



2024

Annual Report

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The Organization in 2024

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 licences, certificates, and permits, 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 British Columbia:

- 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; and
- complex and integrated technical systems involving several technologies.

The safety services we deliver include:

- **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.
- **Assessing** technical equipment using a combination of advanced analytics, predictive machine learning, and human decision-making to identify the greatest sources of potential risk throughout its lifecycle.
- **Investigating** incidents to understand risks and their root causes, and to develop strategies and programs that prevent harm in the future.
- **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

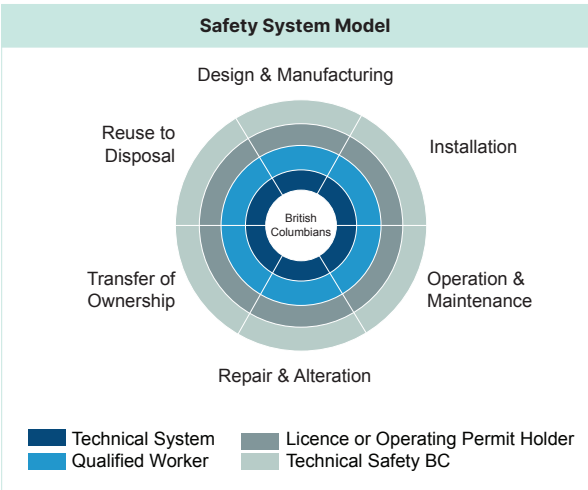
We aspire to build confidence in a safety system that improves the wellbeing of British Columbians

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 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

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

- ✓ Active Learning**
Leverage insight derived from field expertise, research, and data to take action in pursuit of our goals.
- ✓ Digitalization**
Use technology to achieve scale and support data-driven decision-making.
- ✓ Agility**
Respond to the changing environment using a human-centric mindset.
- ✓ Partnership and Collaboration**
Work with government, organizations, clients & safety partners to design, implement and run the safety system.
- ✓ Design & Management of Products & Programs**
Develop interventions that deliver safer outcomes and measurable value.

We Measure the Outcomes of Our Efforts

Safety Behaviour How effective are we at influencing people in the system to make safety-minded decisions?	Safety System Risk How effective are we at identifying, understanding, and reducing risk across the safety system?	Sustainability Are our financial decisions contributing to the long-term sustainability of our organization and safety system?	Market Participation Are we increasing adoption of safety products?	People Is our culture enabling the performance of the organization?
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Letter from the Chair of the Board

Over the last five years, “unprecedented” has frequently been used to describe the economic, social, and climate-related challenges communities in our province have faced. Despite these uncertainties, Technical Safety BC has demonstrated its resilience and agility by fulfilling our safety mandate, while investing in business transformation. I am confident the organization has the right Strategy, approach, and people to accomplish our goals and move us closer to our aspiration of building confidence in a safety system that improves the wellbeing of British Columbians.

As a Board, our role is to ensure good governance, and we are committed to supporting the opportunities and challenges facing both Technical Safety BC and the safety system. This past year, we reviewed our data and artificial intelligence practices and policies, as well as our financial sustainability models, to ensure they are aligned with the current and evolving landscape. We also utilized the Board’s diverse expertise, along with insights from external experts, to support various important initiatives, including enhancing our capability for effective oversight of emergency preparedness, cybersecurity, and climate-related threats.

The Board also focused its efforts on ensuring the organization’s [environmental, social, and governance commitment](#), and Indigenous reconciliation work, reflects the needs of clients, partners, employees, and communities. In 2024, Technical Safety BC examined its role in safety equity by working internally and with partners to better understand the connections between the safety system and Indigenous Nations. The organization also introduced specific reconciliation-focused competencies within an internal performance evaluation process. These competencies build accountability for employees and leaders, and outline what it looks

like to contribute meaningfully to reconciliation at Technical Safety BC.

The safety system is most effective when everyone understands their role in keeping regulated equipment and people safe. Looking ahead, the Board will support Technical Safety BC in its work to ensure that all safety system participants understand - and act on - their responsibilities. This will involve enhanced efforts around education, compliance, and, when required, enforcement.

In 2024, we welcomed Cathy McIntyre, Abigail Fulton, and Manjit Bains to the Board. Their diverse wealth of knowledge and expertise will be invaluable as the organization continues to advance its Strategy. I would also like to extend my gratitude to outgoing board members Nancy Olewiler and David Guscott for their dedication to the safety of British Columbians.

On behalf of the entire Board, I thank Technical Safety BC’s employees, executive leadership, clients, and partners for their continued hard work and commitment to the safety system. You can read more about the safety-focused work we accomplished in our [2024 State of Safety report](#).

George Abbott
Chair of the Board

Letter from the President and Lead Executive Officer



Reflecting on 2024, I am energized by our collective work to strengthen the safety system. We all share accountability in building and maintaining technical safety across the province. We're safer together.

Making it easier for clients to interact with us remains an essential priority of our multi-year business transformation. Last summer, we introduced our new online licensing system to simplify the experience for clients and employees. As a result, eighty-three per cent of new and renewal licences are now being completed online. We are now shifting focus to improving our permitting system. These advancements are designed to simplify the client experience and allow our organization to better understand and manage client behaviour and safety risks.

While we regulate technologies, safety system participants play a vital role in keeping people safe. This includes those who own, operate, hire, or perform regulated work. This is why we are focused on strengthening our enforcement efforts to clearly demonstrate that there are consequences for those who put people at risk.

When things go wrong, our incident investigations often bridge the gap between the understanding of technology failures and the human choices and behaviours that can impact those risks. For example, our analysis of multiple carbon monoxide (CO) incidents revealed that CO exposure often stems from poor maintenance, incorrect installation, or misuse of gas appliances. In addition, most incidents occur in single-detached homes and rental properties — especially in low-income neighbourhoods and areas facing housing insecurity. By sharing insights from our [incident investigations](#) and [Top 5 Safety Risks](#), we can identify areas where risk treatment is needed and make recommendations to industry and the public to inform prevention.

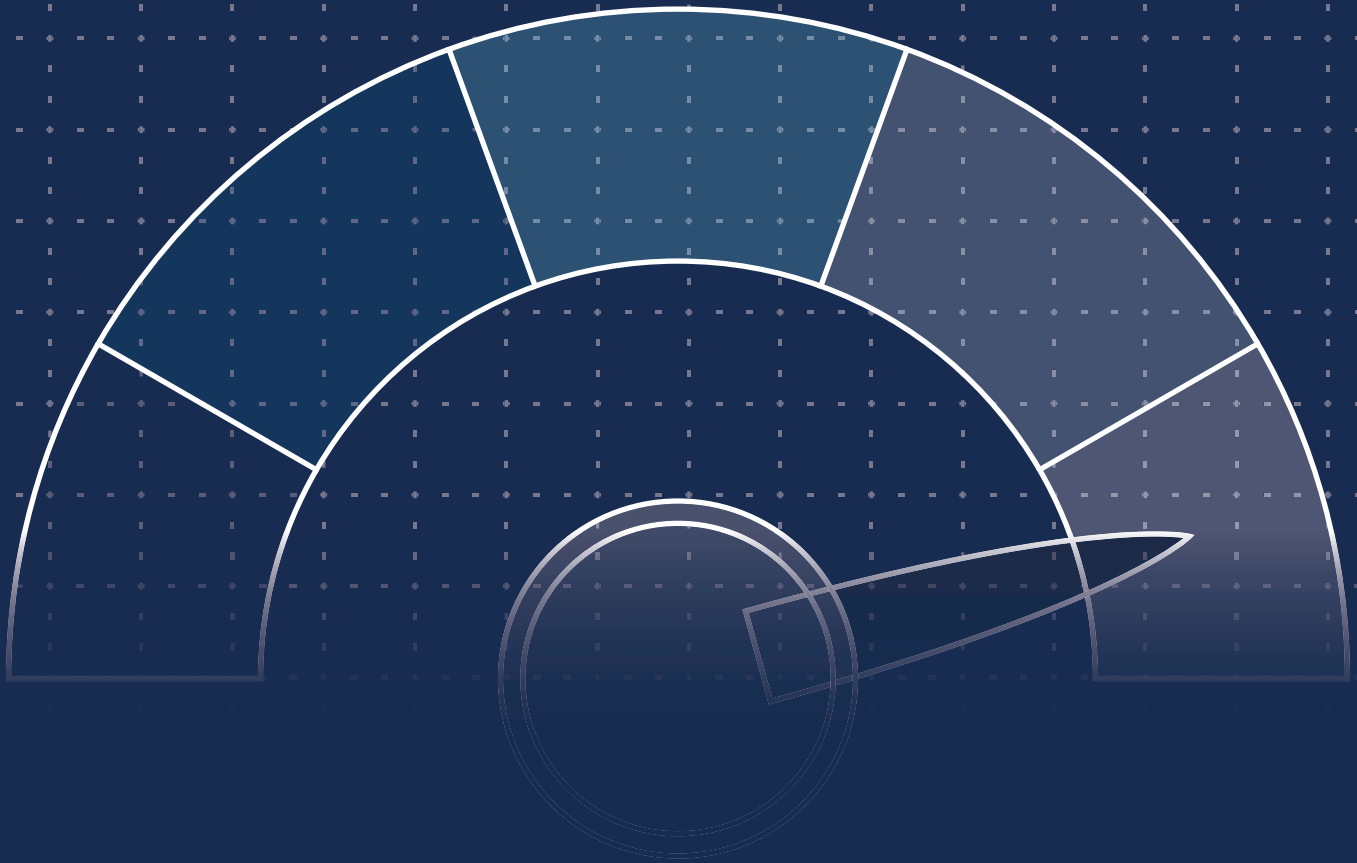
Reconciliation continues to be an ongoing part of our organization's journey. In 2024, we made progress in better understanding the impacts of climate change in rural, remote, and Indigenous communities through our partnership with the [Pacific Institute for Climate Solutions](#). By engaging with First Nations, we learned that communities want specific safety information for low-carbon and resilient technologies, better relationship building with youth and elders, and clear and specific recommendations for technical safety. This work led to the creation of a Fire Resilience Guidebook and research on carbon monoxide risk treatment in remote and Indigenous communities.

As we adapt to ongoing changes, I am continually inspired by the collaboration and innovation demonstrated by everyone involved in the safety system. Together we continue to expand upon our strong foundation as we strive to build confidence in a safety system that improves the well-being of British Columbians.

A handwritten signature in black ink, appearing to read 'Phil Gothe'.

Phil Gothe
President & Lead Executive Officer

Report on Performance



Report on Performance

In 2024, we continued to adapt to the rapid pace of change in the world and in the industries we regulate. Financial constraints driven by an ongoing slowdown in the construction sector challenged us to balance fiscal responsibility with innovation and effective service delivery that provides value to our clients and partners.

Our [2024-2026 Business Plan](#) was guided by three significant strategic issues: provincial and national economic uncertainties; rapidly changing landscapes both internally and externally; and continued investment in the digital transformation of our core IT systems and product offerings. Based on these strategic issues, we identified four priorities to advance the work of [our Strategy](#).

Strategic Priorities

1. Shared Responsibility Model (now Shared Accountability)

Three year intended outcome: By the end of 2026, most duty holders will understand and take responsibility for their role in keeping British Columbia safe. We will have shifted more of our focus toward assessing duty holder performance, and away from simple quality control. We will be transparent and fair in how we use risk and technology to decide how and where to provide oversight. We will have a safety system risk program which includes leading indicators and allows us to prioritize our risk treatment resources.

2024 goal: We will be able to explain our vision for the safety system to our safety partners, including roles and responsibilities of each participant at each stage of the equipment life cycle. We will identify gaps between our current state and our future goal for the safety system. We will help safety system participants to better understand their role in the safety system and support them so they can effectively meet their obligations.

To accomplish this, we successfully completed the following work:

In 2024, we focused on enhancing safety measures and accountability among participants in the safety system, with primarily focusing on elevating devices — one of our largest groups of regulated technologies. This included clearly documenting the regulatory requirements for in-service elevating devices and identifying gaps between duty holders' responsibilities and Technical Safety BC inspections to enhance our regulatory oversight model and contribute to a safety system that will benefit all British Columbians.

To monitor and manage the safety performance of licensed contractors more effectively, we created a dashboard to help us target interventions at both industry and individual company levels.

We also piloted a program to encourage compliance through [advertising requirements](#) for licensed contractors to highlight their qualifications and help the public distinguish licensed contractors from unqualified people advertising regulated work. As part of this work, we introduced a digital badge exclusively for licensed contractors. This free badge can be customized with a contractor's licence number and used across all advertising platforms. More than 900 badges were downloaded in 2024.

2. Digital Transformation

Three year intended outcome: By the end of 2026, we will have advanced safety at scale by transitioning our core safety products from legacy systems to Ursa (our new internal client relationship management system). Maintenance and continuous improvement of those products will have transitioned to operational teams, and we will be evaluating opportunities to improve our business using newly available software functionalities.

2024 goal: By the end of 2024 we will have launched our new licensing system with a simplified client experience, greater ease of use for employees, and the ability to use licensing data to support safety at scale. We will begin to understand what changes are needed for our permission (permit) and assessment products to work better for our employees, our clients, and the safety system.

To accomplish this goal, we successfully completed the following work:

In the summer of 2024, we introduced our new licensing system to simplify the experience for our clients and employees. As of December 31, 2024, eighty-three per cent of new and renewal licences are being completed through the client portal. In addition to improving the client journey, this new system also gives us the ability to use licensing data to better support the safety system.

This work has set the foundation for the next phase of our client-facing digital transformation, which includes the development of improved products and processes for permits and assessments. In 2024, we completed discovery work on client journeys for the boilers, pressure vessels, and refrigeration industry and started building the permit model and a release plan for the broader implementation of our new digital permit system.

3. Certification Value Improvement

Three year intended outcome: By the end of 2026, we will have end-to-end product management strategies for certification, licensing, and permissions, with the processes, tools, and capabilities needed to effectively maintain and continuously improve each of these products over time. Our clients will interact with us more easily, demonstrating improved safety behaviour as a result. By automating more tasks, we will have improved our efficiency and capacity to deliver safety at scale.

2024 goal: In 2024, we will build the processes, tools, and capabilities needed to obtain value from the digital certification system we introduced in 2023. By developing effective end-to-end management of the certification product, we will make it easier for our clients to meet their obligations and increase efficiencies for client-facing employees so they can better support clients.

To accomplish this, we successfully completed the following work:

To continually improve the client experience for certification, we established a cross-functional working group between our product and IT teams who are dedicated to the ongoing development and management of our certification products.

One of our 2024 goals was to ensure clients were getting value from the certification product. As a result, online certification renewals increased by nearly 31% and client satisfaction increased by 7.5%. Our monthly churn rate—percentage of clients who stopped using our certification product— decreased from 54% to 27.5%, resulting in an improvement of 49%.

4. Financial Sustainability

Three year intended outcome: By the end of 2026, we will be using the capabilities of the new Ursa system to start building our financial reserves after a significant investment in business transformation and digitalization initiatives. We will have implemented a new fee schedule which aligns fees with client value and will be routinely using what we know about the cost of our resources to make efficient resource allocation decisions which support safety at scale.

2024 goal: In 2024, we will continue to manage our financial resources to meet budget. We will better understand the cost of our resources and where they are used and will be able to leverage that information to support resource allocation and fee setting decisions.

To accomplish this, we successfully completed the following work:

In 2024, Technical Safety BC faced challenges due to variable revenue and capital spending pressures. To strengthen our financial stability and ensure the effective allocation of resources, we adapted our business operations, including budgeting and forecasting, to manage significant revenue fluctuations, particularly in residential gas installations influenced by CleanBC initiatives focused on more electrical infrastructure.

To help us re-evaluate funding models to enhance financial sustainability and optimize resource allocation, we improved our understanding of product margins for rail, design registration, certifications, and licences for boilers, pressure vessels, and refrigeration (BVPR).

To capture more valuable insights to inform resource allocation decisions that support safety and sustainability, we established the Margin Management Program that will allow us to expand margin

Embracing Uncertainty and Opportunity Through Resilience and Agility

Despite the ongoing uncertainties faced by our province and the industries we regulate, our agile approach enabled us to adapt and deliver on our goals. While achieving our four main priorities, we successfully advanced numerous initiatives to benefit clients and the safety system:

- Clients told us the code consultation process took too long, resulting in delayed code updates. To address this feedback, a digital-first engagement model was launched, reducing the code consultation for [electrical](#) and [boiler, pressure vessels, and refrigeration \(BPVR\)](#) from six months to six weeks. As a result, the BPVR codes came into effect on December 31, 2024, and the electrical code came into effect on March 4, 2025.
- In late 2024, a streamlined BPVR declaration process and new directive went live. These updates were made to improve the overall declaration process; clarify expectations for notifications and declarations; and reduce the administrative tasks associated with accepting contractor declarations for refrigeration decal permits.
- To address the issue of undervalued installation permits, we launched a campaign aimed at raising awareness about the importance of amending permit scope and value while educating contractors on audit and enforcement actions for non-compliance. Through this campaign we saw amendments to 1,150 permits.
- To enhance our compliance and enforcement capabilities, in 2024, we established a robust system of identifying the overall compliance standing of licensed individuals and companies across multiple domains of their regulatory obligations. This allows us to determine which duty holders are in good standing with their regulatory requirements, and which ones are not. This system has been used to identify and select licence holders for further investigation, audit, and to escalate toward compliance or enforcement actions if appropriate.
- We developed and launched a Heat Pump Tech Talk and webinar series, reaching over 1,000 clients through in-person sessions, webinars, and YouTube. This series of learning opportunities delivered crucial information on the safe installation of heat pumps, empowering both [contractors](#) and the [general public](#) with the knowledge they need to ensure safety and efficiency.
- To improve efficiency in our client care team, we piloted an internal chatbot to make it easier and quicker for employees to access information when serving clients. We have now moved from the pilot stage to full beta testing.
- Details on enforcement actions were added to the [Find a Licensed Contractor](#) database on our website, allowing people to make more informed decisions when hiring licensed contractors. This is aimed at highlighting contractors who are compliant, while encouraging others to fully participate in the safety system.
- During the 2023-2024 ski season, [we partnered with Sun Peaks Resort](#) to test whether salient signage would improve restraining bar usage on chairlifts. The signage was highly visible, bringing attention to the desired behaviour (raising the restraining bar at the right time). Pilot results showed that proper restraining bar usage increased from 20% without the sign to 65% with the sign. We've shared these findings with the industry.

- We continued to scale safety through our incident investigations by partnering with the BC SPCA during Carbon Monoxide Awareness Week after two pet-related incidents involving carbon monoxide (CO) occurred in early 2024. The [earned media partnership](#) reached new audiences by focusing on CO safety for pets and generated significant coverage across the province with 46 media stories and a reach of 84.4M. We also had the opportunity to feature our [Ask a Vet: How Does Carbon Monoxide Affect Pets?](#) blog post in the BC SPCA's e-newsletter sent to 285,000 subscribers.
- Five Indigenous post-secondary students were awarded Technical Safety BC-funded bursaries: Three students received \$4,000 each through our partnership with the Nicola Valley Institute of Technology; and two students received \$2,000 each through our partnership with the New Relationship Trust.
- To increase our clients' and the public's knowledge and awareness of who we are and what we do, we produced an [explainer video](#), the first in a series. The video helps explain the various technologies we regulate that British Columbians (sometimes unknowingly) interact with every day and is designed to increase understanding of our products and services as tools that help make those systems safer.

Looking ahead, we will continue to invest in our foundational digital infrastructure, and our core safety initiatives, while focusing on the priorities outlined in [2025-2027 Business Plan](#). This includes building on shared accountability for safety by providing clarity to duty holders about their responsibilities, and strengthening our enforcement efforts to reduce illegal activity in BC by demonstrating consequences for those who are performing unlicensed, uncertified, and unpermitted work.

Environmental, Social, and Governance Commitment

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.

Our ESG commitments include:

1. Inclusion, diversity, equity, and accessibility (IDEA)
2. Climate action

Using elements of the Global Reporting Initiative (GRI) framework, we regularly monitor, measure, adjust, and report on our efforts to address the most significant risks and opportunities impacting the safety system in British Columbia.

Reconciliation is consciously positioned as a lens to our ESG work out of recognition for the unique rights and standing of Indigenous Peoples in Canada. Our reconciliation work is committed to honouring the priorities of Indigenous people and communities, which cannot be appropriately captured or reflected under the ESG reporting standards currently available. These reporting standards were not developed in partnership with Indigenous Peoples or with consideration for Indigenous issues and contexts. By embedding reconciliation as a lens, we ensure that Indigenous rights and contexts are considered within our ESG commitments.

In addition to the governance aspects of our environmental and social commitments, components of our governance practices are also detailed in the Corporate Governance section.

Inclusion, Diversity, Equity, and Accessibility

Our Inclusion, Diversity, Equity, and Accessibility (IDEA) strategy is designed to ensure that our people and programs reflect the population we serve, embracing and encouraging different perspectives, while addressing bias. We know we are made stronger by a unique combination of culture, race, ethnicity, age, gender, sexual orientation, gender identity or expression, physical or mental ability, geography, socio-economic status, and work-life situations.

Making impactful and sustainable change in IDEA initiatives requires a long-term view with ongoing progression. Last year we updated our plan to encapsulate this, recognizing that meaningful change can take time and requires short term milestones to monitor progress and adoption.

Inclusion, Diversity, Equity, and Accessibility Plan

- 1. Long-term goal:** A workforce that reflects the population of BC, including Indigenous Peoples, enabling Technical Safety BC to better provide safety oversight for all people living in BC.
2024 progress: Implemented preliminary steps to understand employee demographics to increase inclusion for all employees:
 - By gathering voluntary employee data on our diversity profile, we are measuring our progress towards being an equitable, diverse, and inclusive workplace and employer.
 - Using this data, we continue to design and implement a number of initiatives to strengthen our diversity and ensure we reflect the population of BC.

2. **Long-term goal:** Employees (and/or consultants) with expertise in IDEA and decolonial methodologies participate in product and services development assuring language inclusion and accessibility for persons with disabilities is considered.

2024 goal: As part of our [Accessibility Plan](#), we implemented priority accessibility upgrades at our Renfrew office including:

- Automatic push-to-open doors
- Fully accessible washroom
- Seven accessible parking spots
- Updated Health and Safety Emergency plans to include persons with limited mobility
- Provided training to Floor Wardens and First Aid attendants on working with persons with disabilities in emergency situations

3. **Long-term goal:** Through knowledge of equity and with tools to remove discrimination, bias, and colonial thinking, employees enable expansion of the safety system's reach to include underserved communities, resulting in reduced safety risk in those communities.

2024 progress: Delivered IDEA training and education to Technical Safety BC employees, in alignment with our reconciliation training strategy:

- Made Indigenous Awareness and Respect in the Workplace courses required learning for all employees.
- Made over 16 IDEA and Reconciliation courses available and accessible to all employees in the employee Learning Centre.
- Launched the Leadership Academy, an internal Leadership program designed to support leader growth in critical leadership and interpersonal skill areas.
- Leaders are encouraged to start gatherings and meetings with a personalized land acknowledgement. This was modeled in leaders' meetings and Town Halls with all employees.
- Optional Lunch & Learn trainings offered on:
 - Orange Shirt Day
 - Avoiding Job Burnout
 - Anti-Oppression
- Incorporated cross-cultural holidays and events into our organizational celebrations including Diwali, Lunar New Year, Asian Heritage month, and Accessibility Week.

4. **Long-term goal:** The organization has made and communicated a policy on the use of inclusive language on race and ethnicity, gender, gender identity, and gender expression, sexual orientation, disability, and other dimensions.

2024 progress: Updated employee onboarding to reflect IDEA best practices and to ensure new employees understand the organization's commitment to IDEA and Indigenous reconciliation. This includes:

- Indigenous Awareness course
- Respect in the Workplace course
- Climate Action course
- Information on ESG
- Information on accessibility

Climate Action and Sustainability

Through our climate action work, we seek to proactively manage safety risks by understanding how climate events like wildfires, heat waves, and extreme cold snaps affect the technical systems we regulate. We also support [CleanBC's decarbonization strategy](#) by enabling the safe adoption of low-carbon technologies. We do this work in partnership with Indigenous communities, utilizing both Western-Eurocentric and Indigenous knowledge systems, and we seek to integrate equitable access to safety into our solutions to improve the wellbeing of everyone.

To continue this work, in 2024, we refocused our goals on climate safety and made the following progress:

1. **Long-term goal:** Prevent safety incidents and hazards related to climate change for the technical systems and equipment we regulate.
2024 progress: Worked alongside partner organizations to share safety findings from the climate hazard inventory with the public, and used climate hazard inventory findings to inform safety oversight activities:
 - Shared climate hazard inventory findings at the New Horizons in Civil Engineering Conference and the BC Assembly of First Nations and First Nations Housing and Infrastructure Council's Housing and Homelessness Forum.
 - Included climate safety information in our fall carbon monoxide campaign.
 - Launched campaign for air conditioner unit distributors to share safety information and recommend customers purchase a carbon monoxide detector.
 - Began work with our gas technical team to develop snow depth consideration for air intake and exhaust outlet installations in gas code.
 - Developed two new partnership opportunities to extend the reach of our safety system - one is a partnership with BC Housing, BC Hydro, and the University of Victoria, and the other is with the Fraser Basin Council.
 - Launched internal climate action learning module for all employees to support identification and management of climate risks.
2. **Long-term goal:** Prevent disproportionate technical risks and negative impacts of climate change on Indigenous communities and other underserved communities and groups and add value by connecting these groups to the safety system.
2024 progress: Continued our collaborative [Pacific Institute for Climate Solutions-funded](#) project and explored potential to identify current reach of safety oversight to build resiliency in remote, rural, and Indigenous communities:
 - Developed and shared a Fire Resilience Guidebook for communities.
 - Supported research on carbon monoxide risk treatment in remote communities.
 - Engaged with First Nations and learned that communities want specific safety information for low-carbon and resilient technologies, relationship building with youth and elders, and clear and specific recommendations for safety.
 - Made progress on identifying current reach of safety oversight in rural, remote, and Indigenous communities.

3. **Long-term goal:** Contribute to Provincial greenhouse gas (GHG) emissions reduction strategy through enabling safe adoption of low-carbon technologies.

2024 progress: Continued to increase understanding of safety risks from low carbon technologies and improve management of these risks through education and partnerships.

- Supported delivery of the following educational resources:
 - [Heat pump webinars](#) for the public/asset owners
 - [Heat pump webinars for contractors](#)
 - Internal electric vehicle (EV) learning modules
 - [Heat pump regulatory guide](#)
 - [Load management webinars](#)
 - [Homeowners guide to load management](#)
 - Electrical and BPVR Code Updates impact on climate technologies [blog post](#)
- Developed a \$100k external funding opportunity with BC Hydro, City of Vancouver, and Metro Vancouver to research refrigerant leakage safety.
- Added new data capture fields in electrical installation permit applications to track installation of heat pumps and EV chargers.
- Launched an external [climate action webpage](#) to share information about low-carbon technologies and other climate action initiatives.

In 2024, our total GHG emissions increased slightly, primarily due to fleet-related activities. As operations expanded, our fleet usage increased, leading to higher emissions despite ongoing efforts to enhance fuel efficiency and transition our fleet to low emission vehicles. Due to ongoing efficiency improvements and space optimization efforts over the past five years, GHG emissions from our facilities continued to trend downward. By streamlining building operations and leveraging efficient energy management strategies, we have increased the percentage of renewable energy use.

	2019 (Baseline) - tCo2e	2023 - tCo2e	2024 - tCo2e
Fleet	768	589	640
Facilities	76	62	47
Total	844	651	687
Facilities % Renewable ¹	79%	73%	79%
Overall % Renewable ²	7%	7%	5%

¹ The percentage of renewables for facilities represents the proportion of facility energy consumption sourced from renewable sources, such as hydroelectricity.

² The overall percentage of renewables accounts for both fleet and facility energy usage.

Indigenous Reconciliation and Partnerships

We strive to coordinate our Environmental, Social, and Governance commitment with our reconciliation approach as we co-develop meaningful and respectful relationship-built programs and initiatives in partnership with Indigenous people, organizations, and Nations.

In 2024, we continued to take action towards meaningful reconciliation by focusing on:

- increasing our organization's internal and external accountability to reconciliation;
- deepening our understanding of safety equity by looking at the connections between our safety system and Indigenous people and communities; and
- increasing internal awareness of reconciliation and Indigenous cultures and issues.

Increasing Accountability

To take meaningful action toward reconciliation, we need to make significant changes to who we are as an organization both internally and in the way we interact with Indigenous people and communities. In 2024, we introduced specific reconciliation-focused competencies within our internal performance evaluation process. These competencies outline what it looks like to contribute meaningfully to reconciliation for all employees and leaders across the organization. This means that there are several opportunities every year for employees and leaders to look at their own work through the lens of reconciliation, to create goals and development plans that align with our reconciliation approach, and for employees and leaders to be evaluated on their ability to understand and drive reconciliation in their areas.

We also collaborated with teams across the organization to successfully advocate for the consideration of safety equity and our commitment to reconciliation in the business plan for 2025.

Five Indigenous post-secondary students were awarded Technical Safety BC-funded bursaries in 2024. Three students received \$4,000 each through our partnership with the Nicola Valley Institute of Technology, and two students received \$2,000 each through our partnership with the New Relationship Trust.

Understanding Safety Equity

In 2024, we examined our role in safety equity by working internally and with partners to better understand the connections between our safety system and Indigenous Nations. Through the Pacific Institute for Climate Solutions-funded collaborative project, we learned first-hand about the safety needs and priorities of some First Nations, particularly in the context of a changing climate. We also embarked on a data visualization project to help us glean insights from our internal data about the technical safety-related issues experienced by Indigenous communities and those communities' relationships to Technical Safety BC. These projects continue in 2025 and will inform our organization's path as we work towards increasing access to safety equity across the province.

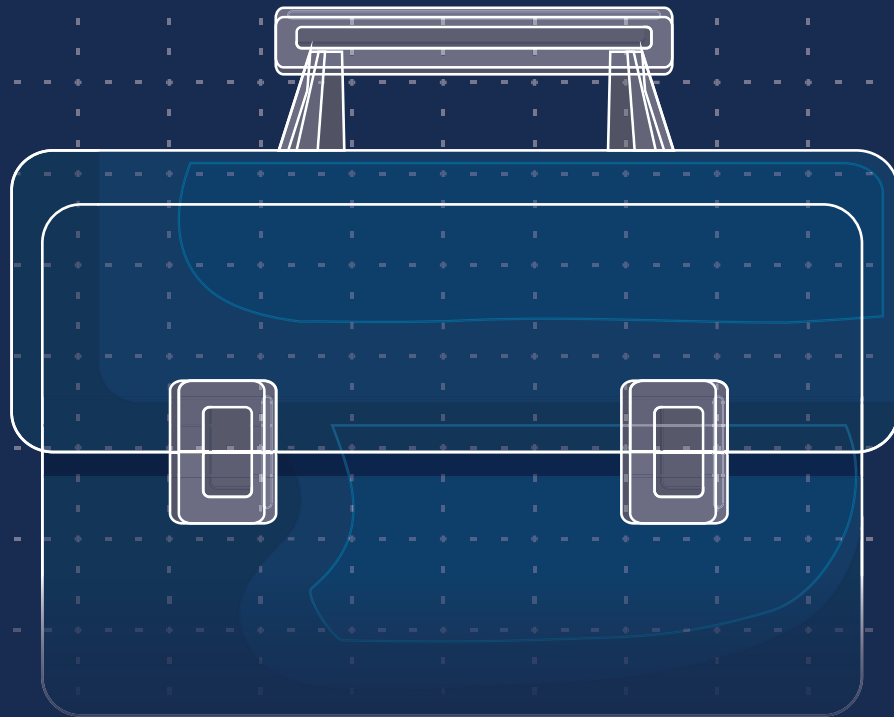
Increasing Cultural Safety

The Indigenous Relations Employee Resource Group (ERG) is responsible for creating, planning, and implementing communications and events to increase employees' awareness and understanding of reconciliation and Indigenous cultures.

In 2024, the ERG organized 11 well-attended in-person and virtual events, including guest speakers, film screenings, and employee participation in the Tears to Hope relay, which brings awareness to the ongoing national crisis of missing and murdered Indigenous women and girls. The ERG also organized a very well-received and impactful initiative for Red Dress Day, where red dresses and accompanying information were displayed for two weeks at seven of our regional offices.

Call to Action 92 calls on the corporate sector to, amongst other things, provide education for management and staff on the history of Indigenous Peoples and issues experienced by Indigenous people and communities. In alignment with this Call to Action, we continued to require all new employees to complete a baseline Indigenous Awareness training course, and offered several other learning opportunities throughout the year, including two sessions to senior leadership.

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 is a veteran politician with a PhD in political science from 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.



Manjit Bains

Location: Victoria, BC

Director since: March 18, 2024

Latest date for retirement: March 18, 2027, eligible for renewal

Appointed by: Minister

Positions held: Member, Finance and Audit Committee³

Manjit is a CPA, CMA, ICD.D and is the President and founder of Bains Strategies Inc., providing strategic advisory, transformation, leadership, and governance services. She has held past positions as VP of Corporate Relations and Corporate Secretary with Consumer Protection BC with a focus on business development, policy and legislation, media and stakeholder relations, call centre services, consumer education and marketing, and brand development. She also held positions with the BC Ministry of Tourism, BC Ministry of Attorney General, and the Ministry of Public Safety and Solicitor General.

³ Member appointed on April 1, 2024



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 and Audit Committee

Jeremy brings a wealth of experience in data analytics, currently serving as VP, Enterprise Analytics for Coast Capital Savings. Prior to this, Jeremy led the business intelligence practice at Ritchie Bros. Auctioneers, transforming how the company uses data, resulting in major customer satisfaction improvements, over \$1B in shareholder value, and national recognition.



Abigail Fulton

Location: Victoria, BC

Director since: April 1, 2024

Latest date for retirement: March 31, 2027, eligible for renewal

Appointed by: Board

Positions held: Member, Strategic Advisory Committee⁴

Abigail holds a Bachelor of Laws and is the Executive Director, Construction Foundation of BC. She has extensive experience working with industry and government on regulatory and policy issues impacting the construction industry. Abigail has been active in promoting industry training, apprenticeship, and supporting workforce development. She has held previous positions at the BC Construction Association as Vice President and previously practiced law in Manitoba.

⁴ Member appointed on April 1, 2024



David Guscott⁵

Location: Vernon, BC

Director since: April 1, 2018

Latest date for retirement: March 31, 2024

Appointed by: Board

Positions held: Chair, Governance and Human Resources Committee

David has extensive leadership and governance experience. He's served on eight boards and is the former president and CEO of E-Comm911, Canada's largest 911 call centre. David was the Executive VP of Celebrations and Partnerships for the 2010 Olympic and Paralympic Winter Games. He served as deputy minister for Ontario's Ministries of Transportation, Labour, and Communications.



Ivan Limpricht

Location: Abbotsford, BC

Director since: July 3, 2019

Latest date for retirement: July 3, 2025

Appointed by: Minister

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

Ivan is the former president of the United Food and Commercial Workers Union (UFCW), the largest private sector union in BC. Active in his community, Ivan has served as a board director for the BC Forum and Concert Properties Ltd., and as Chair of the Board of Trustees for UFCW's pension plan and Health and Welfare Benefits Plan.

⁵ Retired from the Board on March 31, 2024



Wency Lum

Location: Victoria, BC

Director since: July 3, 2022

Latest date for retirement: July 3, 2025, eligible for renewal

Appointed by: Minister

Positions held: Member, Strategic Advisory Committee;
Member, Governance and Human Resources Committee⁶

Wency is an Associate VP, University Systems and CIO at the University of Victoria. Wency has held several leadership positions in IT within the Government of BC and worked as an information security consultant for multiple sectors in the US. She began her career implementing financial and supply chain management systems for United Nations peacekeeping missions.



Cathy McIntyre

Location: Victoria, BC

Director since: April 1, 2024

Latest date for retirement: March 31, 2027, eligible for renewal

Appointed by: Board

Positions held: Member, Governance and Human Resources Committee⁷

Cathy holds a Master of Business Administration and is founder and principal of Strategic Initiatives, a strategic and marketing consultancy. She has held past positions in consumer goods and the media with experience in marketing, branding, communications, consumer research, and stakeholder engagement. A Chartered Director (C. Dir), she currently serves on the Boards of First West Credit Union and Engineers and Geoscientists BC.

⁶ Member appointed on April 1, 2024

⁷ Member appointed on April 1, 2024



Nancy Olewiler⁸

Location: Vancouver, BC

Director since: April 1, 2018

Latest date for retirement: March 31, 2024

Appointed by: Board

Positions held: Chair, Strategic Advisory Committee

Nancy is a professor at Simon Fraser University's School of Public Policy. She holds a PhD in economics from the University of British Columbia and has been widely published in the areas of natural resource and environmental economics and public policy. Nancy is Chair of the Macroeconomic Accounts Advisory Committee for Statistics Canada, Co-Chair of BC's Climate Solutions Council, and a member of two expert committees for the Canadian Climate Institute, and the External Advisory Committee on Regulatory Competitiveness.



Daniel Smythe

Location: Mission, BC

Director since: April 11, 2021

Latest date for retirement: April 10, 2027

Appointed by: Board

Positions held: Chair, Strategic Advisory Committee⁹;
Member, Governance and Human Resources Committee¹⁰

Daniel is an associate professor of electrical instruction at the University of the Fraser Valley. He is the former owner of Zimcan Electrical Contracting and holds both Red Seal and Field Safety Representative certifications. Daniel is a member of the BC Electrical Instructors Articulation Committee, supporting collaboration among training providers related to apprenticeship training programs across BC.

⁸ Retired from the Board on March 31, 2024

⁹ Committee Chair appointed on April 1, 2024

¹⁰ Ceased as member on April 1, 2024



Ken Tourand

Location: Merritt, BC

Director since: January 7, 2020

Latest date for retirement: January 6, 2026

Appointed by: Board

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

Ken is the former President and CEO of the Nicola Valley Institute of Technology, BC's Indigenous public post-secondary institution. Ken has a bachelor's degree from SFU, a Masters Degree from Royal Roads University and has completed his ICD.D certification from the Institute of Corporate Directors. He has previously served on the boards of the BC Association of Institutes and Universities and the Post Secondary Employers Association and is past chair of the Colleges and Institutes Canada Indigenous Advisory Committee.



Angela Wesley

Location: Terrace, BC

Director since: January 7, 2020

Latest date for retirement: January 6, 2026

Appointed by: Board

Positions held: Member, Governance and Human Resources Committee¹¹;
Member, Strategic Advisory Committee¹²

Angela has provided governance advisory and facilitation services to First Nations and other governments throughout BC through her consultancy firm since 1992. She currently serves on various boards, including Commissioner on the BC Treaty Commission and board director of the BC Land Title and Survey Authority. Angela supports her First Nation (Huu-ay-aht) in implementing their modern-day treaty including serving as Speaker for the Huu-ay-aht legislature.

¹¹ Committee Chair appointed on April 1, 2024

¹² Ceased as member on April 1, 2024



Shelley Williams

Location: Langley, BC

Director since: February 20, 2023

Latest date for retirement: February 19, 2026, eligible for renewal

Appointed by: Board

Positions held: Chair, Finance and Audit Committee

Shelley is a CPA with an extensive corporate finance and capital markets background. She has held senior positions at several large companies, including VP, Corporate Treasurer at Finning International, and Corporate Treasurer at Fletcher Challenge Canada. She serves on boards for the Bank of Canada and Boston Pizza Royalties Income Fund, and previously served on the boards of Concentra Bank, BC Life & Casualty Company, Douglas College, and the BC Securities Commission — where she held board leadership roles.



Michael Wrinch

Location: North Vancouver, BC

Director since: April 2, 2023

Latest date for retirement: April 1, 2026, eligible for renewal

Appointed by: Board

Positions held: Member, Strategic Advisory Committee;
Member, Finance and Audit Committee¹³

Michael is a professional electrical engineer with a PhD in power systems from the University of British Columbia. He is the president of Hedgehog Technologies Inc. and specializes in the research and development of advanced energy infrastructure and marine electrical technology. He has served on multiple boards, including Engineers and Geoscientists of BC and Engineers Canada. He has extensive experience collaborating with Indigenous communities to develop renewable energy systems. He is a fellow at Engineers Canada.

¹³ Member appointed on April 1, 2024

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 fifteen, 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, and abilities. The directors make final selections from a list of suitable candidates provided by the nominating committee.

As of December 31, 2024, the Board consists of twelve members, three of whom were appointed by the Minister.

Board and Committees

In 2024, the Board discharged its oversight responsibilities by reviewing and/or approving various reports and management updates on matters such as:

- The organization's cybersecurity readiness, including the results of an audit conducted by an independent third party.
- Reports on the organization's enterprise risk management framework and portfolio of risks, together with a maturity assessment conducted by an independent third party.
- Reports on the organization's Climate Action Plan together with the impacts of climate on the risk profile of the various technical systems and equipment our organization regulates.
- Reviewing the organization's environmental, social and governance commitment framework and progress on the key elements such as advancements in the areas of Indigenous Reconciliation and Partnerships and building climate resiliency and successfully reducing our greenhouse gas emissions.
- Reviewing and assessing the organization's progress on its multi-year digital transformation initiative.
- Approving the organization's financial statements and engaging with both external and internal auditors to review the adequacy of our internal controls and processes.
- Together with the Senior Leadership team, regularly reviewing and supporting the adherence to and ongoing evolution of the organization's strategic direction and plan.
- Renewal of the Safety Standards Act Administrative Agreement with the Province of British Columbia, as represented by the Minister of Housing.
- Received reports of concerning activity or conduct, as well as material complaints.

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.

Effective April 1, 2024, the committee structure and membership included:

Finance and Audit Committee

Members: Shelley Williams, Chair

Manjit Bains
Jeremy Coughlin
Ivan Limpright
Ken Tourand
Michael Wrinch
George Abbott, Ex officio

Governance and Human Resources Committee

Members: Angela Wesley, Chair

Ivan Limpright
Wency Lum
Cathy McIntyre
Ken Tourand
George Abbott, Ex officio

Strategic Advisory Committee

Members: Daniel Smythe, Chair

Jeremy Coughlin
Abigail Fulton
Wency Lum
Michael Wrinch
George Abbott, Ex officio

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 2024 included:

- Reviewing the investment portfolio and asset mix, and recommended¹⁴ revisions to the Investment Policy.
- Reviewing Technical Safety BC's report on investment performance, and performance of external investment manager (public equities and bonds).
- Reviewing and approved the Spending Authority Policy and provided oversight to management's internal financial controls framework.
- Reviewing the quarterly 2024 financial performance and outlook (including health metrics reporting on strategy implementation: sustainability).
- Reviewing the 5-year financial sustainability model.
- Reviewing and recommended the 2023 audited financial statements, notes to the financial statements and Management Discussion and Analysis with management and the external auditor.
- Reviewing and recommended the external auditor's plan to audit the 2024 annual financial statements.
- Reviewing the quality of the external financial statement audit, the audit team, and the audit partner.
- Reviewing and recommended the 2025 Operating and Capital Budget to support delivery of strategic priorities outlined in the 2025-2027 Business Plan.
- Providing oversight and project governance to the digital transformation project and budget with respect to strategy, risk and regulatory activities, and all applicable expenditures; and received quarterly project reports.
- Reviewing and recommended the internal auditor's 2024 annual audit plan and reviewed regular reports by internal and external auditors on various audits performed while monitoring management's responses.
- Reviewing and recommended the 2025 internal audit plan and reviewed the internal audit transition plan.
- Reviewing and evaluated the performance of the internal auditor.
- Conducting an independent internal audit function review.
- Reviewing the 2023 insurance claims experience and recommended the 2024-2025 insurance coverage and renewal.
- Reviewing Management's review of performance and renewal of the insurance broker.
- Reviewing fee setting plans and initiatives for 2024 consistent with the Board approved fee setting and governance process.
- Reviewing directors' fees and expenses for 2023.
- Reviewing and recommended the 2024 calendar of reporting and committee workplan and enhancements to the committee mandates (terms of reference).
- Reviewing compliance obligations related to the [Fighting Against Forced Labour and Child Labour in Supply Chains Act](#) in contribution to fight modern slavery.

¹⁴ "recommended" hereafter refers that the Committee recommended to the Board for approval.

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 2024 included:

- Completing Board director recruitment for two Board positions and one Ministerial appointment in Q2/Q3.
- Providing oversight to the Board orientation process for three new Board members in Q1/Q2.
- Providing oversight on Board operational items including Board effectiveness and recommended a Board and Executive compensation review.
- Approving the corporate results for the 2023 Variable Incentive Plan (for Excluded Employees).
- Reviewing the progress of the 2024 Business Plan and Variable Incentive Plan (for Excluded Employees) and recommended the 2025 Variable Incentive Plan (for Excluded Employees).
- Reviewing and recommended receipt of the annual conflict of interest declarations of directors and officers.
- Reviewing the annual reporting of the organization's compliance with the principal legislative, regulatory, and contractual requirements to which it is subject.
- Reviewing the annual reporting of freedom of information and ombudsperson summary.
- Conducting the annual review of Technical Safety BC's governance practices and made recommendations to the Board to enhance committee mandates (terms of reference), and governance structure including, the 2024 Calendar of Reporting and Board and Committee workplan.
- Reviewing and recommended Board education and future training.
- Reviewing and recommended 2024 performance plans and evaluated the 2023 performance of the President and Lead Executive Officer and the Corporate Secretary.
- Reviewing and recommended the succession plan for the President and Lead Executive Officer.
- Reviewing the performance and compliance of management concerning occupational health and safety and the program.
- Reviewing the state of the organization's culture (including health metrics reporting on strategy implementation).
- Providing oversight and approved the publication of the 2023 Annual Report and the 2024 Annual Public Meeting.
- Providing oversight on collective bargaining.
- Providing oversight of the inclusion, diversity, equity, and accessibility (IDEA) work.
- Providing oversight, and governance of the 2024 environmental, social, and governance (ESG) commitment long-term outcomes and next steps for the organization's inclusion, diversity, equity, and accessibility (IDEA) work, climate action strategy, and Indigenous reconciliation and partnerships; and reviewing the progress of the 2023 ESG 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 2024 included:

- Guiding the annual strategic planning process.
- Providing oversight on health metrics reporting on strategy implementation on safety system risk, safety behaviour, and market participation.
- Reviewing and recommending the 2025-2027 Business Plan.
- Providing oversight and supporting Technical Safety BC's climate action and sustainability work focused on reducing the organization's greenhouse gas emissions and furthering our environmental, social, and governance mandate and reporting; building resiliency in the safety system through climate adaptation; and supporting efforts to reduce emissions in BC, in alignment with the Provincial Government's CleanBC Plan.
- Providing oversight of Technical Safety BC's Indigenous reconciliation and partnerships work.
- Reviewing Management's response plans: Business Continuity Plan, Crisis Communications Plan, and Critical Incident Response capability and preparedness.
- Reviewing data and artificial intelligence governance practices and policy.
- Reviewing and approved the State of Safety Report.
- Reviewing Incident Investigations' learnings, Compliance and Enforcement program development, and unpermitted work capture progress.
- Reviewing the Information Technology and Information Security strategy, including the role of the Board during a cyber incident and progress (save and except with respect to the digital transformation project, which is overseen by the Finance and Audit Committee).
- Reviewing the Structured Resource Allocation Program progress and value of machine learning in assessment operations.
- Receiving reports on technical risk registries and operational activities including education and enforcement.
- Receiving updates on market insights and stakeholder engagement activities and the communications strategy.
- Reviewing 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 with Technical Safety BC's Strategy.
- Reviewing and recommended the 2024 calendar of reporting and Committee workplan and enhancements to the committee mandate (terms of reference).

Directors' Attendance

In 2024, there were four regularly scheduled Board meetings, a two-day strategic planning session, and an Annual Public Meeting. There were five regularly scheduled Governance and Human Resources Committee meetings, one special meeting, and three Nominating Committee meetings related to Board Director Recruitment. The following table illustrates the number of meetings each director attended, as compared to the number of meetings each director was eligible to attend, between January 1, 2024, to December 31, 2024.

Directors	Board Meetings (7* Held)	Finance & Audit (4 Held)	Governance & Human Resources (9 Held)	Strategic Advisory (4 Held)	Total
George Abbott	8/8 ¹⁵	4/4	9/9	4/4	25/25
Manjit Bains	7/8 ¹⁶	3/3	4 ¹⁷	2 ¹⁸	10/11
Jeremy Coughlin	7/7	4/4	—	4/4	15/15
Abigail Fulton	8/8 ¹⁹	—	—	3/3	11/11
David Guscott ²⁰	1/1	—	5/5	—	6/6
Ivan Limpright	6/7	4/4	9/9	—	19/20
Wency Lum	7/7	—	4/4	4/4	15/15
Cathy McIntyre	8/8 ²¹	—	4/4	1 ²²	12/12
Daniel Smythe	7/7	—	1/2 ²³	4/4	12/13
Nancy Olewiler ²⁴	1/1	—	—	1/1	2/2
Ken Tourand	5/7	4/4	6/6	—	15/17
Angela Wesley	7/7	—	9/9	1/1	17/17
Shelley Williams	7/7	4/4	1/1 ²⁵	—	12/12
Michael Wrinch	6/7	3/3	—	4/4	13/14

* Each day of the 2-day Board Strategic Planning session is counted as a separate meeting for attendance purposes.

¹⁵ Includes a 1-day Board Orientation session

¹⁶ Includes a 2-day Board Orientation session

¹⁷ Attended 4 meetings as an observer

¹⁸ Attended 2 meetings as an observer

¹⁹ Includes a 2-day Board Orientation session

²⁰ Retired from the Board March 31, 2024

²¹ Includes 2-day Board Orientation session

²² Attended 1 meeting as an observer

²³ Ceased to be a member of the Committee effective April 1, 2024; Attended 1 additional meeting as an observer

²⁴ Retired from the Board on March 31, 2024

²⁵ Attending 1 meeting 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 last made on April 1, 2019. In 2024, the Governance and Human Resources Committee recommended that a director compensation review be undertaken.

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, 2024.

Fee	2024 \$
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 2024 as compared to 2023.

Directors	2024 Retainer	2024 Meeting Fee	Total Retainer/ Fee 2024	Total Retainer/ Fee 2023
	\$	\$	\$	\$
George Abbott (Board Chair)	46,500	19,800	66,300	67,125
Manjit Bains ²⁶	10,050	9,900	19,950	N/A
Jeremy Black (Committee Chair) ²⁷	N/A	N/A	N/A	7,475
Jeremy Coughlin	13,400	12,375	25,775	26,600
Abigail Fulton ²⁸	10,050	9,075	19,125	N/A
David Guscott (Committee Chair) ²⁹	5,000	4,950	9,950	33,200
Ivan Lamplight	13,400	14,850	28,250	29,075
Wency Lum	13,400	11,550	24,950	22,475
Cathy McIntyre ³⁰	10,050	9,900	19,950	N/A
Nancy Olewiler (Committee Chair) ³¹	4,500	1,650	6,150	26,750
Daniel Smythe (Committee Chair)	16,850	9,075	25,925	29,900
Gail Stephens (Committee Chair) ³²	N/A	N/A	N/A	28,145
Ken Tourand	13,400	11,550	24,950	27,425
Angela Wesley (Committee Chair)	18,350	13,200	31,550	29,075
Shelley Williams (Committee Chair)	20,000	9,075	29,075	24,344
Michael Wrinch	13,400	10,725	24,125	19,913
Total	208,350	147,675	356,025	371,502

²⁶ Appointed to the Board on March 18, 2024

²⁷ Ceased to be a Director and Committee Chair on April 1, 2023

²⁸ Appointed to the Board on April 1, 2024

²⁹ Ceased to be a Director and Committee Chair on March 31, 2024

³⁰ Appointed to the Board on April 1, 2024

³¹ Ceased to be a Director and Committee Chair on March 31, 2024

³² Ceased to be a Director and Committee Chair on December 7, 2023

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.



Archana Aggarwal
Vice President, People

Archana is driven by a genuine desire to witness the growth and triumph of others. She strives to create an environment that nurtures talent and enables personal and professional development. Her leadership style is focused on collaboration and elevating others, fostering a culture of shared success at Technical Safety BC.



Kate Baillie
Vice President, Marketing and 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.



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's 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.



Kate Parker
Vice President, Operations

Kate is a dynamic leader with a steadfast belief that organizations thrive at the intersection of business strategy, human-centred leadership, and innovative culture. With a career marked by a commitment to servant leadership, an innate ability to identify emerging opportunities, intuitive foresight, and a deep belief in the power of diversity, Kate has been a driving force behind successful strategic initiatives.



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.



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.



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 and analytics, business intelligence, engineering, incident investigation, and risk management.

Executive Compensation

Name & Principal Position	Salary	Incentive Plan Compensation Paid	Pension	Health & Wellness Benefits	All Other Compensation Paid	Total	Previous Two Years' Totals
	\$	\$	\$	\$	\$	\$	\$
(A)	(B)	(C)	(D)	(E)			
Phil Gothe President & LEO	310,455.20	113,126.01	30,579.86	10,213.94	13,889.01	474,300.71	2023 = 438,663.82 2022 = 399,400.39
Archana Aggarwal VP, People	200,760.00	42,675.49	19,744.96	8,508.87	8,429.00	275,845.22	2023 = 101,691.92
Kate Baillie VP, Marketing & Communications	250,344.00	66,207.86	24,658.82	8,686.70	9,120.00	355,305.56	2023 = 329,233.06 2022 = 312,485.39
Wesley Ma VP, Finance	217,676.80	49,163.17	21,441.07	8,898.81	10,909.01	305,152.13	2023 = 291,010.87 2022 = 284,195.66
Kate Parker VP, Operations	241,893.60	58,320.92	23,826.61	9,163.20	10,189.01	340,197.80	2023 = 298,984.14 2022 = 291,179.99
Derek Patterson VP, Regulatory Leadership & Corporate Secretary	265,679.20	69,003.40	26,169.35	8,946.58	10,189.00	377,015.00	2023 = 351,074.02 2022 = 347,482.32
Claudio Pini VP, Business Transformation & Technology	217,926.40	56,603.58	21,465.77	8,902.90	10,935.00	312,893.34	2023 = 291,131.13 2022 = 288,172.53
Ab van Poortvliet VP, Data Analytics & Decision Science	220,061.60	57,155.63	21,676.17	6,576.55	9,758.05	312,579.11	2023 = 290,784.55 2022 = 286,561.65

(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) Taxable car benefits and other allowances.

Executive Compensation Plan

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 at risk pay.
- Achieve alignment of our priorities and efforts to our Strategy and three-year Business Plan.

Technical Safety BC's executive compensation plan 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 within the organization. Corporate performance is assessed by management, available for audit by the Internal Audit team, and approved by the Board's Governance and Human Resources Committee at year end. The Board of Directors assesses the performance of the President and Lead Executive Officer and the Corporate Secretary annually. The President and Lead Executive Officer assesses the performance of the other 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 a personal vehicle.

Engagement, Advisory Groups, and Committees

Engaging with Technical Safety BC ensures that industry has a voice in the regulatory changes, safety initiatives, and ideas that impact the safety system. We engage industry to explore their needs and wants so that we can develop and continuously improve our products and services. The direct insights and feedback they provide is foundational to building and improving the services that strengthen the safety system.

Advisory Groups and Committees

Technical Safety BC engages industry experts who provide input and recommendations on topic-specific issues related to designing, implementing, and evaluating safety policy and regulation, service design, and technical safety programs.

A very special thank you to the following experts for volunteering their time to work with the following advisory groups and committees that were active in 2024.

Business Transformation Advisory Group

The Business Transformation Advisory Group represents a cross-section of industry professionals. Their purpose is to provide early input on how we improve the value of our services as we transform our business. They identify issues that clients might face as they interact with us, ranging from strategies to educate licensees on their responsibilities, to the interface of our client portal. In 2024, the advisory group validated findings from the Licensing Focus Groups to review an early version of our new client portal for licences.

The advisory group also provided input on the guiding principles and objectives of permits, as we prepare for the next phase of the business transformation project. Their input will help us integrate these services into a holistic picture of the regulatory landscape.

Doug Cordero Slope Side Mechanical	Sue Edmondson TK Elevator	Daniel J Mott Mott Electric	Sandra LeNoble RAM Mechanical
Richard Matthews District of Squamish	Matt McInnis Electrical Contractors Association of British Columbia	Oskar Kwieton Shape Property Management	Dale Risvold Canem Systems
Carmen De Goey Camosun College	Jon Fairbrother Prime Engineering	Clayton Mullen University of British Columbia Plant Operations	
Shawne McCorkell Houle Electric			

Consultations

Consultation is a formalized process that enables industry to provide feedback on regulatory changes, safety initiatives, and fee setting. We invite industry to share their insights on our active projects through our [Engage portal](#). In 2024, we engaged industry in four formal consultations:

- 1. Decommissioning directive:** We consulted on a draft directive that clarified responsibilities and requirements for decommissioning boiler, pressure vessel, and refrigeration equipment. As a result, [the directive](#) came into effect in April 2024.
- 2. Electrical code adoption:** We asked if industry supported adopting the 2024 edition of the [Canadian Electrical Code for use in BC](#). As a result, the new code edition came into effect on March 4, 2025.
- 3. Boiler, pressure vessel, and refrigeration code adoption:** We asked if industry supported adopting the latest editions of the boiler, pressure vessel, and refrigeration codes for use in BC. As a result, we recommended adoption of the [latest editions of BPVR codes](#), which came into effect on December 31, 2024.
- 4. Design registration fee consultation 2025:** We sought feedback on a [13% increase to design registration fees](#) for 2025, and changes to how we charge fees for cancelling design registration applications.

Improving Consultations for Adopting Codes and Standards

Manufacturers, contractors, asset owners, and equipment operators all have an important role in the safety system. Codes and standards detail the requirements they must follow for their work. The codes and standards bodies develop new editions of national and international codes to reflect changing technologies and safety improvements. Technical Safety BC reviews new editions of the codes and engages industry to understand how suitable the code is for adoption in BC. In previous code adoption consultations, we received feedback from industry that our consultation and adoption process took too long, putting us out of step with the codes used by the rest of Canada. Based on this feedback, we streamlined our consultation process:

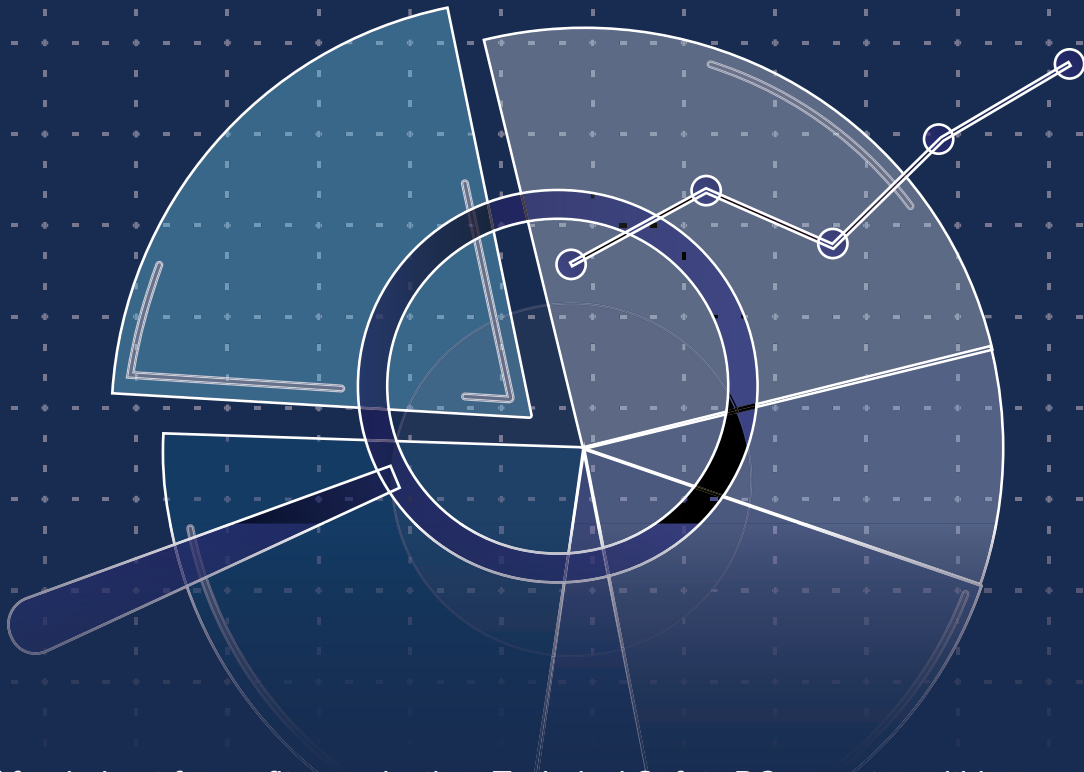
- We notified industry when codes and standards bodies opened their public review on the codes. This way, industry was encouraged to give input directly to the codes and standards bodies while they are developing the new editions of the codes.
- We proposed no BC-specific variations to the codes. This reduces the need to consult on the impacts a variation would have and allows BC's industries to follow the same rules as the rest of Canada.
- We simplified our engagement methods by using digital tools through our [Engage portal](#).
- We focused our consultations on asking industry about their support and readiness for using the new editions of the codes, and how the code changes would impact their business.

In 2024, we piloted this streamlined consultation process to adopt the latest editions of the electrical code and boiler, pressure vessel, and refrigeration codes. A similar number of participants provided feedback as in previous code adoption consultations, and most participants supported the new streamlined process. As a result, the codes came into effect several months earlier than in previous code cycles.

Additional Contributions

We would like to thank everyone who contributed insights and feedback to us through surveys, focus groups, usability tests, and interviews. Safety is a shared responsibility, and the knowledge of BC's experts and industry professionals is crucial to evolving our safety system. More information about our client engagement work can be found in our [2024 State of Safety report](#).

Management Discussion and Analysis



As a self-funded not-for-profit organization, Technical Safety BC operates within a long-term financial planning strategy, balancing its 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 technology support our work in assessment, research, education and outreach, incident investigation, and enforcement, 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 ending December 31, 2024, and should be read in conjunction with the audited financial statements.

Financial Overview

Technical Safety BC closely manages financial sustainability to deliver quality services and value for money for our clients into the future. Our revenue is linked to activities in the construction sector and fluctuates with its economic growth or contraction. Our annual budget reflects an expected revenue trend and considers the priorities of the safety system and our long-term capital needs. Within this planning framework, we use agile approaches that enable us to respond to changing economic conditions and emerging priorities.

In 2024, revenue from service fees increased by 4% compared to 2023. This was below expectations and was lower than would be required to offset contractual and inflationary increases to the cost base of the organization. In anticipation of economic headwinds, management exercised financial restraint by prioritizing key initiatives and service delivery. As a result, operational expenses were tightly managed, and we achieved a modest \$0.7M surplus.

Table 1: Key financial performance indicators:

Key Financial Performance Indicator	2024	2023
Monetary indicators (in 000's)	\$	\$
Revenue excluding unrealized gain (loss) on investments.	83,870	80,272
Operating expenditures	83,682	78,617
Salaries and benefits	61,638	57,858
Unrealized gain (loss) on investments	501	637
Excess (deficiency) of revenue over expenditures	689	2,292
Operating reserve	(3,149)	(1,010)
Total reserves	32,055	31,351
Capital expenditure	8,022	8,888
Other indicators		
Total volumes (in 000's)	314	314
Average fee (\$)	270	255
Contribution margin	37%	40%
Overhead ratio	39%	40%
Full Time Equivalent employees (FTE's)	423	422

Revenue (excluding unrealized gains/losses from investments) was \$83.9M, an increase of \$3.6M over 2023, due to \$3.5M in additional service fee revenue.

Activity in the commercial and residential construction industries followed different trends in 2024. Commercial installation permits experienced modest growth, in contrast to notable fluctuations in residential installation permit volumes. While little relationship existed between industries, it was clear that both experienced considerable, year-over-year declines in gas installation permit volumes due to a shift to cleaner energy sources. These changes are reflected in a 7% decline in Technical Safety BC's installation permit volumes, offset by increases in average permit value, leading to a \$0.6M increase over 2023 installation permit revenue. Moderate \$1.6M growth in operating permits and small changes in other revenue streams resulted in overall service revenue growth of \$3.5M (4%). Other income was consistent with the prior year, with investment returns outpacing 2023, while rental income and monetary penalties lagged.

Market value gains on investments were \$0.5M, compared to \$0.6M of gains in 2023. Financial markets trended up throughout 2024 as a response to declining interest rates. As inflation and interest rates declined, the bond and equity portfolios saw values increase.

Investment in tangible and intangible capital assets fell by \$0.8M from \$8.9M to \$8.1M, due to a delay in acquiring vehicles. Most capital spending continues to be focused on our business transformation program, with some spending on smaller system projects and physical infrastructure.

As at December 31, 2024, total internal and operating reserves had decreased from \$9.0M to \$6.4M. The business transformation program requires increased levels of capital investment, which is funded through a draw-down on our reserves. This started at the beginning of the program in 2021 and is planned to recover starting in 2028.

Revenue

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

Our total revenue, including unrealized gain on investments reached \$84.4M in 2024, which was 5% higher than the prior year's \$80.9M. Services and related fee revenue was \$81.8M and investment and other income was \$2.1M with an additional \$0.5M in unrealized gains from investments.

Service fee revenue increased by \$3.5M or 4% compared to 2023. Year-over-year overall transaction volume was flat, while the average permit value increased due to an updated fee schedule implemented after consultation with our clients and safety partners.

Table 2: Components of total revenue

Revenue (in 000's)	2024 (\$)	2023 (\$)
Installation permits	46,079	45,528
Operating permits	22,030	20,469
Certification and licencing	5,426	5,006
Design registration	2,745	2,240
Alternative safety approach and equivalent standard approach	2,140	1,844
Inspections	1,930	1,821
Equipment approvals	958	890
Client education and administrative	425	459
Miscellaneous service revenue	57	65
Total service and related fee revenue	81,790	78,322
Other revenue	255	329
Realized investment and interest income	1,826	1,620
Unrealized gain on investments	500	638
Total revenue	\$84,370	\$80,909

Installation permits and operating permits remain the most significant sources of revenue. In 2024, We observed the following service revenue changes from 2023:

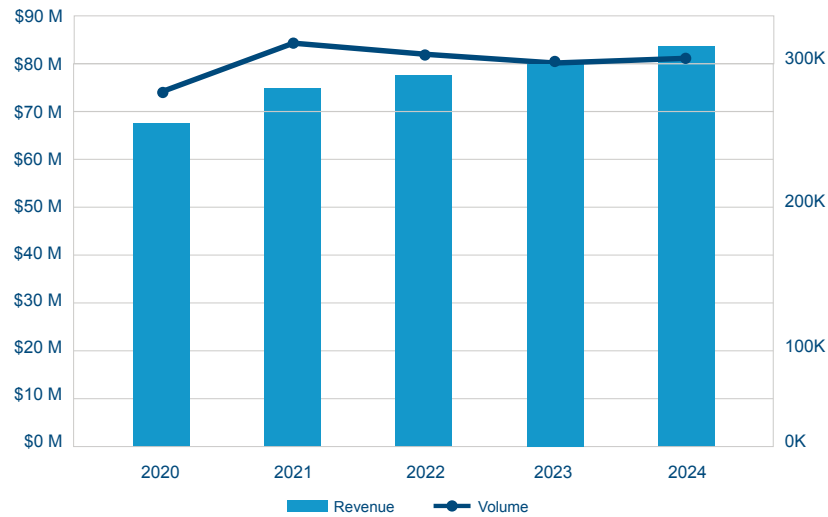
- Installation permit revenue increased by 1%, due to a 7% reduction in volume, offset by a 9% increase in the average permit value.
- Operating permit values and transaction volume increased by 6% and 2% respectively, resulting in an 8% increase in revenue.
- In 2024, 56% and 27% of revenue came from installation permits and operating permits, respectively. This is similar to 2023 (58% and 26%, respectively) with a small shift due to increases in operating permit revenue and certification and licensing revenues.
- Certification and licensing increased by 8% primarily due to an increase in average licence fees and reduced churn achieved through the implementation of phases 1 and 2 of our business transformation program.
- Design registration increased by 23% due to the reinstatement of expedited service fees and an increase in volume of registrations completed.

Realized investment and other revenue increased by \$0.2M from 2023, due to a full year with investments in a Mortgages fund and a shift towards an Infrastructure fund. Unrealized gains on investments were \$0.5M in 2024, compared to \$0.6M in 2023.

Service Revenue/Total Volume by Year

Our transaction volumes are influenced by the economic and social changes seen over the past few years. Total volume grew by 14.4% from 2020 to 2021 and decreased by 4.2% in 2022, reflecting the significant fluctuations in construction activity caused by the pandemic. Year-over-year volume had a slight decline by 0.9% from 2022 to 2023 due to rising interest rates. The 2024 year-over-year volume change remained flat until interest rates were cut in mid-2024 and then rebounded in the latter half of the year. This is supplemented by revenue slowly growing due to average permit value increases.

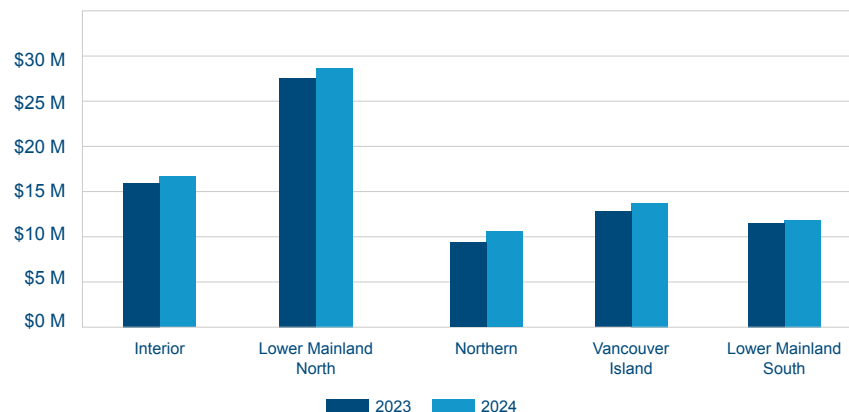
Graph 1: Service revenue and volume by year



Service Revenue by Region

Service revenue growth was seen in all regions and continues to be the strongest in Lower Mainland North.

Graph 2: Service revenue by region



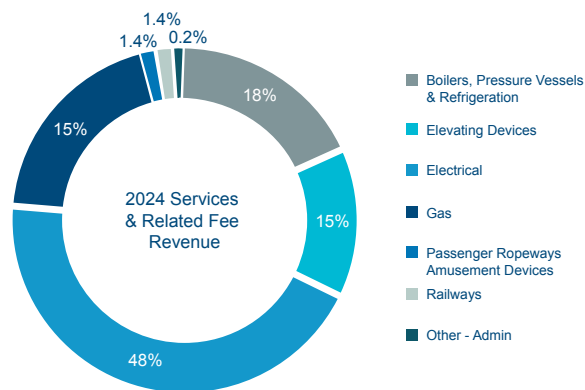
Revenue by Technology

We obtain service and related fee revenues from oversight activities in seven different technologies: electrical; gas; boilers, pressure vessels, and refrigeration; elevating devices; railways; passenger ropeways; and amusement devices.

The electrical technology contributes 48% of service and related fee revenue. The next three largest revenue sources are boilers, pressure vessels, and refrigeration (18%), gas (15%) and elevating devices (15%). The percentage of each revenue category is relatively consistent year-over-year except for gas, which contracted by 2% due to provincial initiatives in electric heating transition.

In 2024, gas installation permit volumes fell more than anticipated and were down year-over-year in residential and commercial sectors by 23% and 4% respectively.

Graph 3: Total service and related fee revenues by technology



Expenses

In early 2024, it was apparent that certain revenue streams were behind expectations. Technical Safety BC responded with strategic and agile spending decisions to ensure resources were dedicated to the highest priority areas.

Salaries and benefits continue to be the largest proportion of expenses at 74%, consistent with 2023. The launch of the second phase of the business transformation system for licensing increased software system amortization significantly. We expect this trend to continue as we invest in digitalization, cybersecurity, and continue to build the permissions system (refer to “Capital Spending” section below).

Graph 4: Composition of 2024 operating expenses

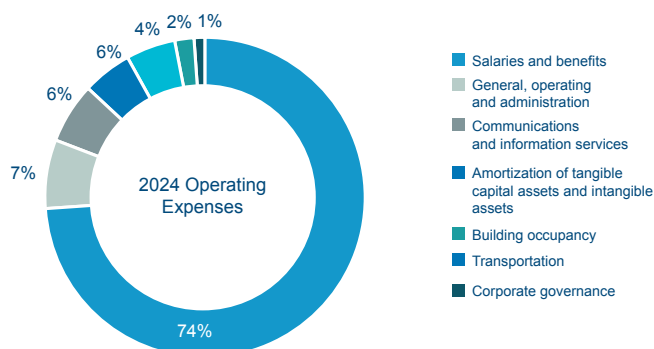


Table 3: Annual operating expense comparison

Expenses (in 000's)	2024	2023
Salaries and benefits	\$61,638	\$57,858
General, operating and administration	5,951	5,964
Communications and information services	5,355	4,786
Amortization of tangible capital assets and intangible assets	4,677	4,168
Building occupancy	3,584	3,620
Transportation	1,949	1,740
Corporate governance	528	481
Total expenses	\$83,682	\$78,617

Salaries and Benefits expenses were \$3.8M (6.5%) higher than 2023 reflecting annual increases in collective agreement rates, government remittance rates, benefits plan costs and overtime.

General Operating and Administration expenses were in line with 2023 due to continuous efforts to limit discretionary spending by prioritizing strategic initiatives and reducing external contractors.

Communication and Information Services expenditure was \$0.6M (12%) higher than the previous year, due to shifting infrastructure into cloud-based technologies, such as launching the certification and licensing modules of our business transformation program in 2023 and 2024, and increased investment in cyber security.

Amortization of Tangible Capital and Intangible Assets was \$0.5M (12%) more than last year due to the launch of new certification and licensing software system functionality in Q2 2023 and Q2 2024 respectively.

Building Occupancy was consistent and balanced compared to the previous year as no major facility changes were implemented.

Transportation spending was \$0.2M (12%) higher than last year due to increased in-office connections and inspections throughout the province.

Corporate Governance was similar to the prior year.

Capital Spending

During 2024, Technical Safety BC invested \$8.0M in capital programs. Approximately \$6.6M was invested in the business transformation program — a multi-year effort with the goal of advancing Technical Safety BC's technology to support improvements in agility, simplicity, stability, and increased security. This program will also improve efficiency and convenience with additional self-serve options for clients. The first phase, certifications, launched in Q2 2023 to enhance our client's ability to apply, renew and manage their certifications. Building off this success, the second phase, licensing, was released in Q2 2024, providing clients with enhanced features and more timely services for new and renewed licences. In Q4, the third phase: permissions and assessments began development with the next functionality releasing by early 2026.

Other capital investments included replacing \$0.8M of aging employee hardware devices and \$0.3M in other software improvements.

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. Net assets increased by \$0.7M to \$32.1M due to the surplus generated during the year. The \$3.3M increase to investment in tangible capital assets and intangible assets reflects the investments made in the business transformation program and is offset by a reduction in the capital and operating reserves.

Table 4: Comparison of reserves and net assets

Reserves and Net Assets (000's)	2024	2023
Investment in tangible capital assets, and intangible assets	\$25,677	\$22,332
Internally restricted education reserve	71	198
Internally restricted capital reserve	9,455	9,831
Unrestricted operating reserve (deficit)	(3,148)	(1,010)
Total net assets	\$32,055	\$31,351

Since 2021, the operating reserve has been declining as anticipated, as significant investments are made in the multi-year business transformation program. It is Technical Safety BC's policy to transfer funds from the operating reserve to the capital reserve to cover any planned capital expenditures. Technical Safety BC has allocated \$9.5M for planned capital expenditures in 2025. Technical Safety BC has budgeted for surpluses in the next several years to replenish the operating reserve deficit and offset the depletion from capital expenditures.

The education reserve was established in accordance with the Safety Standards Act to reserve monetary penalties collected to pay for safety education programs. In 2024, we dedicated \$0.1M from this reserve to educational activities.

Cash and Investments

In 2024, cash decreased by \$8.2M. The decrease in cash was due to \$6.0M in cash transfers to long term investments to diversify the investment portfolio. The remaining declines are primarily due to investments in capital and intangible assets, offset by amortization and the cash-based surplus generated.

The value of investments increased by \$7.8M due to investment contributions and increases in market values. The current portion of investments is calculated by the budgeted capital spend for 2025.

Table 5: Comparison of cash and investments

Amounts in (000's)	2024	2023
Cash	\$6,512	\$14,760
Current investments	\$9,455	\$9,831
Long term investments	\$22,917	\$14,736

Risk and Uncertainty

Technical Safety BC has implemented a structured method to identify, assess, and address risks associated with its strategy and operations. This is achieved through the establishment and maintenance of an enterprise risk management (ERM) framework. The ERM framework adheres to industry standards and best practices, and mandates regular reporting to the Board and executive team to support them in effectively meeting their fiduciary obligations.

In 2024, British Columbia faced significant external economic pressures, including a volatile housing market, high inflation, and a generally weaker provincial economic climate. We also observed a steep decline in our gas installation revenues, which prompted us to implement a number of tactics to ameliorate the challenge to our bottom line.

Economic uncertainty is continuing in 2025, as market activity may be severely impacted by cross border political tensions and the imposition of tariffs. To assess and manage the uncertainty, we are closely monitoring economic developments and seeking expert guidance. We regularly conduct rigorous scenario planning, assess exposure and identify opportunities to reduce risk by building resilience of our supply chain and service revenues. We continue to seek ways to enhance financial resilience by implementing agile budgeting and planning processes, diversifying investments, and addressing revenue leakage. We are proactively planning and implementing cost containment steps that can be adjusted depending on the severity of revenue impacts.

To effectively manage risk and uncertainty, we categorize risks into strategic, compliance, operational, and financial classifications.

Strategic Risk

Strategic risk encompasses the potential for both loss and gain arising from business decisions, the implementation of business plan strategies, and the ability to respond to changes in the external environment. While there is a risk of adverse outcomes, pursuing strategic risks can also lead to significant opportunities and positive outcomes.

We continually update our strategic goals and objectives with insights gathered from clients, safety partners, government, employees, and our Board of Directors. In addition, we are continuously refining our goals and objectives as we respond to and learn from business challenges. Our strategic objectives are further supported and refined in our three-year business plan, detailing the measures and tactics being undertaken to achieve our strategic goals. Our [2025-2027 Business Plan](#) will enable us to 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, including the Safety Authority Act under which Technical Safety BC was established; the Safety Standards Act, the Railway Safety Act and regulations associated with both statutes which set out the powers and obligations we have as an organization to fulfill 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 (FIPPA), 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 FIPPA. Our data governance and 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 IT security crisis simulation exercises.

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 and maintain our risks within our appetite.

We are also exposed to challenges from changing provincial market forces 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. To support our employees' wellness, we provide them with a multitude of internal and external resources to help manage their well-being and resilience. Like many other provincial and national organizations, we face risks associated with cyber and data security that we proactively mitigate through the establishment of data governance policies, awareness campaigns, business continuity and crisis communication plans, which we regularly update and practice through simulated tabletop exercises.

Financial Risk

Financial risk includes concerns about threats to revenue and the possibility that sources of income could shrink. The national and global economies are recovering from inflation and increased interest rates, but those challenges are shifting to economic trade uncertainties. Economic cycles impact construction and our installation permit 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, including education, enforcement, and innovations, will also offset negative economic impacts.

To minimize the impact of the financial challenges caused by a possible economic slowdown, we reduced costs by finding efficiencies and shifted resources to operations critical to the maintenance of the province's safety system.

Financial risk is also mitigated through our financial investments and capital and operating reserves. The main goal of our investment policy is capital preservation, while balancing liquidity, so monies are available to support a stable source of funding when required for the effective operation of Technical Safety BC.

Outlook

The Bank of Canada has consistently implemented interest rate cuts since June 2024, with further cuts anticipated in 2025. Construction market growth has been slow as borrowers wait for rate drops to commit to construction projects. Future rate reductions were originally expected to drive a rise in building starts and renovations, in both commercial and residential sectors. However, we now find ourselves in an environment of uncertainty, with political pressures and trade threats causing economic instability.

Further interest rate reductions and governments' focus on housing affordability are expected to drive a rise in building starts and renovations as consumers capitalize on the lower borrowing costs and relaxed zoning restrictions. The impact of interest rate cuts and government's push to increase housing supply could be a tailwind felt over the next year. However, this forecast is dampened by the headwinds of political trade posturing. While the impact of tariffs are hard to predict, construction materials and equipment costs will likely increase as supply chains are forced to rebalance towards domestic and other foreign markets. Investment decisions may also be delayed, which could negatively impact market activity. Economic uncertainty is anticipated to temper the growth resulting from interest rate reductions.

Gas installation permit volumes are anticipated to continue to decline as residential and commercial clients shift to cleaner energy sources. The decline will likely be more pronounced for residential heating equipment, as energy alternatives like heat pumps and solar are readily available.

Overall revenue will be supported by initiatives to expand safety oversight through the streamlined certification and licensing processes enabled by our business transformation program. We are also implementing targeted grey market initiatives to create a level playing field by identifying unlicensed, uncertified and unpermitted work.

Our agile approach to budgeting continues to enable us to adapt quickly to change, while maintaining focus on our core safety-oriented work. We will accomplish this by managing our financial sustainability, investing in our people, and improving how we support those working in the safety system.

Capital investment remains elevated as we continue our business transformation program and release further system functionality. We will also continue with scheduled fleet and computer hardware renewal, some of which has been deprioritized in previous years. Operating expenditures for 2025 are modest with the intention of generating a moderate surplus, and to support business transformation in 2025 and 2026. Both capital and operating budgets are aligned to support the priorities in the 2025-2027 Business Plan.

Table 6: Projected results 2025-2027

2025 – 2027 Projections (000s)	2025	2026	2027
Service and related fees	\$88,330	\$92,700	\$97,400
Investment and other income	2,170	2,300	2,400
Total revenue	90,500	95,000	99,800
Expenses	90,000	94,000	99,800
Excess of revenue over expenses	500	1,000	nil
Capital expenditure	9,455	8,800	9,000

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 prolonged or deeper than current forecasts. Should economic changes occur, management will utilize agile funding decisions to respond as required.

Financial Statements

and Independent Auditor's Report thereon Year ended December 31, 2024





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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, 2024
- 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, 2024, 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 2024 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 2024 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 13, 2025

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

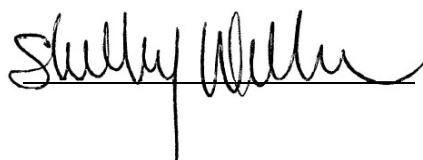
Statement of Financial Position


December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 6,511,563	\$ 14,760,224
Accounts receivable (note 3)	2,549,166	1,705,764
Prepaid expenses and deposits	1,919,276	1,639,205
Investments (note 4)	9,455,340	9,831,000
	20,435,345	27,936,193
Investments (note 4)	22,917,074	14,736,118
Intangible assets (note 5)	20,388,606	16,188,475
Tangible capital assets (note 6)	5,288,401	6,143,728
	\$ 69,029,426	\$ 65,004,514
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 9,452,771	\$ 8,765,696
Deferred revenue	24,512,112	21,583,568
Current portion of deferred leasehold inducements (note 8)	320,030	320,030
	34,284,913	30,669,294
Deferred leasehold inducements (note 8)	1,552,610	1,959,199
Accrued employee future benefits (note 9(b))	1,058,060	951,890
Asset retirement obligation (note 10)	78,982	73,511
	36,974,565	33,653,894
Net assets:		
Investment in tangible capital assets and intangible assets	25,677,007	22,332,203
Internally restricted:		
Education reserve	71,177	197,612
Capital reserve	9,455,340	9,831,000
Unrestricted operating deficit	(3,148,663)	(1,010,195)
	32,054,861	31,350,620
Commitments (note 14)		
Contingencies (note 15)		
	\$ 69,029,426	\$ 65,004,514

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Services and related fees (note 11)	\$ 81,789,084	\$ 78,322,024
Realized investment and other income (note 12)	2,080,964	1,949,576
	83,870,048	80,271,600
Expenses:		
Salaries and benefits	61,638,148	57,858,363
General, operating and administration	5,950,514	5,963,870
Communications and information services	5,355,356	4,786,062
Amortization of tangible capital assets and intangible assets	4,676,751	4,168,234
Building occupancy	3,583,862	3,619,500
Transportation	1,948,702	1,740,146
Corporate governance	528,468	481,016
	83,681,801	78,617,191
Excess of revenue over expenses before the undernoted	188,247	1,654,409
Unrealized gain on investments	500,734	637,598
Excess of revenue over expenses	\$ 688,981	\$ 2,292,007

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Statement of Changes in Net Assets

Year ended December 31, 2024, with comparative information for 2023

	2024				2023	
	Investment in tangible capital assets and intangible assets	Education reserve	Capital reserve	Operating reserve	Total	Total
Net assets, beginning of year	\$ 22,332,203	\$ 197,612	\$ 9,831,000	\$ (1,010,195)	\$ 31,350,620	\$ 28,991,794
Excess (deficiency) of revenue over expenses	(4,570,544)	(146,132)	-	5,405,657	688,981	2,292,007
Remeasurement gain on accrued employee future benefits (note 9(b))	-	-	-	15,260	15,260	66,819
Net investment in tangible capital assets and intangible assets	7,915,348	-	(8,022,025)	106,677	-	-
Interfund transfers (note 13)	-	19,697	7,646,365	(7,666,062)	-	-
Net assets, end of year	\$ 25,677,007	\$ 71,177	\$ 9,455,340	\$ (3,148,663)	\$ 32,054,861	\$ 31,350,620

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 688,981	\$ 2,292,007
Items not involving cash:		
Amortization of deferred leasehold inducements	(406,589)	(411,881)
Amortization of tangible capital assets and intangible assets	4,676,751	4,168,234
Gain on disposal of tangible capital assets	(106,207)	(63,519)
Change in asset retirement obligation	5,471	(16,654)
Change in fair value of investments	(500,734)	(637,598)
Change in accrued employee future benefits	121,430	57,074
Net change in non-cash working capital accounts (note 16)	2,492,146	340,224
	6,971,249	5,727,887
Investments:		
Purchase of tangible capital assets	(1,144,736)	(2,006,068)
Proceeds from disposal of tangible capital assets	106,677	82,953
Purchase and development of intangible assets	(6,877,289)	(6,881,962)
Investment income re-invested	(1,304,562)	(1,081,031)
Withdrawal of investments	3,779,689	14,000,000
Purchase of investments	(9,779,689)	(6,200,000)
	(15,219,910)	(2,086,108)
Increase (decrease) in cash	(8,248,661)	3,641,779
Cash, beginning of year	14,760,224	11,118,445
Cash, end of year	\$ 6,511,563	\$ 14,760,224

See accompanying notes to financial statements.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements

Year ended December 31, 2024

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.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(c) Net assets (continued):

(iii) Capital reserve:

The capital reserve is internally restricted and was established to fund capital investment projects, such as the modernization of facilities and information technology systems.

(iv) Operating reserve:

The operating reserve represents the accumulated unrestricted deficit of BCSA.

(d) Investments:

Investments, which include a short-term bond fund, a Canadian dividend fund, a mortgage fund and an infrastructure fund, are recorded at fair value. Investment transactions are recorded on a trade date basis. 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 support 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.

Intangible assets 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.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

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	Lesser of useful life and 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.

(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.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(h) Employee future benefits (continued):

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 change 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) Measurement uncertainty:

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.

(k) Financial instruments:

BCSA's financial instruments consist of cash, accounts receivable, investments, and accounts payable and accrued liabilities. Cash, accounts receivable, and accounts payable and accrued liabilities 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.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Significant accounting policies (continued):

(k) Financial instruments (continued):

The carrying value of accounts receivable and accounts payable and accrued liabilities approximates fair value as at December 31, 2024 and 2023.

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.

3. Accounts receivable:

	2024	2023
Trade and other receivables	\$ 3,298,906	\$ 2,424,867
Allowance for doubtful accounts	(749,740)	(719,103)
	<u>\$ 2,549,166</u>	<u>\$ 1,705,764</u>

4. Investments:

BCSA manages its investment portfolio through third-party investment managers, who invest according to BCSA's investment policy. Investments are held in short-term bond (Level 2), Canadian dividend (Level 2), mortgage (Level 3) and infrastructure (Level 3) funds.

	2024		2023	
	Cost	Fair value	Cost	Fair value
Short-term bond fund	\$ 14,522,552	\$ 14,897,207	\$ 10,756,027	\$ 10,430,123
Canadian dividend fund	4,423,991	4,537,888	6,568,839	7,660,370
Mortgage fund	6,818,853	6,934,280	6,364,269	6,476,625
Infrastructure fund (a)	5,991,042	6,003,039	-	-
	<u>\$ 31,756,438</u>	<u>\$ 32,372,414</u>	<u>\$ 23,689,135</u>	<u>\$ 24,567,118</u>

(a) As at December 31, 2024, \$4,173,174 (2023 - nil) of cash is held within the infrastructure fund for the purchase of fund units in 2025.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

5. Intangible assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Software systems	\$ 44,481,816	\$ 25,254,469	\$ 19,227,347	\$ 12,647,362
Software systems under development	1,161,259	-	1,161,259	3,541,113
	\$ 45,643,075	\$ 25,254,469	\$ 20,388,606	\$ 16,188,475

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:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Computer hardware	\$ 7,275,033	\$ 5,646,660	\$ 1,628,373	\$ 1,334,503
Software systems integral to hardware operations	1,320,649	1,277,541	43,108	56,193
Vehicles	6,280,188	5,402,344	877,844	1,436,902
Furniture and equipment	5,501,592	5,159,021	342,571	270,057
Leasehold improvements	9,892,583	7,496,078	2,396,505	3,046,073
	\$ 30,270,045	\$ 24,981,644	\$ 5,288,401	\$ 6,143,728

Included in tangible capital assets is \$44,368 (2023 - \$1,813) of assets that had not yet been put into use.

7. Accounts payable and accrued liabilities:

	2024	2023
Trade payables and accrued liabilities	\$ 1,611,124	\$ 1,617,900
Government taxes and remittances	1,355,865	1,650,143
Wages and related costs payable	6,485,782	5,497,653
	\$ 9,452,771	\$ 8,765,696

Government taxes and remittances consist of amounts such as, sales taxes, payroll withholdings and worker's compensation premiums.

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

8. Deferred leasehold inducements:

Deferred leasehold inducements relate to leasehold improvements in the currently occupied Vancouver office, with estimated remaining lease terms of 46 months (2023 – 58 months).

	2024	2023
Deferred leasehold inducements, beginning of year	\$ 2,279,229	\$ 2,691,110
Less amortization recorded net of building occupancy expense	406,589	411,881
Deferred leasehold inducements, end of year	1,872,640	2,279,229
Less current portion	320,030	320,030
Long-term portion	\$ 1,552,610	\$ 1,959,199

9. Accrued employee future benefits:

(a) Public Service Pension Plan:

BCSA and its permanent employees contribute to the Public Service Pension Plan, a jointly trusted 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 55,000 retired members as at March 31, 2023. BCSA had 437 active employees in the plan as at December 31, 2024 (2023 - 434).

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, 2023 indicated a \$4.5 billion surplus for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026, with results available in 2027.

Employer contributions paid by BCSA to the Public Service Pension Plan during the year were \$4,707,638 (2023 - \$4,491,076).

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

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 20th and 30th 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:

	2024	2023
Accrued employee future benefits, beginning of year	\$ 951,890	\$ 961,635
Current service cost	100,280	91,416
Interest cost	44,263	48,563
Benefits paid	(23,113)	(82,905)
Remeasurement gain	(15,260)	(66,819)
Accrued employee future benefits, end of year	\$ 1,058,060	\$ 951,890

The expense for the plan is comprised of the following:

	2024	2023
Current service cost	\$ 100,280	\$ 91,416
Interest cost	44,263	48,563
Retirement benefit plan expense	\$ 144,543	\$ 139,979

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

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:

	2024	2023
Discount rate	4.70%	4.65%
Rate of compensation increase	2.00%	4.75%

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 \$78,982 as at December 31, 2024 (2023 - \$73,511).

11. Services and related fees:

	2024	2023
Installation permits	\$ 46,079,195	\$ 45,527,617
Operating permits	22,029,646	20,468,638
Certification and licensing	5,426,032	5,006,427
Design registration	2,745,133	2,240,197
Alternative Safety Approach and Equivalent Standard Approach	2,140,190	1,843,695
Inspections	1,929,882	1,820,638
Equipment approvals	957,588	890,420
Client education and administrative services	424,515	458,749
Miscellaneous	56,903	65,643
	\$ 81,789,084	\$ 78,322,024

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

12. Realized investment and other income:

	2024	2023
Realized investment income	\$ 1,343,883	\$ 1,093,513
Interest income on cash balances	482,207	526,815
Gain on disposal of tangible capital assets	106,207	63,519
Rental income	84,167	142,480
Monetary penalties issued	64,500	123,249
	<u>\$ 2,080,964</u>	<u>\$ 1,949,576</u>

13. Internally restricted fund transfers:

Internally restricted fund transfers is comprised of the following:

(a) Education reserve:

Transfer of \$19,697 (2023 - \$28,857) from the operating reserve to the education reserve related to monetary penalties collected that will be expended on accident prevention and safety education programs.

(b) Capital reserve:

Transfer of \$7,646,365 (2023 - \$7,969,184) from the operating reserve to the capital reserve to fund 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:

2025	\$ 2,086,094
2026	2,132,446
2027	1,994,766
2028	1,452,653
2029	34,040
Thereafter	79,427
	<u>\$ 7,779,426</u>

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

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, 2024 (2023 - 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:

	2024	2023
Accounts receivable	\$ (843,402)	\$ 104,687
Prepaid expenses and deposits	(280,071)	102,568
Accounts payable and accrued liabilities	687,075	(1,315,520)
Deferred revenue	2,928,544	1,448,489
	<u>\$ 2,492,146</u>	<u>\$ 340,224</u>

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 that a counterparty may default on its contractual obligations, resulting in financial loss. BCSA is exposed to credit risk with respect to its cash, accounts receivable, and fixed income securities. Credit risk associated with cash and these investments is minimized by ensuring that these assets are held with highly rated financial institutions and investment managers (note 4). Management monitors the collectability of accounts receivable, and a provision for doubtful accounts is recorded for accounts receivable not expected to be collected (note 3).

BCSA manages its investments in accordance with a Board-approved investment policy, which includes diversification by investment manager, issuer, and credit quality. In addition, BCSA manages credit risk by regular review of the investment portfolio and diversification of investment types to limit credit risk to specific investment types (note 4).

BRITISH COLUMBIA SAFETY AUTHORITY

(dba Technical Safety BC)

Notes to Financial Statements (continued)

Year ended December 31, 2024

17. Financial instruments risk, exposure and management (continued):

(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 and manages the risk by regular review of the investment portfolio and diversification of investment types to limit market risk to specific investment types (note 4). BCSA has investment policies to ensure investments are appropriately to balance preservation of capital, liquidity requirements and investment returns. BCSA is not significantly exposed to foreign currency risk or other price risks.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. BCSA is exposed to interest rate risk on its interest-bearing financial instruments held in the short-term bond and mortgage funds (note 4).

(d) Liquidity risk:

Liquidity risk is the risk that BCSA will be unable to meet its financial obligations on a timely basis or at a reasonable cost as they fall due. BCSA's manages liquidity risk by monitoring its operating requirements to ensure that it will have a sufficient net monetary position and cash flows generated from operations to fund the operations and settle liabilities when due. In 2024, the liquidity risk has increased due to a new investment in an infrastructure fund (note 4). Within this fund, the investment manager reviews and approves redemption requests quarterly, based on fund availability.

There has been no change to the risk exposures in 2024, except those outlined in the liquidity risk.

