduced to \$0.3M, primarily due to an internal allocation for continued investment in the business transformation program; thus increasing the capital reserve by an offsetting amount. Technical Safety BC has allocated \$10.7M for planned capital expenditures in 2023. The balance in the capital reserve represents the estimated capital expenditures depending on the needs of the organization at the time.

The education reserve was established in accordance with the Safety Standards Act to reserve monetary penalties collected to pay for safety education programs. In 2022, we collected \$0.1M from monetary penalties, which will be used for future educational activities.

Table 3: Comparison of reserves and net assets

Reserves and Net Assets	2022 \$ (000's)	2021 \$ (000's)
Investment in tangible capital assets, and intangible assets	17,632	13,832
Education reserve	272	325
Capital reserve	10,750	12,605
Operating reserve	338	3,139
<b>Total net assets</b>	<b>28,992</b>	<b>29,901</b>

## Risk and Uncertainty

Technical Safety BC has adopted a proactive and systematic approach for identifying, evaluating, and responding to risks that arise from its activities by establishing and maintaining its enterprise risk management (ERM) framework. The ERM framework uses industry standards and best practices and includes the requirement for regular reporting to the Board and the executive team, to enable members to fulfill their fiduciary responsibilities.

In 2022, we continued to face the impact of provincial and national supply chain constraints, a volatile housing market, and an overall weaker provincial economic climate. Our ERM framework served as an important building block of our efforts to mitigate and withstand the impact of these events.

Our ERM framework focuses on the following categories of risks for reporting purposes:

### Safety System Risk

Technical Safety BC has a disciplined focus on its regulatory oversight of the safety system to fulfill its mandate of enhancing public safety in accordance with our administrative agreement with the Province of British Columbia. This requires participants to understand technical safety hazards caused by the unsafe installation and operation of regulated technical equipment and systems. Unsafe installations and operation of such equipment and systems lead to safety system incidents that can significantly impact the health and safety of British Columbians.

Risk treatment is a combination of prevention and mitigation strategies deployed under a model that applies a multi-faceted approach to managing safety risks associated with technical systems through four pillars: assessment; education and outreach; research; and enforcement. This model focuses on reducing the risk of harm to the public and supports safety system participants in understanding their role and responsibilities, and that they are accountable for the work they perform or declare.

We continuously enhance our regulatory oversight practices striking a balance between focusing on safety performance and risk-based physical and remote assessments while using the data collected to refine strategies. As we proceed into 2023 and beyond, we will continue to improve the way we provide oversight to aging equipment and invest in mechanisms to detect emerging technical safety risks in the province.



## Strategic Risk

Strategic risk is the potential for loss arising from business decisions, improper implementation of business plan strategies, or a lack of responsiveness to changes in the external environment within which Technical Safety BC operates.

We manage strategic risk through robust planning processes, one of which led to our updated Strategy. This strategy was updated in 2022 with input from clients, safety partners, government, employees, and our Board of Directors and continues to get refined as we respond to unforeseen business challenges. Our strategic objectives are further supported and refined by our three-year business plan, detailing the measures and tactics being used to achieve our strategic goals. Our planning process identified the need to adopt an agile approach to our business planning process and led us to our 2023-25 business plan which will help us better anticipate the safety system needs of British Columbians and effectively manage our resources as we respond to the impact of the current provincial economic climate.

## Compliance Risk

Technical Safety BC must comply with legislation and regulations, particularly the Safety Authority Act under which Technical Safety BC was established; the Safety Standards Act and regulations thereto which set out the powers and obligations we have as an organization to give effect to our mandate as set out in the Safety Authority Act; the Income Tax Act; and the terms of Technical Safety BC's administrative agreements with the Province of British Columbia. Despite being constituted as an organization independent of government, we are subject to the requirements of the Freedom of Information and Protection of Privacy Act, the Ombudsperson Act, the Public Interest Disclosure Act and we are obligated to comply with the Payment Card Industry Data Security Standards Regulations. Technical Safety BC adheres to all acts and regulations to which we are subject.

To fulfill our safety mandate, we collect personal information such as names, addresses, and contact details. Access to personal information is subject to British Columbia's Freedom of Information and Protection of Privacy Act. Our data governance and our information security program include practices to prevent and detect unauthorized access, misuse, or loss. We regularly educate and train our employees, conduct vulnerability assessments, and implement industry-standard security practices.

## Operations Risk

As a regulator, we are faced with potential exposures associated with the delivery and quality of our products and services, including the effective administration of both the Safety Standards Act and regulations, and the Railway Safety Act. Continuous training of our employees, structured resource allocation, proactive collaboration with our safety partners, clients and members of the public, and the establishment of policies and procedures are just some of the practices that enable Technical Safety BC to reduce its exposures.

We are also exposed to challenges from changing demographics that may prevent us from attracting and retaining qualified employees for key roles. We minimize the impact of this risk by engaging in proactive workforce planning with all safety partners. To support our employees' wellness, we provided them with a multitude of internal and external resources to help manage their well-being and resilience as we made our way through a challenging year.

## Financial Risk

Financial risk includes concerns about threats to revenue and the possibility that sources of income could shrink. Global economies continue to face challenges arising from a volatile housing market, supply chain disruptions, and geopolitical crises. Economic cycles impact our clients, particularly those in the construction industry. Declining permit volumes, particularly installation permits, negatively impact our revenues. We mitigate the impact of this uncertainty through financial resiliency practices, such as cost reduction measures and the use of our reserve funds. Activities aimed at increasing participation in the safety system include education, enforcement, and innovations will also offset negative economic impacts.

To ensure minimal impact of the financial challenges caused by a possible economic slowdown, in 2022 we reduced costs by finding efficiencies and increased investments in operations critical to the maintenance of the province's safety system. We continued with our agile financial planning structure that made decisions based on current events and market conditions, which led to solutions that supported resiliency and accelerated the achievement of strategic objectives.

Financial risk is also mitigated through our financial investments and capital and operating reserves. Currently, a conservative portfolio of our financial investments is managed by our investment managers and is invested in short-term bonds and Canadian dividend producing equities in accordance with our strategic investment policy. Technical Safety BC is implementing a strategic investment policy where it will further diversify its investments aiming at stable returns with low risk.

## Outlook

As we emerge from the acute phase of the pandemic, we continue to find ourselves in an environment of uncertainty. The impacts of inflation, economic instability, and the challenges and impacts of the climate crisis will continue to test our resiliency.

Our adoption of agile approaches to planning and development has served us well in confronting these challenges and we will continue to lean on these skills and tools in the years ahead. To support the wellbeing of our employees, clients, and the communities we serve, our priority over the next three years will be to invest in the foundational tools and processes that enable our employees and clients to better perform their core safety-oriented work.

Construction activity is expected to be lower in 2023 than 2022, with a significant reduction in residential construction, due to higher cost of borrowing and a declining housing market. This is expected to last throughout 2023 before the pressures of pent-up demand stimulates housing market activity in the medium term. The outlook for commercial and industrial investment is mixed, with many businesses in a strong position after two years of growth but experiencing falling confidence and expectations of a recession in 2023. In the coming year, Technical Safety BC expects transaction volumes to be relatively flat with the downward economic trend offset by initiatives to scale the safety system through outreach, digitalization, and process improvement. A 3% fee increase is effective January 2023.

Our capital investment will be above typical levels as we pursue our business transformation program and release new system functionality. We will continue scheduled fleet and computer hardware renewal, some of which was delayed from previous years due to supply chain shortages. Operating expenditures for 2023 are modest with the intention of generating a small surplus, to keep reserves at sufficient levels. Both capital and operating budgets are aligned to support the priorities in the [2023-2025 Business Plan](#).

To support capital investment over the next three years, we will target moderate operating surpluses in 2024 and 2025, by limiting expenditure growth and identifying revenue opportunities.

**Table 4: Projected results 2023-2025**

2023 – 2025 Projections (\$000s)	2023	2024	2025
Service and related fees	81,869	86,800	90,300
Investment and other income	2,269	2,960	3,170
Total revenue	84,138	89,760	93,470
Expenses	(83,638)	(87,760)	(91,470)
Excess of revenue over expenses	500	2,000	2,000

There are numerous factors, some beyond our control, that could cause results to vary from expectations. A key risk to the projected results is the potential for a recession that is more prolonged or deeper than current forecasts.

# Financial Statements

Financial Statements of British Columbia Safety Authority  
(dba Technical Safety BC) and Independent Auditors' Report thereon  
Year ended December 31, 2022



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Vancouver BC V7Y 1K3  
Canada  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of British Columbia Safety Authority

### **Opinion**

We have audited the financial statements of British Columbia Safety Authority (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Other Information***

Management is responsible for the other information. Other information comprises the information, other than the financial statements and auditor's report thereon, included in the 2022 Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and auditor's report thereon, included in the 2022 Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Vancouver, Canada

March 9, 2023

# BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

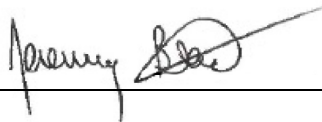
## Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Assets</b>		
Current assets:		
Cash	\$ 11,118,445	\$ 5,625,821
Accounts receivable (note 3)	1,810,451	1,428,054
Prepaid expenses	1,741,773	1,584,714
Investments (note 4)	19,749,845	12,605,172
	34,420,514	21,243,761
Investments (note 4)	10,898,644	27,767,458
Intangible assets (note 5)	11,351,045	6,403,810
Tangible capital assets (note 6)	6,280,796	7,471,024
	\$ 62,950,999	\$ 62,886,053
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 10,081,216	\$ 9,173,266
Deferred revenue	20,135,079	19,643,537
Current portion of capital lease obligation	-	42,575
Current portion of deferred leasehold inducements (note 8)	323,616	327,202
	30,539,911	29,186,580
Deferred leasehold inducements (note 8)	2,367,494	2,781,085
Accrued employee future benefits (note 9(b))	961,635	928,964
Asset retirement obligation (note 10)	90,165	88,381
	33,959,205	32,985,010
Net assets (deficits):		
Investment in tangible capital assets and intangible assets	17,631,841	13,832,259
Internally restricted:		
Education reserve	272,056	324,460
Capital reserve	10,749,845	12,605,172
Unrestricted operating reserve	338,052	3,139,152
	28,991,794	29,901,043
Commitments (note 14)		
Contingencies (note 15)		
	\$ 62,950,999	\$ 62,886,053

See accompanying notes to financial statements.

Approved on behalf of the Board:

  
\_\_\_\_\_  
Director

Director

  
\_\_\_\_\_  
Director

Director



BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Services and related fees (note 11)	\$ 77,694,613	\$ 74,679,995
Realized investment and other income (note 12)	1,368,778	1,555,352
	<u>79,063,391</u>	<u>76,235,347</u>
Expenses:		
Salaries and benefits	57,215,489	54,763,035
General, operating and administration	6,721,060	7,403,586
Communications and information services	5,194,027	4,658,890
Amortization of tangible capital assets and intangible assets	3,388,943	3,799,327
Building occupancy	3,379,916	3,306,242
Transportation	1,519,250	885,345
Corporate governance	647,348	692,473
	<u>78,066,033</u>	<u>75,508,898</u>
Excess of revenue over expenses before the undernoted	997,358	726,449
Unrealized gain (loss) on investments	(1,951,251)	307,196
Excess (deficiency) of revenue over expenses	<u>\$ (953,893)</u>	<u>\$ 1,033,645</u>

See accompanying notes to financial statements.

# BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

## Statement of Changes in Net Assets

Year ended December 31, 2022, with comparative information for 2021

	2022					2021
	Investment in tangible capital assets and intangible assets	Education reserve	Capital reserve	Operating reserve	Total	Total
Net assets, beginning of year	\$ 13,832,259	\$ 324,460	\$ 12,605,172	\$ 3,139,152	\$ 29,901,043	\$ 28,848,488
Excess (deficiency) of revenue over expenses	(3,383,936)	(132,630)	-	2,562,673	(953,893)	1,033,645
Remeasurement gain on accrued employee future benefits (note 9(b))	-	-	-	44,644	44,644	18,910
Net investment in tangible capital assets and intangible assets	7,183,518	-	(7,152,369)	(31,149)	-	-
Interfund transfer (note 13)	-	80,226	5,297,042	(5,377,268)	-	-
Net assets, end of year	\$ 17,631,841	\$ 272,056	\$ 10,749,845	\$ 338,052	\$ 28,991,794	\$ 29,901,043

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY (dba Technical Safety BC)

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	\$ (953,893)	\$ 1,033,645
Items not involving cash:		
Amortization of deferred leasehold inducements	(417,177)	(329,935)
Amortization of tangible capital assets and intangible assets	3,388,943	3,799,327
Gain on disposal of tangible capital assets	(5,007)	(93,843)
Accretion of asset retirement obligation	1,784	1,749
Change in fair value of investments	1,951,251	(307,196)
Change in accrued employee future benefits	77,315	50,332
Net changes in non-cash working capital accounts (note 16)	860,036	4,737,742
	4,903,252	8,891,821
Financing:		
Principal payments on capital lease obligation	(42,575)	(70,722)
Investments:		
Purchase of tangible capital assets	(1,251,624)	(1,419,524)
Proceeds from disposal of tangible capital assets	11,426	94,262
Purchase and development of intangible assets	(5,900,745)	(3,616,337)
Investment income re-invested	(727,110)	(1,160,684)
Withdrawal of investments	8,500,000	-
Purchase of investments	-	(6,000,000)
	631,947	(12,102,283)
Increase (decrease) in cash	5,492,624	(3,281,184)
Cash, beginning of year	5,625,821	8,907,005
Cash, end of year	\$ 11,118,445	\$ 5,625,821

See accompanying notes to financial statements.

**1. Operations:**

British Columbia Safety Authority ("BCSA") (dba Technical Safety BC) is a not-for-profit organization incorporated through the Safety Authority Act. BCSA administers the service delivery components of the Safety Standards Act delegated to it by the Province of British Columbia. The delegation of authority is based on an Administrative Agreement between the Province of British Columbia and BCSA. The Administrative Agreement establishes the rights and responsibilities and terms and conditions of both parties. BCSA is exempt from income taxes.

BCSA delivers services in British Columbia by partnering with business, industry and the general public to enhance the safety of technical systems, products, equipment and work. BCSA is responsible for overseeing the safety of electrical equipment and systems, boilers, pressure vessels and refrigeration systems, natural gas and propane appliances and systems, elevating devices, railways, passenger ropeways and amusement devices.

**2. Significant accounting policies:**

(a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations as recommended by the Chartered Professional Accountants of Canada.

(b) Revenue recognition:

Fees that cover a specific period are recognized as revenue evenly over that period. Fees that do not cover a specific period and are earned over a period of time are recognized as revenue over an estimated period based on past history. In both cases, unearned fees are recorded as deferred revenue.

All other revenue is recognized when the services are performed and the amount is received, or if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Net assets:

(i) Investment in tangible capital assets and intangible assets:

These net assets represent the investment that BCSA has made in tangible capital assets and intangible assets.

(ii) Education reserve:

In accordance with the Safety Standards Act, BCSA established the education reserve to reserve monetary penalties collected by BCSA to be expended on accident prevention and safety education programs.

**2. Significant accounting policies (continued):**

(c) Net assets (continued):

(iii) Capital reserve:

The capital reserve was established to fund long-term capital investment projects, such as the modernization of facilities and information technology systems.

(iv) Operating reserve:

The operating reserve represents the accumulated unrestricted surplus of BCSA.

(d) Investments:

Investments are carried at fair value based on published quoted prices at year-end. All investments are held in pooled funds. Investment income and changes in fair value are recognized in the statement of operations.

Short-term investments include those investments which BCSA intends to hold for capital projects and supporting cash flow requirements in the next fiscal year. Investments that are expected to be realized beyond the next fiscal year are classified as long-term.

(e) Intangible assets:

BCSA customizes third-party software for internal use. All intangible assets are recorded at cost. Direct costs attributable to new customizations or significant modifications to previous customizations are capitalized after the technological feasibility has been established. Direct costs, including internal labour, attributable to major safety program development are capitalized. Direct costs attributable to minor modifications of previous customization, and costs to support or service internally customized third-party software are expensed in the period incurred.

Intangibles are reviewed, at least annually or as needed, for impairment whenever events or changes in circumstances indicate that the associated future economic benefits or service potential have been reduced. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost and is recognized as an expense in the statement of operation.

Amortization commences when the software is brought into service. The software is amortized using the straight-line method over the estimated useful lives of the assets between 4 and 8 years.

**2. Significant accounting policies (continued):****(f) Tangible capital assets:**

Tangible capital assets are recorded at cost, which includes all costs directly attributable to the acquisition, installation of the asset and costs incurred to bring the asset to the condition necessary for its intended use. Repairs and maintenance costs are recorded as expenses. Betterments which extend the life of an asset are capitalized.

Tangible capital assets are reviewed, at least annually, for impairment whenever events or changes in circumstances indicate that the associated future economic benefits or service potential have been reduced. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost and is recognized as an expense in the statement of operation.

Amortization of tangible capital assets commences when it is brought into service. The assets are amortized using the straight-line method over the estimated useful lives of the assets at the following annual rates:

Asset	Basis
Computer hardware	3 to 5 years
Software systems integral to hardware operations	3 to 5 years
Vehicles	5 years
Furniture and equipment	5 years
Leasehold improvements	term of the lease

Leases, which transfer substantially all of the benefits and risks incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

**(g) Deferred leasehold inducements:**

Deferred leasehold inducements include amounts received in lease agreements related to leasehold improvements. Amortization of deferred leasehold inducements is recognized over the initial term of the lease, including any rent-free periods, on a straight-line basis against building occupancy expense.

**2. Significant accounting policies (continued):**

(h) Employee future benefits:

BCSA accrues its obligations under defined benefit plans as the employees render the services necessary to earn the benefits. Actuarial gains (losses) on the accrued benefit obligation arising from differences between actual and expected experience are recognized immediately. Actuarial assumption changes resulting in remeasurement are recognized directly in net assets in the period they occur.

BCSA is a participating employer of the Public Service Pension Plan, a jointly trustee pension plan. The pension plan is a multiemployer plan and as a result, required contributions are expensed as incurred. The plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

(i) Asset retirement obligation:

BCSA recognizes a future asset retirement obligation as a liability in the year in which it has a legal obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, and/or normal use of the asset based on management's best estimate of the expenditure required to settle the obligation. BCSA concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset.

The amount of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at a risk-free interest rate based on management's best estimate. Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. Changes in the obligation due to the passage of time are recognized as an expense using the effective interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the related long-lived asset.

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. In particular, management makes estimates to determine the period over which deferred revenue is recognized as revenue. Actual results could differ from those estimates.

**2. Significant accounting policies (continued):****(k) Financial instruments:**

BCSA's financial instruments consist of cash, accounts receivable, investments, and payables and accruals. Cash, accounts receivable, and payables and accruals are initially recorded at fair value and subsequently recorded at cost or amortized cost. Investments are initially measured at fair value, and also subsequently carried at fair value, with changes in fair value recognized in the statement of operations.

The carrying value of accounts receivable, and payables and accruals approximates fair value as at December 31, 2022 and 2021.

BCSA classifies financial instruments measured at fair value into one of three levels of a fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values:

- Level 1 - quoted prices in active markets;
- Level 2 - measurements determined using valuation models that employ observable inputs; and
- Level 3 - measurements determined using valuation models that employ unobservable inputs.

All investments held by BCSA at December 31, 2022 are considered Level 2 (2021 - Level 2).

**3. Accounts receivable:**

	2022	2021
Trade and other receivables	\$ 2,493,221	\$ 2,329,207
Allowance for doubtful accounts	(682,770)	(901,153)
	<b>\$ 1,810,451</b>	<b>\$ 1,428,054</b>



**4. Investments:**

BCSA manages its investment portfolio through a third party investment manager, who invests according to BCSA's investment policy. Investments are held in short-term bond and Canadian dividend funds.

	2022		2021	
	Cost	Fair value	Cost	Fair value
Short-term bond fund	\$ 24,404,581	\$ 23,101,259	\$ 32,265,413	\$ 32,514,799
Canadian dividend fund	6,694,368	7,547,230	6,606,425	7,857,831
	<b>\$ 31,098,949</b>	<b>\$ 30,648,489</b>	<b>\$ 38,871,838</b>	<b>\$ 40,372,630</b>

	2022	2021
Current portion	\$ 19,749,845	\$ 12,605,172
Long-term portion	10,898,644	27,767,458
	<b>\$ 30,648,489</b>	<b>\$ 40,372,630</b>

**5. Intangible assets:**

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Software systems	\$ 22,486,066	\$ 20,670,141	\$ 1,815,925	\$ 2,240,963
Software systems under development	9,535,120	-	9,535,120	4,162,847
	<b>\$ 32,021,186</b>	<b>\$ 20,670,141</b>	<b>\$ 11,351,045</b>	<b>\$ 6,403,810</b>

Software systems, including those under development, are comprised of online transaction and reporting tools, core production systems and safety program software development costs.

**6. Tangible capital assets:**

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 6,235,225	\$ 5,452,598	\$ 782,627	\$ 1,360,186
Software systems integral to hardware operations	1,358,623	1,270,048	88,575	88,120
Vehicles	6,064,659	4,710,497	1,354,162	1,649,159
Furniture and equipment	5,299,761	4,811,774	487,987	819,959
Leasehold improvements	9,779,347	6,211,902	3,567,445	3,520,401
Leased tangible capital assets	-	-	-	33,199
	\$ 28,737,615	\$ 22,456,819	\$ 6,280,796	\$ 7,471,024

Included in tangible capital assets is \$771,531 (2021 - \$333,450) of assets that had not yet been put into use.

**7. Accounts payable and accrued liabilities:**

	2022	2021
Trade payables and accruals	\$ 2,911,064	\$ 2,030,635
Government taxes and remittances	1,932,879	1,628,753
Wages and related costs payable	5,237,273	5,513,878
	\$ 10,081,216	\$ 9,173,266

Government taxes and remittances consist of amounts such as, sales taxes, Board of Directors' and employee payroll withholdings, employee benefit costs and worker's compensation premiums.

**8. Deferred leasehold inducements:**

Deferred leasehold inducements relate to leasehold improvements in the currently occupied Vancouver office and Comox office, with estimated remaining lease terms of 70 months and 6 months, respectively.

	2022	2021
Deferred leasehold inducements, beginning of year	\$ 3,108,287	\$ 3,438,222
Less amortization recorded net of building occupancy expense	417,177	329,935
Deferred leasehold inducements, end of year	2,691,110	3,108,287
Less current portion	323,616	327,202
Long-term portion	\$ 2,367,494	\$ 2,781,085

**9. Accrued employee future benefits:****(a) Public Service Pension Plan:**

BCSA and its permanent employees contribute to the Public Service Pension Plan, a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including asset investment and plan administration. The pension plan is a multi-employer contributory defined benefit pension plan with 68,000 active members and 54,000 retired members as at March 31, 2022. BCSA had 475 active employees in the plan as at December 31, 2022 (2021 - 471).

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The latest valuation as at March 31, 2020 indicated a \$2.7 billion surplus for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2023.

Employer contributions paid by BCSA to the Public Service Pension Plan during the year were \$4,429,230 (2021 - \$4,149,513).

**9. Accrued employee future benefits (continued):****(b) Defined Supplemental Retirement Benefit Plan:**

Under the collective agreement and terms of employment, BCSA accrues a provision for a Defined Supplemental Retirement Benefit Plan as employees render the services required to earn that benefit. Employees eligible to receive a benefit from the Public Service Pension Plan upon retirement and who have completed 20 years of service with BCSA are entitled to an additional benefit from the Defined Supplemental Retirement Benefit Plan. The additional benefit is calculated as one to three month's salary, based on the number of years of service between the employee's 20<sup>th</sup> and 30<sup>th</sup> year with BCSA (maximum).

BCSA accrues the cost of these employee future benefits over the periods in which the employees earn the benefit. The cost of employee future benefits is actuarially determined using the projected benefit method pro-rated on service and includes, but is not limited to, management estimate of future salary increases, the retirement age and date of employees and the discount rate. The discount rate used is based on market rates as at the measurement date. Actuarial gains and losses arise from changes in actuarial assumptions used to determine the accrued benefit obligation. Past service costs from plan amendments and net actuarial gains or losses are recognized in the statement of changes in net assets in the period they occur.

The latest full actuarial valuation was at December 31, 2022. A full actuarial valuation is performed every three years. Extrapolations of the last valuation are performed by the actuary in years where a full valuation is not performed.

The following is the reconciliation of the accrued employee future benefits liability:

	2022	2021
Accrued employee future benefits, beginning of year	\$ 928,964	\$ 897,542
Current service cost	98,135	104,135
Interest cost	26,940	21,540
Benefits paid	(47,760)	(75,343)
Remeasurement gain	(44,644)	(18,910)
Accrued employee future benefits, end of year	\$ 961,635	\$ 928,964

The expense for the plan is comprised of the following:

	2022	2021
Current service cost	\$ 98,135	\$ 104,135
Interest cost	26,940	21,540
Retirement benefit plan expense	\$ 125,075	\$ 125,675

**9. Accrued employee future benefits (continued):****(b) Defined Supplemental Retirement Benefit Plan (continued):**

The significant actuarial assumptions adopted in measuring the accrued benefit obligation are as follows:

	2022	2021
Discount rate	5.05%	2.90%
Rate of compensation increase	5.00%	3.10%

The accrued benefit obligation is not funded as funding is provided when benefits are paid. Accordingly, there are no plan assets.

**10. Asset retirement obligation:**

In accordance with the lease agreement, BCSA is required to restore the leased space for its Vancouver office to its original condition at the end of the lease term. BCSA has recorded an asset retirement obligation amount of \$90,165 as at December 31, 2022 (2021 - \$88,381).

**11. Services and related fees:**

	2022	2021
Installation permits	\$ 45,937,681	\$ 43,739,022
Operating permits	19,369,269	18,370,062
Certification and licensing	4,715,560	4,639,216
Design registration	2,563,162	2,249,634
Inspections	1,735,287	1,595,199
Alternative Safety Approach and Equivalent Standard Approach	1,604,126	1,674,772
Equipment approvals	960,612	1,052,888
Client education and administrative services	595,864	1,105,465
Miscellaneous	213,052	253,737
	<b>\$ 77,694,613</b>	<b>\$ 74,679,995</b>

**12. Realized investment and other income:**

	2022	2021
Realized investment income	\$ 748,115	\$ 967,075
Rental income	267,930	265,265
Interest income on cash balances	264,726	64,669
Monetary penalties issued	83,000	164,500
Gain on disposal of tangible capital assets	5,007	93,843
	<b>\$ 1,368,778</b>	<b>\$ 1,555,352</b>

**13. Internal fund transfers:**

Internal fund transfers is comprised of the following:

**(a) Education reserve:**

Transfer of \$80,226 from the operating reserve to the education reserve related to monetary penalties collected that will be expended on accident prevention and safety education programs (2021 - \$122,500).

**(b) Capital reserve:**

Transfer of \$5,297,042 (2021 - \$11,440,302) from the operating reserve to the capital reserve to fund long-term capital investment projects.

**14. Commitments:****(a) Operating leases and license agreements:**

BCSA leases office space and has software license agreements with future minimum annual payments as follows:

2023	\$ 2,166,082
2024	2,052,354
2025	1,767,827
2026	1,810,825
2027	1,810,825
Thereafter	1,543,371
	<b>\$ 11,151,284</b>

**14. Commitments (continued):**

## (b) Line of credit:

BCSA has one credit facility which has a maximum borrowing capacity of \$2,000,000 and can be drawn at the prime lending rate. There were no amounts drawn on the line of credit as at December 31, 2022 (2021 - nil).

**15. Contingencies:**

In the ordinary course of operations, BCSA may be contingently liable for litigation and claims with customers, suppliers and employees. Specific claims have been brought against BCSA, the outcome of which is indeterminable at this time. Liabilities on any litigation are recognized in the financial statements when the loss is likely and can be reasonably estimated. In management's judgment, no material exposure exists on the eventual settlement of any existing litigation.

**16. Change in non-cash working capital accounts:**

	2022	2021
Accounts receivable	\$ (382,397)	\$ 447,876
Prepaid expenses	(157,059)	(195,637)
Accounts payable and accrued liabilities	907,950	2,653,015
Deferred revenue	491,542	1,832,488
	<b>\$ 860,036</b>	<b>\$ 4,737,742</b>

**17. Financial instruments risk, exposure and management:**

BCSA has exposure to the following risks from its financial instruments:

(a) Credit risk:

Credit risk is the risk of loss resulting from the failure of a customer or other debtor to honour its financial obligations. BCSA is exposed to credit risk with respect to its accounts receivable. Trade accounts receivable over 120 days are reviewed quarterly. All amounts over \$1,500 are reviewed for collectability and specific provisions are made accordingly. For remaining accounts, management applies a general provision based on past experience of collection.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. BCSA is exposed to fair value risk on its investments. BCSA is not significantly exposed to foreign currency risk or other price risks.

(c) Interest rate risk:

Interest rate risk is the risk that BCSA's investments will change in fair value due to future fluctuations in market interest rates. The risk arises primarily on interest-bearing financial instruments held in the short term bond fund.

(d) Liquidity risk:

Liquidity risk is the risk that BCSA will not be able to meet its financial obligations as they fall due. BCSA's approach to managing liquidity risk is to ensure that it will have a sufficient net monetary position and cash flow generated from operations to fund the operations and settle debt and liabilities when due. BCSA also maintains an operating reserve to mitigate this risk.

There has been no change to the risk exposures in 2022.

**18. Comparative figures:**

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year. There is no impact on net assets or excess (deficiency) of revenue over expenses from these reclassifications.



