

January 19, 2022

The Honourable Sean Fraser  
Minister of Immigration, Refugees and Citizenship  
Central Nova  
House of Commons  
Ottawa, Ontario  
K1A 0A6

**Subject: Improvements needed to the Temporary Foreign Worker (TFW) and Immigration programs to address labour shortages**

Dear Minister Fraser,

As you may know, the Canadian Federation of Independent Business (CFIB) represents 95,000 small- and medium-sized enterprises (SMEs) in every sector of the economy and every province. We are solely funded by our membership and take direction from them through regular surveys on a variety of issues.

We are writing to you today to share our recommendations on expanding the Temporary Foreign Workers (TFW) program to address the immediate shortage of labour in Canada. CFIB's report, "[\*Labour shortages are back with a vengeance\*](#)" found that 54% of businesses could not find all the staff they need.<sup>1</sup> While some small businesses have increased their wages in response to the labour shortage, this solution has had limited utility. Almost two-thirds (63%) of businesses reported that a lack of candidates with the necessary skills/experience was the main bottleneck to their labour problems.<sup>2</sup>

Nearly 24% of small businesses report that employees switched industries due to the pandemic. This trend was even higher among businesses in social services (37%) and hospitality (48%). The weakened state of many small firms in retail, hospitality, tourism and arts and recreation due to the impact of Covid-19 related lockdowns and other restrictions means they have an urgent need to resolve labour shortages to facilitate their economic recovery.

CFIB asked its **members that were not fully staffed** what solutions they have been using to address their shortage of labour; and what solutions they found to be helpful. The most successful solutions reported were increasing the level of automation used in the businesses (81%) and the TFW program to bring in additional workers (52%). However, while the success rate of the TFW program is comparatively high; the utilization of the program is low. Only 16% of SMEs reported using the TFW program.

One of the contributing factors to this low uptake is the onerous nature of utilizing the TFW program. The TFW program is very time-consuming - and expensive for most small businesses to use, costing \$1,100 per application. For businesses in the hardest-hit sectors, the program is unusable as most occupations in these sectors do not qualify.

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<sup>1</sup> CFIB, "[\*Labour shortages are back with a vengeance\*](#)" December 2021, page 6.

<sup>2</sup> Ibid.

A further consideration is the vacancies present within the job market. Currently, the job vacancies in Canada are concentrated in lower education levels. However, job-seekers that wish to come to Canada are predominantly in higher education levels - leaving a mismatch in skills and expectations. This overqualification can leave job-seekers to expect different working conditions - salary or role - other than what an employer may be prepared to offer.

CFIB is calling on the government to push for the following changes to the TFW program to help address the shortage of labour within Canada:

1. Improve and simplify the process for the Temporary Foreign Workers Program and permanent immigration system to bring foreign workers to Canada faster.
2. Ensure that job-seekers match the demands in the job market found within Canada to create a good fit between immigrants and the positions they are coming in to fill.
3. Open the TFW program to all types of jobs and all sectors, regardless of the prevailing regional unemployment rate as a temporary measure to address immediate labour shortages caused by the pandemic.
4. Establish a Trusted Employer system to streamline the application process for Canadian companies hiring temporary foreign workers to fill labour shortages and make sure that smaller firms with lower wage positions are also able to qualify.
5. Temporarily waive employer fees for small business owners seeking to use the TFW program.

Small businesses have been doing all they can to attract workers, but they need the government to do their part by adopting policies that increase productivity, connect job seekers with employer's and don't put the cost of hiring out of reach. We would welcome an opportunity to meet with you to discuss the findings and to talk about how to best address the shortage of labour in Canada.

Sincerely,



Corinne Pohlmann  
Senior Vice President, National Affairs  
and Partnerships



Jasmin Guénette  
Vice President, National Affairs

C.C. The Honourable Carla Qualtrough,  
Minister of Employment, Workforce Development and Disability Inclusion