



May 22, 2013

Hon. Diane Finley, P.C., M.P.
Minister of Human Resources & Skills Development Canada
140, Promenade du Portage
Gatineau, QC K1A 0J9

Re: Temporary Foreign Worker Program Review

Dear Minister:

On behalf of the tens of thousands of companies and millions of direct and indirect employees represented by our associations, thank you for participating in the industry conference call on May 6th to discuss TFW reform and the creation of the Canada Jobs Grant and to express our support for strong and viable Temporary Foreign Worker (TFW) programs in Canada.

As stated on that call, our associations and our members fully support the government's stated goal that companies in Canada should be hiring Canadians first whenever possible and that there should be no tolerance for abuse of the TFW programs. However, we also believe that the TFW programs are crucial to support Canada's economic growth and that they can be improved to support the needs of industry, government and employees.

The first choice of Canadian companies in sourcing labour is to hire domestic workers. In surveys of our members, hiring foreign workers is the last choice of companies in all parts of the country due to the uncertainty of the processes, the time to secure appropriate individuals, the resources required and the overall associated costs. In fact, it can cost a company up to \$10,000 to process one TFW application and take up to six months to bring a worker into the country.

As a result of these complexities, industry has taken aggressive actions in an attempt to address these challenges and to increase the availability and quality of the domestic workforce. Many of the undersigned associations and their members have been involved in a wide variety of actions to support domestic hiring, including the creation of job promotion and matching websites, cross-Canada recruitment job fairs, publication of promotional advertisements to alert young Canadians to job opportunities and the career paths available in industry and the implementation of strategies and programs to support the hiring of disadvantaged Canadians. Many companies are partnering with educational centres (universities, vocational schools, etc.) to ensure the availability of a skilled Canadian workforce.

However, hiring domestic workers is not always possible. In a recent survey conducted by one of the undersigned associations, they found that only two in ten Canadians would move to another province to work, even with a 10 per cent wage increase and all moving expenses paid. Some companies indicated going through an out of province recruitment process in high unemployment regions of Canada and while they received over 8,000 applications and interviewed several hundred potential employees, they only secured one new employee. This is the reality that Canadian industry faces; there is limited labour mobility and supply of qualified workers within

Canada and where many of the jobs are not in the major urban centers where people want to move, or are positions that are not attractive to Canadians.

TFW programs help our members address immediate labour needs when Canadians are not available or not willing to fill open positions across the country. They also address the need to fill positions requiring strategic advanced technical knowledge or global customer knowledge not readily available in Canada. By filling these gaps, TFWs also help ensure that companies can continue to operate efficiently and the regular Canadian workforce continues to be employed.

However, while the TFWs programs are necessary, we fully agree that they are far from a perfect solution to Canada's labour challenges and firmly believe that the government should use the current program review to reform the programs to ensure that they are functioning to support Canada's economic growth. There are several critical areas that have been raised as part of the government's consultation process that we believe require immediate attention and action, including the Accelerated Labour Market Opinion (ALMO) process, pathways to residency and wage rates.

Accelerated Labour Market Opinion (ALMO) and LMO Process:

While we understand the concerns raised by the government that the ALMO process offered the opportunity for abuse, we believe that the vast majority of the transactions under the process were fully compliant with the government's established processes and abuse was not widespread. The ALMO process offered companies who were trusted and vetted by the government, reduced processing times with a simplified process at a reduced cost for both government and industry.

We believe that the government should reinstate the ALMO process as soon as possible and do so with sufficient controls on who is eligible to use the process and a pre-vetting process for eligibility. Strict penalties should be introduced for deliberate abuse of the program. Regular audits of performance should be introduced to ensure ongoing compliance.

Eliminating the ALMO and forcing all companies into the regular LMO process causes further problems for the government and industry. The LMO process, even with the ALMO in place, was a long and unpredictable process. Often companies would wait months for a response to an application only to get vague responses which provided no clear direction. With no approval or rejection, it is impossible for the company to progress with the hiring of a TFW. HRSDC needs to dedicate sufficient resources to application processing and to establish a two-week service standard and provide better guidance to staff to ensure greater consistency in the application of rules. This is especially critical with the expected LMO processing fee coming into effect.

Pathways to Residency:

Given the cost and complications of the TFW programs, the government should find better ways to implement pathways to residency for those who enter Canada as TFWs. Foreign workers often move their families with them to Canada and companies invest heavily in training and skills development of TFWs. Creating a permanent pathway would create stability for both the foreign workers and their families and also companies who require the labour.

The current two-year, with an option of an additional two-year extension, doesn't support economic growth and ensures that companies are constantly forced to use the TFW process. While residency pathways are available through application to permanent residency and citizenship, they are not tied to the TFW process and program timelines. This often causes a mismatched timeline and people being forced to leave Canada at the end of the TFW cycle, prior to approval of the citizenship or permanent residency. A fast-track process for permanent residency should be implemented for those who enter Canada on the TFW program. This would create greater flexibility

for employers and workers in the program and actually reduce dependency on the program by Canadian employers as more TFWs would become permanent workers.

Wage Rates:

There has been much attention on the wage rates allowed under the program and the application of the 15 per cent “discount” on wages available to employers for TFWs. We agree that TFWs should be making the same wages as their equivalent Canadian counterparts. However, the current determination of wage rates is unrealistic as they are based on inaccurate “average” wage rates that stretch across jobs and sectors and which often results in the TFW being paid more than their equivalent Canadian counterparts. The program should establish guidelines that take into consideration a person’s specific responsibilities not just general job classification, as well as current wage rates for the company for similar positions to ensure equality across the sector and the company.

The consequences of a continued inadequate supply of labour for Canada are simple; companies will not expand operations in Canada and will place their investments in other jurisdictions. Foreign companies will invest in other jurisdictions that have a stronger supply of labour with a more flexible workforce. Canada’s economic performance will be deeply and negatively affected. The TFW program constitutes a critical supply of labour for many Canadian companies who cannot otherwise attract the necessary talent to keep their operation running efficiently and supports overall economic growth.

Making drastic changes to the TFW programs that penalize all companies due to the abuses of a few, will damage Canada’s economy. We believe that the government can and should make changes to improve the programs. We hope that the above recommendations on TFW reform are helpful to the process in improving the program for Canada.

If you have any questions on any of the above recommendations, please contact any of us at any time.

Sincerely,



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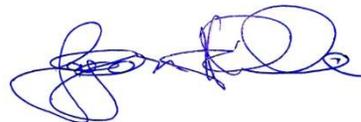
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