

**Ministry of Labour,
Immigration, Training and
Skills Development**

Office of the Minister

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Mr. Michael Sherrard
Chair, Skilled Trades Ontario
Toronto ON

**Ministère du Travail, de
l'Immigration, de la Formation et du
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Ontario

January 14, 2025

Dear Chair Sherrard,

I am pleased to write to you in your capacity as the Chair of the Board of Directors, Skilled Trades Ontario (STO). As Minister of Labour, Immigration, Training and Skills Development, I am proud of the government's ambitious capital plan to build homes, highways, hospitals, and other core infrastructure across the province. We are building like never before. However, this means that now more than ever, the reliability of the skilled trades system and its supply of apprentices and journeypersons is paramount. This is the only way to turn around the productivity decline our country has faced, and the training of skilled tradespeople is central to that mission.

As Chair, you must ensure that STO's business plan demonstrates the agency's plans in fulfilling the expectations and government priorities below and that progress and achievements are reported through your annual report. You are also a vital partner in ensuring that our skilled trades and apprenticeship system is client-focused, industry-informed and contributing to Ontario's economic success and to helping people find better jobs with bigger paycheques, and a career for life in a prospering sector.

2025-26 Government Priorities:

The following government-wide commitments are for board-governed provincial agencies. Please see the attached guide for further details of each priority and the accompanying performance measures that can be utilised if measurements are not currently in place.

Innovative

1. Simplify client/customer interactions
2. Expand and optimize digital service offerings
3. Improve Client/ customer satisfaction
4. Share data with Supply Ontario, when requested, regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making

Sustainable

5. Strengthen public service delivery by optimizing organizational capacity and directing existing resources to priority areas
6. Use Public Resources efficiently and
 - a. Operate within agency's financial allocations

- b. Prudently and responsibly manage workforce size. Where an agency requires a material increase in workforce size, the agency must provide the Minister with an HR plan for approval that provides the rationale based on government priorities and/or agency mandate

Accountable

- 7. Develop and report on outcome-focused performance measures to effectively monitor and measure performance
- 8. Protect individual, business or organization data by actively managing data and cybersecurity and reporting Artificial Intelligence uses
- 9. Report all high risks including effective mitigation plans
- 10. Align hybrid work policies with the OPS and identify and assess office optimization opportunities. to reduce office realty footprint and find cost reductions
 - a. Collaborate with MOI to identify office space opportunities
 - b. Align with the MBC Realty Directive and the OPS Modern Office Space (OMOS) Standards.
- 11. Develop and encourage diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace
- 12. Increase non-government, non-fare, non-fee revenue. For STO, the priority is to increase this revenue by 3%.

2025-26 Operational Priorities

- Finalize the Memorandum of Understanding between the Chair and Minister.

Client service

- To support the future transfer of apprenticeship registration to STO from the ministry, implement a service standard timeline on processing apprenticeship registrations consistent with the announced commitment to reduce processing and registration timelines for applicants from 60 days to 12 days.
- Ensure excellent customer service and minimize government interaction with clients, STO should be the primary point of contact and initial step for all apprentices and journeypersons.
- Provide the Minister with foundational client service standards in Q1 2025. These should include acknowledgement, response, and return call timelines.
- Ensure STO has a dedicated employer support unit that should be focussed on helping small businesses in rural and remote regions of the province navigate the apprenticeship system.
- Implement a multi-year registration card that is fiscally beneficial to streamline administrative processes and reduce burden.
- Provide digital-first client services for all core STO functions related to apprentices. Make regular updates to all digital first client services and provide quarterly updates to the Minister on these improvements.
- Based on the research below, make efforts to reduce apprenticeship dropouts by 20%.

- Ensure the continued delivery of offsite exams in 2025 by identifying new Training Delivery Agent (TDAs) that should support exam delivery; and working with Minister approved TDAs that are already delivering offsite exams to improve the exam writing process.

Communications and Marketing

- Deliver a marketing campaign in Q1 and Q2 of 2025. This marketing campaign should underscore the value of pursuing an apprenticeship and highlight the value of becoming a certified journeyperson.
- Identify and execute on opportunities to amplify the government's skilled trades initiatives through a variety of mediums (e.g., opinion pieces, videos, social media, etc.).
- Partner with unions and non-union contractors to amplify opportunities in the skilled trades. Additionally, partner with employers to promote apprenticeship opportunities in in-demand industries.

Research and Apprenticeship Initiatives

- Develop methods, including client surveys, focus groups, and routine monthly polling, to measure client satisfaction with STO's services, as well as market research to determine best methods and practices for service delivery. Provide the Minister and staff with monthly updates on STO's polling results.
- Conduct research on why apprentices may leave the skilled trades system prior to receipt of their Certificate of Apprenticeship and/or Certificate of Qualification. Consider recommendations and potential initiatives that could address this that could be implemented by STO or in partnership with the Ministry.
- Conduct research on examination pass rates and consider solutions that could be implemented by STO or in partnership with the Ministry. Provide an update on research in Q2 2025, and solutions by Q3 2025.
- Develop a forward plan by Q2 2025 for trades standards that prioritizes developing and updating apprenticeship programs to align with technological advancements and the economic needs of the province (e.g., auto manufacturing transformation, increase in public infrastructure investment).
- Work with the Office of the Fairness Commissioner to identify best practices and assess STO's present registration practices for professionals with certification in other provinces or territories and international jurisdictions. Explore options for recognizing professional registration of those working in other provinces immediately upon arrival in Ontario.
- Continue to prioritize working with the Minister's office on the Foreign Credential Recognition Project to reduce barriers to practice a trade in Ontario, including for workers from jurisdictions in the European Union, under the Canada-United States-Mexico Agreement (CUSMA), as well as interprovincially STO should provide monthly updates to the Minister's office.
- Develop solutions for labour mobility challenges faced by members of the Canadian Armed

Forces and their spouses in the skilled trades sphere. Work with any organizations at the provincial or federal level that may advance this priority.

- Create and implement a pilot project that involves a partnership with Service System Managers to transition people off social assistance into the skilled trades. Provide the plan for the pilot project by Q2 2025 and deliver the initiative by Q4 of 2025.
- Develop a plan on how to increase the amount of non-compulsory trade registrations by Q3 2025.

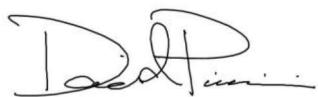
Organizational Management

- Operate within the agency's budget and work with the Ministry to pursue opportunities for efficiencies, revenue generation and innovative practices, and/or improved program sustainability. STO should provide monthly reports to the Minister's office.
- Implement the recommendations from the Ministry's review earlier in the year and identify at least 5% cost savings for the organization through efficiencies and spending reductions.
- Continue to develop a digital first plan for the eventual transfer of Apprenticeship Recognition and Exam Administration to STO from the ministry. Provide a preliminary plan to the Minister by the beginning of February 2025, with quarterly updates on implementation throughout the fiscal year.
- Continue to develop a work plan in partnership with Ministry officials to expand the digital logbook pilot and portal to cover all apprentices and trades. Provide a preliminary plan to the Minister by the beginning of February 2025 with quarterly updates on implementation throughout the fiscal year.
- Continue work to reduce the number of expired Certificates of Certification.
- Work with the ministry to support developing operational capacity for a mature-state integrated service delivery model. Identify aspirational service outcomes and key performance indicators to be delivered at STO's mature state.
- Provide the Minister with quarterly updates on the status of operational priorities specified in this letter of direction through in-person meetings.

I count on you to support our efforts to deliver programs and services in the most efficient and effective manner. Please keep my office and the Ministry informed with progress updates on the objectives monthly, as well as myself through quarterly updates.

Your support is greatly appreciated. If you have any questions or concerns, please do not hesitate to contact Mr. Mathew Clancy, my Chief of Staff, at 416-326-7600.

Sincerely,



David Piccini
Minister of Labour, Immigration, Training and Skills Development

C: The Hon. Jill Dunlop, Minister of Education
Mathew Clancy, Chief of Staff, Minister's Office
Candice White, Chief Executive Officer and Registrar, Skilled Trades Ontario
Greg Meredith, Deputy Minister, MLITSD
Melody Robinson, Assistant Deputy Minister, Corporate Management and Services
Division/Chief Administrative Office