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# Measures to Improve Canada's Economic Immigration Programs

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A blueprint for change  
April, 2012

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## Introduction

By way of introduction, the Canadian Employee Relocation Council (CERC) is a not for profit organization representing the interests of over 550 organizations across Canada involved in the movement of employees. Relocation of employees is vital to a vibrant and prosperous economy. Each year Canadian employers relocate over 100,000 workers – the majority of those are skilled and professional employees, many of them are also immigrants. In addition to domestic relocation, over 68,000<sup>1</sup> Canadian workers have a place of work outside Canada.

CERC's membership is representative of Canada's diverse economy, and includes many of Canada's largest employers and corporations. As our economy undergoes a significant transition, surveys of Canadian Chief Executive Officers continue to cite the shortage of skilled labour as a key concern over the longer term. Canadian businesses require access to an adequate supply of well skilled, well trained workers to help their businesses grow and prosper. Immigration programs must be effective in assisting them to meet these objectives.

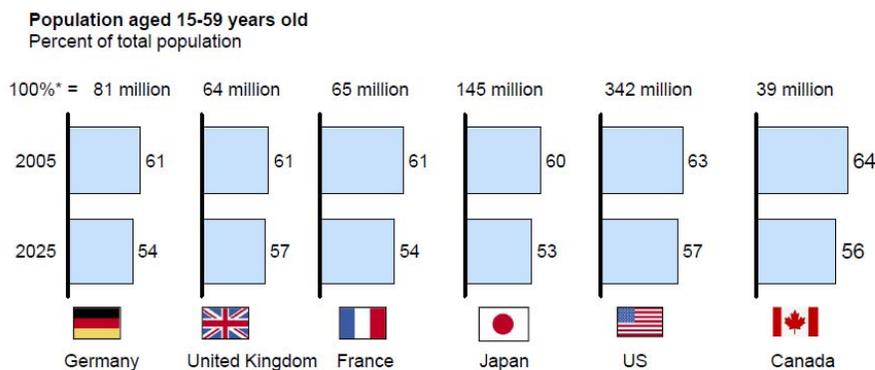
Over the past year, CERC has extensively consulted its members with respect to the challenges encountered by employers that access Canada's economic immigration system for skilled workers. From these consultations, we have identified the following areas for improvement.

CERC acknowledges the professional input and support of the staff at Baker and Mackenzie in compiling this report.

### 1. The Importance Economic Immigration

Over the past decade Canadian employers created three million net new jobs, a 23 per cent increase<sup>2</sup>. Since 1965, to the most recent recession in 2009, Canada's labour force has grown an average of 2 per cent per year, out-pacing job growth of the U.S. and leading other industrialized nations. Canada also boasts one of the highest levels of labour force participation among major industrialized nations.<sup>3</sup>

An overwhelming majority of employers rank the importance of economic immigration to growth in Canada's workforce and the economy as very important (41%) to extremely important (56%).<sup>4</sup> This is not surprising, given the overall size of the workforce (people generally of the ages 15-59) in developed economies, including Canada, is shrinking:



\*2025 total population

Source: UN population prospects, 2008

<sup>1</sup> Statistics Canada

<sup>2</sup> Statistics Canada

<sup>3</sup> U.S. Bureau of Labor

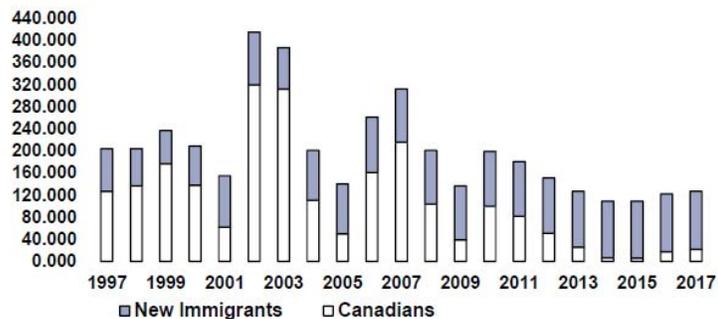
<sup>4</sup> CERC, Immigration Survey (February 2012)

This trend has placed a greater reliance on economic immigration to meet local labour market demands. Almost two thirds of companies in our surveys said the Temporary Foreign Worker Program (TFWP), a program used by employers to fill short term vacancies for which there are no Canadian-based applicants, is extremely important to their organization. More than 90 per cent of the companies surveyed said that levels of economic immigration should be increased.<sup>5</sup> The survey of employers that regularly access the economic immigration system notes the challenge ahead:

*“Canada will face a serious shortage of skilled workers over the next decade that will require supplementation through skilled worker programs to meet the need.”*

## Canada’s Labour Supply

Sources of New Labour Supply (15+, non-student) : School Leavers, Immigration and Re-entrants, 1991-2017



Sources: Statistics Canada and Policy Research Directorate, HRSDC (Reference Scenario 2008).

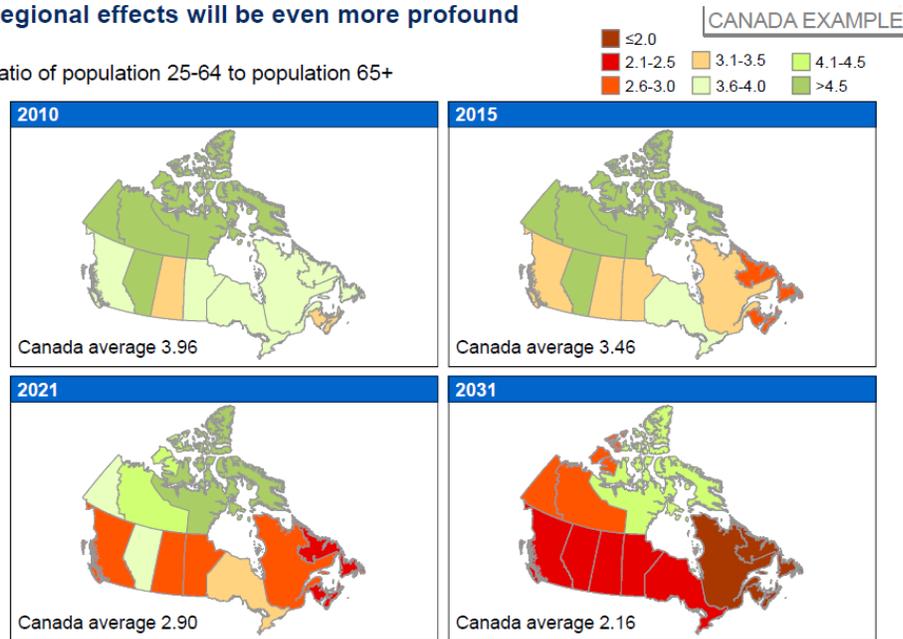
It is not surprising that job growth, combined with a declining population has resulted in additional reliance on our immigration system as a source of labour. It is estimated that all workforce growth will come about from immigration in the coming decade. It is important that Canada has an effective and efficient system to meet this challenge. Demographics are natural phenomena that cannot be undone. The talent shortage is here and economies will not be able to rely on growth in the indigenous labour force to drive economic growth.

It is unfortunate that due to a lack of long term vision and planning, the immigration system has failed to keep pace with this demographic situation. The reality is that the permanent immigration system in place today does not function efficiently nor does it meet the needs of a modern labour market.

<sup>5</sup> CERC, Immigration Survey (February 2012)

## Regional effects will be even more profound

Ratio of population 25-64 to population 65+



Source: Statistics Canada; team analysis

Talent mobility is a valuable strategic business driver. Governments, businesses and other stakeholders must work together in order to meet the challenges that lie ahead as a result of the clear demographic trends unfolding in Canada.

### Labour Market Opinions

One area of significant concern highlighted by the companies that we surveyed is the time taken to process a Labour Market Opinion (LMO).<sup>6</sup> Before an employer can hire a foreign worker a LMO must be filed with the Government. A positive LMO means that there is a need for the foreign worker to fill the job and that there is no Canadian worker available to do the job. The time taken to process the LMO can be upwards of 12 weeks, which we generally find to be an unacceptable period in today's fast-paced competitive global marketplace. Likewise, waiting six to eight weeks to hear a LMO has been denied is time consuming to a labour strapped employer. These delays have often led to the loss of business projects.

On the processing and policy fronts, employers want to see changes in the time it takes to process an LMO application, particularly for highly skilled workers. In CERC Surveys, a system of employer pre-clearance was most often cited as one of the key ways to improve the system. Employer pre-clearance will decrease processing times and result in much more efficient deployment of government resources. Establishing advance approval would allow employers who meet pre-determined criteria to be fast-tracked in the system, saving them the time and frustration of the LMO application process. Such a pre-clearance system would expedite the entire LMO application process saving significant resources for government and enabling businesses to be far more productive and efficient.

We understand that changes are forthcoming with the Accelerated LMO ("ALMO") process that will have 10 day processing and on line Web Service. These changes were initially targeted by Service Canada for implementation on April 1. At the time of writing, CERC members are still

<sup>6</sup> CERC, Immigration Survey (February 2012)

eagerly awaiting the arrival of both new processes. They stand to fundamentally improve current issues, and remove many employer frustrations.

Of course, the corresponding frustration of employers has been the Service Canada audit process, also a recent development in interaction with Service Canada for LMOs. Our members find it very difficult to know where they stand with audits, particularly when all pending applications are put on hold while the audit review process is underway. In some cases, that review process can take in excess of six months.

Members question why an audit process has to bring all application processing (from a Service Canada standpoint) to a standstill for their organizations. Audits are a necessary check and balance that help to ensure the integrity of any process and our members agree that they provide credibility to the TFW program. However, to bring the entire application process to a sudden halt is unusual and certainly something that would not occur in other contexts such as Canada Revenue Agency audits. Service Canada should continue to process an employer's applications during the audit period.

## **2. Business Visitors**

Almost three quarters of the companies that we surveyed rely on, or have requirements for business visitors entering into Canada.<sup>7</sup> As Canadian businesses expand their global markets, reliance on business visitors can only be expected to increase. Along with that expansion comes increased challenges at Canada's border crossings. We have generally found that business travellers that are attending meetings on a regular basis are having more and more difficulties entering Canada.

One of the most significant challenges with the entry of business travellers is that the rules and guidelines are not clearly laid out. It is often difficult to determine whether a work permit is needed because of a lack of clarity in the rules and documentation. Also identified as a challenge, is the lack of consistency in decisions between ports of entry and even between officers at the same port of entry. Employers often end up applying for work permits just to make life easier. This is a clear signal of a deficient business visitor intake process.

## **3. Service Levels**

Our industry consultations have identified several recommendations for improvement in service levels, including alignment of programs, increased use of technology to reduce processing times and better training of staff. Employers cite difficulties when trying to reach personnel in CIC or Service Canada that can assist with their questions and, when they do, the information may contradict official publications, or answers to the same questions are inconsistent.

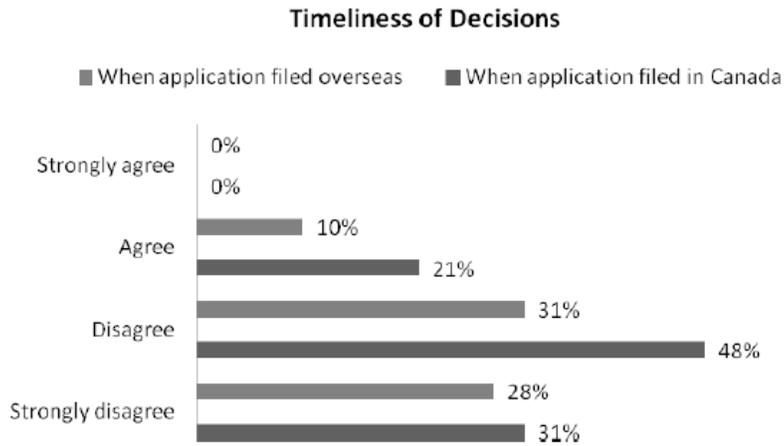
There is a general sense of disappointment with the quality of service at Citizenship and Immigration Canada (CIC) call centres. Employers overwhelmingly complain that there is often little to no response when calling the CIC; the number is *constantly* busy.<sup>8</sup> On the odd chance that employers are able to speak with a CIC Officer, the answers they receive are often wrong, incomplete and confusing. Agents' interpretations of Regulations are unpredictable and can result in extraordinary delays. Different call centre operators often give divergent answers when asked the same question.

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<sup>7</sup> CERC, Immigration Survey (February 2012)

<sup>8</sup> CERC, Immigration Survey (February 2012)

With respect to processing officers making immigration decisions (both CIC and particularly CBSA), employers are concerned about the level of training of officers.<sup>9</sup> Officers' discretionary powers are often used with poor training demonstrating a clear lack of understanding of the business environment that their decisions will impact. The interpretation of regulations has resulted in extraordinary delays. Only 21 per cent of employers surveyed felt that decisions from CIC are received in a timely manner:<sup>10</sup>



Source: CERC, Immigration Survey, February 2012

Employers are very pleased with 2012 processing speed improvements at CIC Vegreville. With respect to LMOs, although there are still long delays in meeting industry demands that will hopefully soon be improved with Web Service and ALMOs, survey results suggest Service Canada staff generally have a much more dedicated and professional customer service attitude than CIC officers.<sup>11</sup> Nonetheless, the employers that we surveyed generally agree that it would be very helpful if Service Canada conducted informational sessions for employers on a regular basis, particularly when processes are updated.<sup>12</sup>

With respect to service levels of the CBSA, as alluded to above, almost one third of companies said that decisions from border agents are never consistent and a further 32 per cent said decisions are only occasionally consistent:<sup>13</sup>

<sup>9</sup> CERC, Immigration Survey (February 2012)

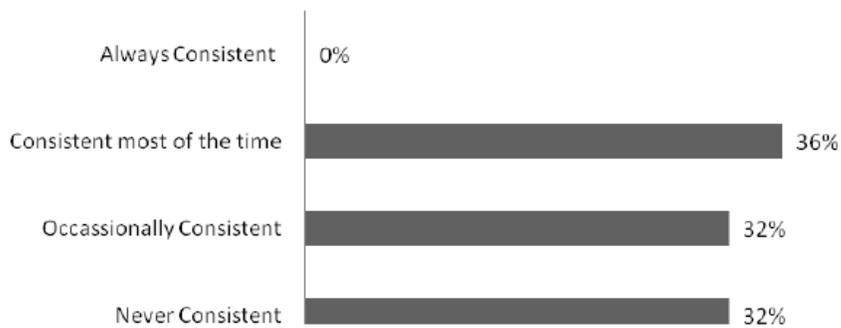
<sup>10</sup> CERC, Immigration Survey (February 2012)

<sup>11</sup> CERC, Immigration Survey (February 2012)

<sup>12</sup> CERC, Immigration Survey (February 2012)

<sup>13</sup> CERC, Immigration Survey (February 2012)

### Consistency of Decisions from CBSA



Source: CERC, Immigration Survey, February 2012

#### 4. Training

Several participants that we surveyed also commented on the need to improve training of staff and how staff is assigned to cases. As noted in other parts of this submission, trained and knowledgeable staff is critical to administering an efficient system. Several participants suggested that staff should also be deployed more effectively.

Until an employer pre-clearance system can be implemented, we recommend that specific staff be assigned to work with those employers who use the system on a regular basis, or assign dedicated staff to specific industries so employers are dealing with individuals that have specialist knowledge of that industry.

#### Effective Consultations

Our industry consultations also point to a gap in the efforts of CIC to meaningfully consult with employers about economic immigration, with almost one half of companies that we surveyed saying more effective use of consultations are needed.<sup>14</sup> More must be done to listen to employers that rely on the immigration system for access to key personnel, who are invited to participate, but do not feel their voices are being heard.. The general sense amongst employers of CIC's consultation efforts is that they are more of a courtesy than a meaningful opportunity to contribute to the policy making process: often decisions have already been taken before industry has had an opportunity to provide its policy recommendations. We see an immigration minister who regularly expresses a desire to help employers where there are legitimate TFW needs, but do not see our input being implemented "on the ground". The reason often appears to be the division in TFW responsibility between multiple government stakeholders who take very different and sometimes divergent approaches to the process, from timelines to decision making. Business understands that there may be a need for different department be more involved due to legislation and delivery rules, but there needs to be more consistency and less silos within the system.

Almost all employers surveyed had an opinion about the measures CIC could take to improve the outcome of consultations about economic immigration and temporary foreign workers. Recommendations for improvement include:

<sup>14</sup> CERC, Immigration Survey (February 2012)

- A better understanding of current labour market conditions, best practice recruitment, and market salary ranges is needed.
- Input from a wider range of businesses and academic institutions to determine what needs to be done.
- Improving consultations with groups such as the Business Advisory Group on Economic Immigration formed by the CERC.
- Develop a better understanding of current labour market conditions, best practice recruitment, and market salary ranges.

In addition to these recommendations, CERC also participated in the Ministry of Citizenship and Immigration consultations on Canada's Immigration Levels and Mix in August, 2011. The following recommendations were submitted to the Minister in the course of those consultations

- I. A Business Advisory Group on Economic Immigration should be enlisted to offer advice and input to the Minister and CIC staff in a formal and structured manner.
- II. Increases in immigration levels must be confined to economic class immigrants.
- III. The Canadian Experience Class should be more widely promoted and expanded.
- IV. The Federal Skilled Worker Program must be improved, including a review of the current points system used to determine admittance.
- V. The Federal government must maintain a primary role in managing immigration for the country.
- VI. The management and administration of the Temporary Foreign Worker Program must be improved to make it more responsive to the needs of the labour market and the business realities faced by employers.

## **5. Credential and licensing challenges for foreign workers**

This is a perennial juggernaut within the immigration context. The Federal and Provincial government have been in discussions for over a decade to resolve the challenges of recognizing the skills and credentials of foreign trained workers. There is a pressing and urgent need to resolve these issues and ensure Canada has a national process that aligns the standards of all provincial licensing and professional bodies into a coherent framework.

## **6. Final comments**

Regulations must be modernized to reflect today's global economy. More must be done to improve service levels: systems need to be aligned; new technologies must be implemented and training and development of staff at both CIC and Service Canada must be improved.

In the area of LMOs specifically, more needs to be done to expedite the time frames for approval. This can easily be accomplished through a process of pre-clearance for employers who meet established criteria and may be subject to audit.

Challenges of accessing professionals from emerging markets must be immediately addressed as trade and commerce expands in these important markets. In this regard we wish to see more flexibility in the intra-company transfer policy, where employment duration requirements can be relaxed for certain occupations or categories. Trade agreements of the future may assist in the intention to level the playing field of credential recognition, but are not the panacea to cure the problem that can only come from a concerted effort by the provincial and federal governments, in the development of a national framework for the recognition of skills and credentials.

Also of note is that Canadian employers bring in thousands of internationally trained professionals accompanied by partners and spouses. Since settlement programs around language training and job search assistance are only available to permanent residents, there are opportunities to make such programs more widely available, resulting in faster and more effective integration of those individuals.