



The Role of Immigration Policy in Addressing Labour Shortages in the Tourism Sector

June 2023

■ The Role of Immigration Policy in Addressing Labour Shortages in the Tourism Sector

Authors

Sébastien Labrecque

(Deputy Director and Chief Economist, StrategyCorp Institute of Public Policy and Economy)

Matt Conley

(Manager, StrategyCorp)

Contributors

Andrew Steele

(Vice President, StrategyCorp)

Hilda-Matilda Idegwu

(Intern, StrategyCorp)

Designer

Fidel Gamboa

(Graphic Designer, StrategyCorp)



**Institute of
Public Policy
and Economy**

The StrategyCorp Institute of Public Policy and Economy provides thought leadership on important public policy issues facing Canadians and their governments across the country by combining economic and policy expertise with key political insights.

Tourism **HR**
Canada



RH Tourisme
Canada

Tourism HR Canada commissioned the StrategyCorp Institute of Public Policy and Economy to produce an independent policy paper on the role of immigration policy in addressing labour shortages in the tourism sector. For questions specifically regarding this document, please contact the authors listed above.

Table of Contents

Executive Summary	4
Introduction	7
Section 1: Inventory of Immigration Policy Changes Relevant to the Tourism Sector	9
Section 2: Review of the Effectiveness of Immigration Policy Changes in Terms of Impact on the Tourism Sector	12
2.1. What the data tells us about potential impacts in 2021 and 2022	12
2.2. Assessment of anticipated impacts	16
Section 3: Immigration Measures in Other Jurisdictions	18
3.1. Provincial and territorial measures	18
3.2. Selected immigration measures in other countries	19
Section 4: Policy Recommendations	21
4.1. Targets	21
4.2. Operations and processes	21
4.3. Measures targeting specific countries and regions	22
4.4. Programs for particular regions of Canada	22
4.5. Specific immigration programs and streams	22
Section 5: Implementation Plan	27
5.1. Immediate	27
5.2. Short term (12 months)	27
5.3. Medium term (12 to 24 months)	28
5.4. Long term (24+ months)	29
Conclusion	30
Appendix A – National Occupational Classification Codes for Tourism Occupations	31
Bibliography	32

Executive Summary

Employers across the country have been facing significant labour shortages since the reopening of the economy. As the first sector to have closed due to public health restrictions and the last one to have fully reopened, tourism continues to feel the disruptive effects of the pandemic. Nearly half of tourism operators were facing or had faced labour issues related to recruitment and retention, skills shortages or increased costs according to a January 2023 survey. A little over a third of employers had job vacancies.

The federal government implemented several policy changes and initiatives to help employers hire foreign workers in the aftermath of COVID. The measures introduced fell under five overarching categories:

- Immigration targets
- Process and operations
- Measures targeting specific countries and regions
- Programs for particular regions of Canada
- Specific immigration programs and streams

The impacts of the different measures on the tourism sector vary depending on the category. Higher immigration targets and welcoming more permanent residents arithmetically increase the pool of individuals who could work in the sector. The proportion of permanent residents whose intended occupations were in the tourism sector grew well above pre-pandemic levels in 2021 (11.7 per cent) and 2022 (6.9 per cent). However, it is not a foregone conclusion that higher targets will automatically alleviate labour shortages as the competition between sectors to recruit workers is extremely fierce. Deliberate and targeted actions are needed.

Measures to improve processes and operations generally have positive impacts on employers that rely on immigrants to fill some of their labour needs. The digitalization of certain application steps plays an important role in speeding up the process and reducing errors.

Similar to immigration targets, measures targeting specific countries and regions can help increase the total number of workers available, but it is empirically hard to assess their impacts on specific sectors like tourism. Programs for particular regions of Canada can be helpful if, like the Atlantic Immigration Program, they include tourism employers.

Several changes made to specific immigration programs and streams, such as the Temporary Foreign Worker Program (TFWP) and pathways, were steps in the right direction. Combined with higher demand from employers, these measures led to the highest level on record of TFWP work permits for tourism occupations (19,025) in 2022. This represented 14 per cent of all permits that became effective that year, which is also the highest proportion ever recorded. On a monthly basis, the number of TFWP work permits for tourism occupations has been on an upward trajectory since January 2022.

In addition to the policy changes made at the federal level, Alberta, British Columbia, Nova Scotia and Saskatchewan used their respective allocations under the Provincial/Territorial Nominee Program (PNP) to help bring permanent residents with intended occupations in the tourism sector.

It is important to note that Canada finds itself in competition with other jurisdictions as many countries also rely on immigration to fill labour needs in tourism. A quarter of the labour force in the hospitality sector (a component of tourism) is comprised of foreign-born workers in the Organisation for Economic Cooperation and Development (OECD).

Several countries have measures in place to bring in immigrants to work in the sector. For instance, France has a seasonal immigrant worker program that is available to both agriculture and tourism. The visa can be issued for up to three years and renewed. Additionally, Japan created in 2019 the “Specified Skilled Worker” status of residence to bring in workers from other countries for up to five years. Of the 14 eligible sectors, three directly relate to tourism: aviation, accommodation and food service.



To address current and future labour shortages in the tourism sector and remain competitive vis-à-vis other countries seeking to attract workers, Canada must take a comprehensive look at its immigration policies as many were only introduced on a temporary basis during the pandemic. To inform this analysis and highlight recommendations that tourism stakeholders should encourage the government to implement, this report proposes actions that should be taken within specific timelines.

A foundational component of this action plan is the designation of a national coordination body to support the implementation of several measures. Given its established governance, role in the ecosystem and its deep expertise and relationships, Tourism HR Canada would be strategically positioned to seamlessly take on this role.

RECOMMENDATIONS

Immediate Term

- Prioritize tourism TFWP applications that have not been processed yet. Moving forward, tourism occupations should be given priority starting in February in preparation for the summer.
- Permanently remove the maximum number of hours international students can work during the school year.
- Issue permits that allow international students to work for multiple employers.
- Issue open work permits to the spouses and working-age dependents of newly admitted international students.
- Modify the overarching criteria of the Atlantic Immigration Program to make TEER 5 tourism job offers eligible.

Short Term (12 Months)

- Change how permanent residence applications are assessed to prioritize individuals that intend to work in tourism occupations. This includes modifying the evaluation grid to enable these applicants to receive more points.
- Introduce a tourism stream under the TFWP in time of the 2024 high season. As part of this stream, participants should be made eligible for a direct federal pathway to permanent residence.
- Consider opportunities to remove the need for a Labour Market Impact Assessment (LMIA). If not completely removed, the cost of an LMIA should be reduced.
- Designate Tourism HR Canada as the national coordination body to support the implementation of a trusted employer model.
- Evaluate the possibility of widening the Seasonal Agricultural Worker Program to include other sectors like hospitality and tourism.
- Organize virtual job fairs to connect tourism employers with potential permanent residence applicants.
- Provide targeted funding for resettlement services that support newcomers working in tourism.
- Conduct an end-to-end assessment of application processes to identify the steps that should be digitalized in the short term.
- Develop a roadmap to full digitalization of immigration processes.

Medium Term (12 To 24 Months)

- Reintroduce the Destination Employment program with a broadened scope to the tourism sector as a whole.
- Organize in-person job fairs to connect tourism employers with foreign nationals that are in Canada on a temporary basis (e.g., international students, TFWP participants).
- Move away from credential-based evaluation criteria for permanent residence applications to instead focus on skills.
- Remove the application caps for the International Experience Canada (IEC) program.
- Review the possibility of extending the IEC visa beyond two years and/or providing options for renewals.
- Assess the labour market impacts of replacing the 1-to-1 basis used to issue post graduation work permit to move towards automatically granting permits valid for three years to foreign nationals who complete a designated post-graduate program.
- Engage with tourism stakeholders to develop Canada's immigration targets for 2025-2027.
- Build into the 2025-2027 immigration targets an automatic PNP level top up for spots dedicated to tourism occupations.

Long Term (24+ Months)

- Complete the full digitalization of immigration processes by 2025.

Introduction

Every sector of the economy experienced some form of labour market disruptions during the COVID-19 pandemic. Public health restrictions forced industries to close and some workers looked for other opportunities as a result. This led to certain sectors struggling to go back to pre-pandemic staffing levels, resulting in severe labour shortages. Job vacancies in Canada have been consistently over 800,000 since July 2021, even peaking at one million in May 2022 (Statistics Canada, 2023).

As a sector of the economy that already experienced challenges filling some positions before the pandemic, tourism was particularly hard hit by COVID-19 as it was among the first industries to close and one of the last to fully reopen (for example, hotels, tour guide companies, and vacation equipment rental companies were extremely limited in what they could do and offer patrons until everything was fully reopened).

As the last COVID-era restrictions were dropped in 2022, the tourism sector faced a large pent-up demand from domestic and international tourists eager to travel during the high season. Several tourism operators found themselves having to deal with this increased demand at the same time as they were struggling to attract and retain workers.

A January 2023 survey of tourism employers conducted by Tourism HR Canada found that 49 per cent were facing or had faced labour issues related to recruitment and retention, skills shortages or increased costs. A total of 37 per cent of respondents had job vacancies and each employer had an average of four unfilled positions (Tourism HR Canada, 2023a). This percentage was even greater during the 2022 high season as 46 per cent of businesses had job vacancies. These challenges obviously hinder the ability of organizations to operate at full capacity to make the most of lucrative traveller dollars. It also put a lot of pressure on staff.



Shortages experienced in tourism and across the economy led many businesses to turn to foreign workers to supplement their labour needs. The Government of Canada introduced a wide array of policy changes to help employers bring in workers from other countries and/or hire foreign individuals who were already in the country. Given the temporary nature of these policies and the fact that labour shortages are expected to remain a grave challenge, the question of how to best leverage immigration to alleviate the labour shortages faced by the tourism sector remains a crucial question. According to Tourism HR Canada projections, a minimum of 2.5 million workers in the tourism sector will be needed by 2030 to address the anticipated demand.

This report strives to contribute to this reflection by analyzing the impacts of immigration policy changes on the tourism sector. It provides recommendations and an implementation plan to address challenges associated with labour shortages. The ideas put forward account for the fact tourism is a unique economic sector that encompasses a variety of industries with both seasonal and year-round labour needs.

We begin this paper by providing a brief inventory of the policy changes relevant to tourism before reviewing whether they were/ are effective at supporting the sector. We then look at selected immigration measures focused on tourism in other jurisdictions both within Canada and abroad. Leveraging the findings from the previous sections, the paper develops recommendations the tourism sector should encourage the federal government and other relevant stakeholders to implement in order to leverage the full potential of immigration to address labour shortages. We also develop an action plan to guide the implementation of the suggested recommendations.

What is tourism?

Tourism encompasses a variety of activities, destinations, attractions and businesses. This report uses the definition of Tourism HR Canada to define what constitutes the tourism sector. It is comprised of five industry groups:

- Accommodation
- Food and beverage services
- Recreation and entertainment
- Transportation
- Travel services

Section 1

Inventory of Immigration Policy Changes Relevant to the Tourism Sector



The Government of Canada made numerous changes related to travelling and immigration during the COVID-19 pandemic. In the first few months of the public health emergency, border restrictions and quarantine requirements were imposed to help prevent the spread of COVID-19. The sanitary situation and the processing challenges the pandemic generated led to a rapid reduction in the number of foreign workers that were able to come to Canada to work. The overall number of International Mobility Program (IMP) work permit holders dropped by nearly half from 88,090 in the second quarter (Q2) of 2019 (April to June) to just 44,645 in Q2, 2020 (i.e., the first few months of the pandemic). The number of Temporary Foreign Worker Program (TFWP) permit holders also decreased from 39,740 to 31,180 over the same period (Immigration, Refugees and Citizenship Canada, 2023a; 2023b).

In both instances, the drop was even more dramatic for the tourism sector. The number of IMP permit holders with an intended occupation in tourism shrank from 4,930 in Q2, 2019 to only 620 in Q2, 2020. Similarly, the total number of TFWP permit holders with intended tourism occupations declined from 3,010 to 1,255 over that period (Immigration, Refugees and Citizenship Canada, 2023a; 2023b).

As important industries like tourism faced significant labour challenges, the federal government made several immigration policy changes to increase the number of migrant workers available to fill positions. The Canada Excellence Research Chair in Migration & Integration at Toronto Metropolitan University (TMU) tracked all federal immigration policies introduced since January 2020. Broadly speaking, the measures can be grouped into five categories:

- Immigration targets
- Process and operations
- Measures targeting specific countries and regions
- Programs for particular regions of Canada
- Specific immigration programs and streams

After raising its 2021-2023 immigration targets in the fall of 2020, the federal government announced in November 2022 higher targets for 2023 to 2025. It seeks to welcome 500,000 new permanent residents in 2025, which will include 301,250 economic immigrants as well as 118,000 individuals that fall in the “family” category (i.e., spouses, partners, children, parents and grandparents) (Immigration, Refugees and Citizenship Canada, 2022a). The economic immigrants category includes programs that bring in workers in tourism occupations such as cooks and bakers through the Federal Skilled Trades Programs. In 2022, 6.9 per cent of permanent residents admitted had intended occupations in tourism (24,560) (Immigration, Refugees and Citizenship Canada, 2023c).

Measures related to processes and operations are relevant for the tourism sector as it helps accelerate the application, review and approval steps. This helps bring workers to Canada faster and more efficiently. For instance, in September 2022, Immigration, Refugees and Citizenship Canada (IRCC) announced it would increase processing capacity to reduce wait times for permanent residence. In the same vein, the federal government committed in Canada’s Indo-Pacific Strategy to establishing and/or



bolstering operations and processing centres in high volume regions (e.g., India, the Philippines, and China). This would support visa-processing capacities and deal with the high volume of temporary resident visas and work permit applications (Global Affairs Canada, 2023).

Importantly, the government has also been working to digitalize a number of steps and processes. For instance, it digitalized the submission of Labour Market Impact Assessments (LMIAs) for the TFWP and economic class applications for permanent residence. This is part of a broader effort at IRCC as the Department experiments with automation and advanced data analytics to help process applications faster and more efficiently (Immigration, Refugees and Citizenship Canada, 2022b).

Measures targeting specific countries and regions of the world have also been introduced since 2020. In some cases, like the ones focused on people from Afghanistan, Hong Kong and Ukraine, policies stemmed from geopolitical events. While not specifically focused on tourism, this type of measures can still end up benefitting the sector by growing the overall pool of immigrants with the ability to work in Canada. As a 2022 report from

the International Labour Organization (ILO) highlighted, the tourism sector “offers jobs to migrant workers at all skill levels” (International Labour Organization, 2022, p. 23). Given its wide array of forms of work and schedule, ILO rightfully pointed out that tourism positions can be a stepping stone to employment for groups like migrant workers that just arrived in a new country (International Labour Organization, 2022, p. 36).

Immigration policy changes announced during the pandemic also pertained to programs for specific regions of Canada. Beyond the Provincial Nominee Program (PNP), which we will discuss later in this report, an important region-specific initiative is the Atlantic Immigration Pilot Program. It provides the possibility to obtain permanent residence for specific categories of skilled foreign workers and international students who graduated from Canadian institutions. Sectors that are eligible include accommodations and food services. Participants must be willing to work and live in Atlantic Canada to be eligible (Immigration, Refugees and Citizenship Canada, 2022c). Thanks to its success, the pilot was made permanent as of 2022 and was renamed the Atlantic Immigration Program (AIP).

Amid the pandemic, the government made several policy changes to specific immigration programs, streams and requirements including most notably the TFWP, IMP, permanent resident and international students. Some of the most relevant policy measures to the tourism industry included:

- Make work permits available to family members of temporary foreign workers.
- Lift requirements for certain foreign nationals to apply for a work permit from within Canada instead of having to leave the country to submit their applications.
- Accelerate pathways to permanent residence for foreign nationals already in Canada.
- Increase the number of applicants to the International Experience Canada Program.
- Lift the limit of hours international students can work during the school year.
- Expand the discretion of the Minister's office to conduct Express Entry draws to fill specific labour and skills gaps.
- Provide open work permits for individuals awaiting the outcome of their permanent residence applications through the Temporary Resident to Permanent Resident (TR to PR) Pathway.
- Stop automatically refusing Labour Market Impact Assessments (LMIAs) applications for low-wage occupations in the Accommodation and Food Services in regions where the unemployment rate is 6% or higher.
- Increase the maximum proportion (30 per cent) of the workforce that can be hired through the TFWP for low-wage positions for employers in specific sectors with labour shortages, including accommodation and food services.
- Making LMIAs required for temporary foreign workers valid for 18 months instead of 6 months before the pandemic.
- Increase to two years the maximum duration of employment for low-wage positions.

The last three measures mentioned in this list, which all pertain to the TFWP, were in effect for the 2022 tourism season and were recently extended until the end of October 2023 by the federal government (Employment and Social Development Canada, 2023).

Section 2

Review of the Effectiveness of Immigration Policy Changes in Terms of Impact on the Tourism Sector

IRCC does not publish quantitative data on the actual impacts of every specific policy change after it gets implemented (as we will discuss later, IRCC does however sometimes include projections when new measures are announced). Nonetheless, the evolution of the number of landed immigrants as well as TFWP and IMP permit holders provides insight into the general impacts of the measures the government took to bring in more immigrants to work in Canada. Thanks to details related to National Occupational Classification (NOC) codes, it is possible to track whether the tourism sector benefitted from a labour supply standpoint. The NOC codes for tourism occupations can be found in Appendix A.

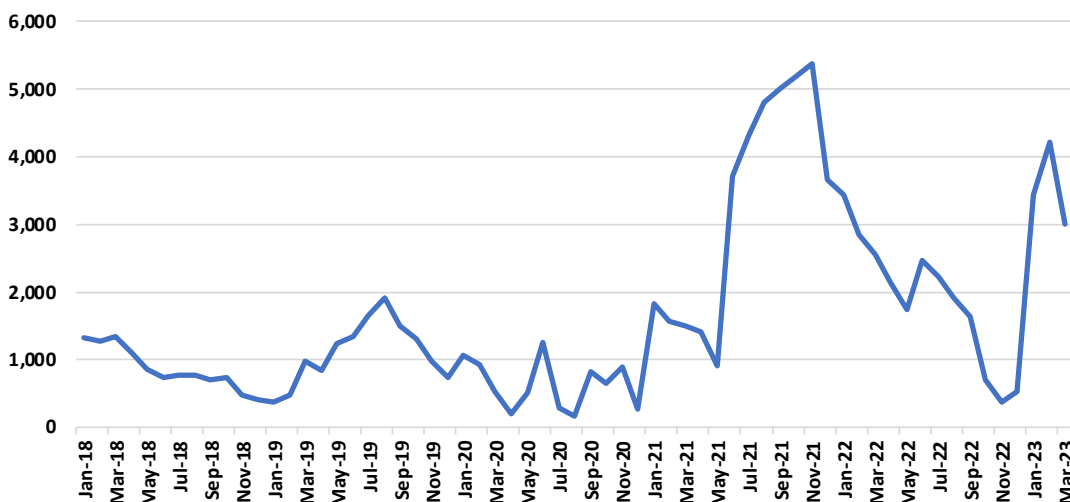
2.1. WHAT THE DATA TELLS US ABOUT POTENTIAL IMPACTS IN 2021 AND 2022

The total number of landed immigrants (i.e., immigrants who are permanently allowed to live and work in Canada) in the labour force across the Canadian economy recovered above its pre-pandemic level in May 2021. It has been steadily over the February 2020 level ever since and was 10.6 per cent higher as of April 2023 (Tourism HR Canada, 2023b). In addition to the economic recovery, the increasing number of permanent residents in Canada stemming from higher immigration targets contributed to this growth.

However, the tourism sector did not see the same recovery in terms of employment. The respective numbers of individuals born in Canada and landed immigrants employed in tourism were still below pre-pandemic levels as of April 2023. For instance, the number of landed immigrants working in the sector in April remained 2.1 per cent below the February 2020 level (Tourism HR Canada, 2023b).

The landed immigrant category includes permanent residents. Data from IRCC shows that the number of permanent residents admitted with intended occupations in the tourism sector grew significantly between May and November 2021 (from 905 to 5,380 on a monthly basis) (see Figure 1). November 2021 saw the highest level ever recorded. It is however hard to conclude that policy measures related to permanent residents (such as higher targets and the introduction of new pathways) drove this increase due to the dramatic shift in the data after November 2021. The numbers drastically dropped in the following 12 months to reach only 370 in November 2022. Interestingly, January and February 2023 saw a very sharp rebound with a combined 7,660 admitted permanent residents with intended occupations in the tourism sector (Immigration, Refugees and Citizenship Canada, 2023c).

Figure 1: Number of Admitted Permanent Residents with Intended Occupations in Tourism



Source:

Immigration, Refugees and Citizenship Canada. (2023c) and author's calculations: due to IRCC rounding to the nearest multiple of five and suppressing values between zero and five because of privacy requirements, the data in this chart may not be the exact total number of admitted permanent residents with intended occupations in tourism on a monthly basis.

It is worth highlighting that, in relative terms, the proportion of permanent residents whose intended occupation were in the tourism sector was significantly higher in 2021 (11.7 per cent), which aligns with the growth the total numbers recorded that year. The proportion has since dropped to 6.9 per cent in 2022, which is still higher than before the pandemic (4.6 per cent in 2018 and 5.4 per cent in 2019) (Immigration, Refugees and Citizenship Canada, 2023c).

Beyond landed immigrants and permanent residents, the tourism sector also relies on workers who come to Canada on a temporary basis through programs such as the TFWP and the IMP. Both programs saw several policy and requirement changes in recent years as the government sought to support sectors like tourism that were struggling with labour shortages. Most of the relevant and consequential measures were introduced in 2022, which is also when employers' demand for temporary workers grew. This is particularly reflected in the data on TFWP permit holders.

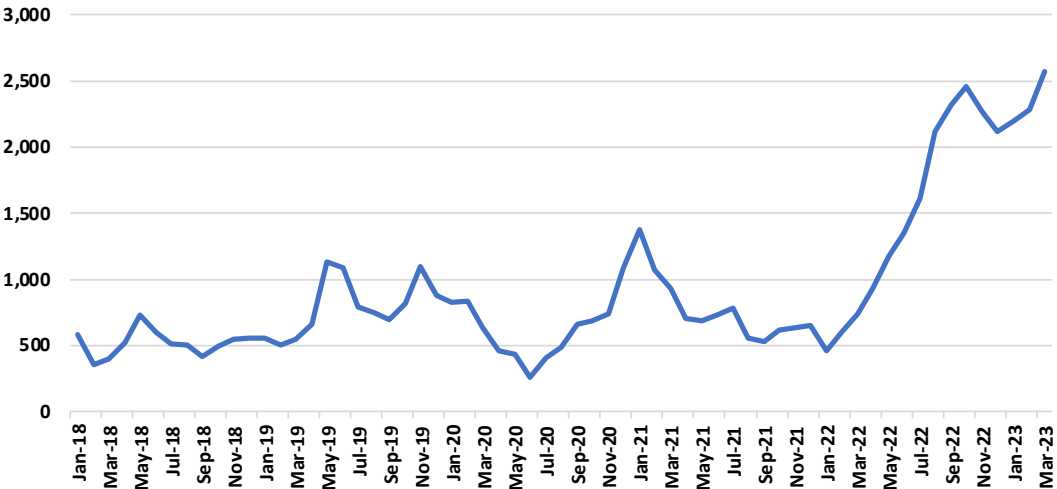
IRCC data (2023b) shows that 2022 saw the highest level on record of TFWP work permits for tourism occupations become effective (19,025). This number represented 14 per cent of all permits that became effective that year (also the highest proportion on record). On a monthly basis (see Figure 2), the number of

TFWP work permits for tourism occupations rapidly grew right from the start of the year, jumping from 460 in January to 2,455 in October (or 21.9 per cent of all TFWP permits). After a small dip, the beginning of 2023 was off to a strong start with a record-high 2,575 work permits for tourism occupations becoming effective in March. It was the eight consecutive month this number was above the 2,000 mark.

While the data hints at the fact that changes to the TFWP contributed to helping tourism employers bring in more foreign workers in 2022, the data tells a different story for the IMP. Due to seasonality, the number of IMP work permit holders always peaks in June for tourism occupations (i.e., at the beginning of the summer). As figures 3 and 4 show, the level recorded in June 2022 (2,290 or 5 per cent of all IMP permit holders) was lower in both absolute and relative terms compared to before the pandemic in June 2018 (2,470 or 9.3 per cent) and 2019 (2,905 or 9.2 per cent) (Immigration, Refugees and Citizenship Canada, 2023a).

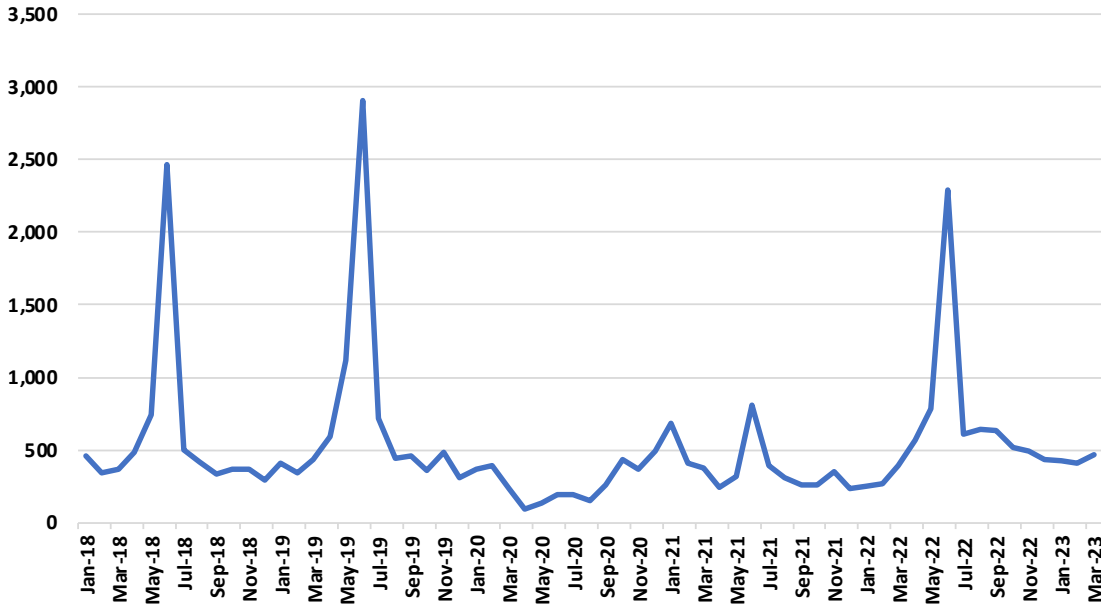
The proportion of IMP work permit holders with tourism occupations on a monthly basis has been below one per cent since October 2022 with April 2023 recording the second lowest proportion (0.63 per cent) in the last five years (Immigration, Refugees and Citizenship Canada, 2023a).

Figure 2: Number of TFWP Permit Holders with Intended Occupations in Tourism



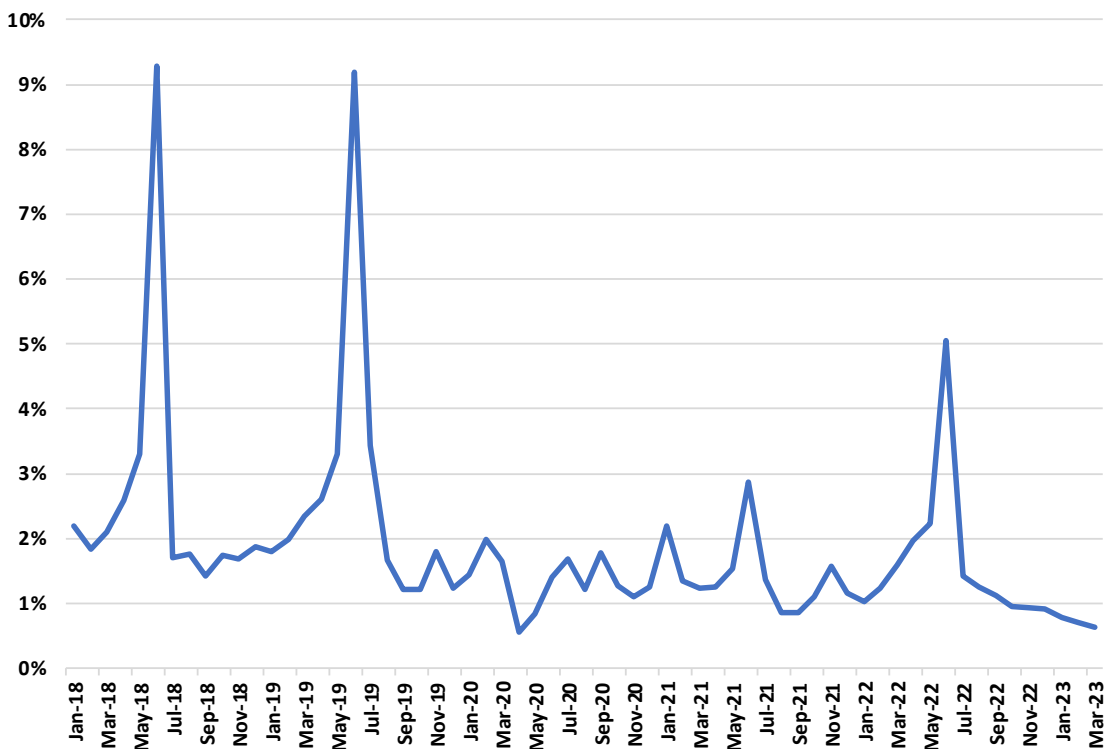
Source: Immigration, Refugees and Citizenship Canada. (2023b) and author's calculations: due to IRCC rounding to the nearest multiple of five and suppressing values between zero and five because of privacy requirements, the data in this chart may not be the exact total numbers of TFWP permit holders on a monthly basis.

Figure 3: Number of IMP Permit Holders with Intended Occupations in Tourism



Source: Immigration, Refugees and Citizenship Canada. (2023a) and author’s calculations: due to IRCC rounding to the nearest multiple of five and suppressing values between zero and five because of privacy requirements, the data in this chart may not be the exact total number of IMP permit holders on a monthly basis.

Figure 4: IMP Permit Holders with Tourism Occupations as a Proportion of all IMP Permit Holders



Source: Immigration, Refugees and Citizenship Canada. (2023a) and author’s calculations: due to IRCC rounding to the nearest multiple of five and suppressing values between zero and five because of privacy requirements, the data in this chart may not be the exact total number of IMP permit holders on a monthly basis.

On a yearly basis, the total number of IMP work permit holders with tourism occupations rebounded in 2022 (9,305) after two dismal years during the pandemic. However, this number was still lower than what was recorded in 2019 (10,265). In relative terms, the level of IMP work permit holders with tourism occupations as a proportion of all IMP permit holders has been hovering near two per cent since 2020 compared to over three per cent in 2018 and 2019. (Immigration, Refugees and Citizenship Canada, 2023a).

It should be noted that the IMP encompasses foreign nationals on a working holiday visa issued in the context of the International Experience Canada program. Since this type of visa is not associated with a specific occupation, it is not connected to any NOC. Since many working holiday visa holders end up finding employment in tourism, the IRCC IMP data likely underestimates the number of immigrants working in tourism.

2.2. ASSESSMENT OF ANTICIPATED IMPACTS

This subsection looks at the anticipated impacts of changes made by the federal government leveraging the five categories of immigration measures identified in section 1.

IMMIGRATION TARGETS

Higher immigration targets will allow more people to come live and work in Canada as permanent residents. This will benefit the tourism industry from both a demand and a labour availability standpoint.

Permanent residents with intended occupations in tourism represented between 4.6 and 11.7 per cent of all permanent residents in the last five years for a median of 5.8 per cent. If Canada reaches its objective of 500,000 new permanent residents in 2025, it would represent an increase of 68,355 individuals compared to the 2022 total (431,645). Applying the 5.8 per cent median, this could lead to up to 3,964 additional permanent residents working in tourism occupations (in reality, this number would be lower since the target includes new permanent residents that will not be working age).



However, several sectors such as construction and healthcare compete with tourism to recruit new permanent residents. This means a larger overall pool of newcomers may not ultimately lead to significantly more tourism workers without a concerted effort to attract them into these professions. Section 4 identifies measures that could help the tourism sector maintain and even increase the proportion of permanent residents it recruits.

PROCESS AND OPERATIONS

Measures related to processes and operations are generally beneficial for organizations that rely on immigrants to fill some of their labour needs (like in tourism). By leveraging technological solutions (such as the digitalization of the submission of LMIA and economic class applications), the government simplified important steps for employers and individuals. Digitalization speeds up the processing time and, importantly, reduces potential errors.

Simpler and faster processes reduce the burden for applicants and can save them time and therefore money. Employers get access to workers quicker, which is tremendously important in tourism where the high season is relatively short for some operators.

Enhancing Canada's visa-processing capacity in the Indo-Pacific region has the potential to substantially benefit the tourism sector by

bringing in workers faster. The importance of this region cannot be overstated: it is home to 65 per cent of the global population and around 20 per cent of recent immigrants to Canada were born in India according to Global Affairs Canada (2023). Moreover, many people from this region work abroad to support their families at home via remittances.

MEASURES TARGETING SPECIFIC COUNTRIES AND REGIONS

As previously mentioned, measures specific to certain countries and regions of the world ultimately grow the total number of immigrants that can work in various sectors of the economy like tourism. While positions in tourism can constitute good stepping stones for migrant workers, it is in practice difficult to assess the empirical impacts of this kind of measures.

PROGRAMS FOR PARTICULAR REGIONS OF CANADA

Headline data published by IRCC shows that the tourism sector benefitted from the

Atlantic Immigration Program to fill some of its labour market needs. Participating employers during the pilot stage made nearly 10,000 job offers to immigrants in sectors that included accommodations and food services (Immigration, Refugees and Citizenship Canada, 2021). According to the government's 2023-2025 targets, this number of new permanent residents admitted via the AIP will grow substantially to reach 14,500 newcomers in 2025 (Immigration, Refugees and Citizenship Canada, 2022a). Assuming tourism employers in the Atlantic remain eligible to extend job offers through the program, it will give them access to additional workers.

Also worth noting, the federal government also announced in 2022 funding support for settlement services for immigrants from Afghanistan in specific parts of Canada (i.e., the Prairies, Eastern Ontario and rural communities). Through assistance finding employment, this could lead to some newcomers working in tourism in these regions, but it remains too early to assess the concrete impacts of this measure.



SPECIFIC IMMIGRATION PROGRAMS AND STREAMS

As the data presented in sections 2.1 hints at, the changes made to immigration programs like the TFWP and the IMP appear to have yielded different results. While IMP levels were below pre-pandemic levels in 2022, the number of TFWP permit holders with tourism occupations in 2022 was the highest ever recorded by IRCC. Measures related to extending how long LMAs are valid for and increasing the duration limit of employment for low-wage positions have been effective measures to support the tourism sector as it deals with severe labour shortages. Adapting requirements around eligibility and duration allows tourism operators to hire more foreign workers.

However, upping the maximum proportion of the workforce that can be hired through the TFWP for low-wage positions in specific sectors to 30 per cent yielded mixed results. In many cases, the number of demands to hire temporary foreign workers did not get remotely close to the new 30 per cent cap due to the high complexity of the application process. While larger companies may have the capacity and the resources to navigate the TFWP process, several small tourism operators find the program and the multiple steps required very complicated. This hinders their ability to apply and fully benefit from this potential source of workers.

Similarly, measures taken by the federal government to provide open work permits to different categories of individuals, such as people waiting for the results of their TR to PR Pathway applications, as well as spouses and working-age children of temporary foreign workers at all skill levels, are extremely important policies to increase the overall number of immigrants allowed to work in Canada and alleviate labour shortages. The latter change was introduced in December 2022 and could enable the family members of over 200,000 foreign workers to work as a result (Immigration, Refugees and Citizenship Canada, 2022d).

The government also introduced measures during the pandemic that impacted younger immigrants. The number of applicants accepted in the International Experience Canada (IEC) Program was increased by 20 per cent or 15,000 additional new spots for 2023. The permits enable young foreign workers to find employment across Canada in industries like tourism (a popular choice for IEC participants) for up to two years. While it is too early to assess the actual impacts of this measure, it should benefit tourism employers by giving them access to more workers.

Lastly, a temporary change was made to allow international post-secondary students with valid work authorizations to work more than 20 hours off campus per week while school is in session. Lifting the 20-hour limit increases fairness between international students and domestic ones as the latter group was never subject to such restriction. It would also benefit the tourism sector. According to Statistics Canada research, accommodation and food services is the category that attracts the most working international students (25.9 per cent in 2018). Students working in tourism will therefore be able to work more hours and shifts if they would like.

Several of the changes identified in this section can help address some of the labour market challenges faced by the tourism sector. However, some important industry stakeholders remain concerned these measures will not suffice to completely address labour shortages faced by tourism employers. Section 4 presents policy recommendations and an implementation plan for additional measures the federal government and other relevant players should take.

Section 3

Immigration Measures in Other Jurisdictions

This paper has so far focused on policy changes made by the federal government. To paint a more thorough picture, this section looks at what other jurisdictions within Canada have done to support the tourism sector through immigration. As the war on talent is global and countries like Canada compete to attract foreign workers, we also briefly review selected immigration policy measures related to tourism in other jurisdictions.

3.1. PROVINCIAL AND TERRITORIAL MEASURES

With the exception of Nunavut and Québec, who has full responsibility for the selection of its immigrants by virtue of the Canada-Québec Accord, provinces and territories each have Provincial/Territorial Nominee Programs (PNPs) to nominate individuals for permanent residence (the federal government makes the final decision). PNPs include different streams depending on the jurisdiction. Thanks to this flexibility, some provinces were able to introduce changes to help meet the labour needs of the tourism sector. For example, Saskatchewan has the Hospitality Sector Project that prioritizes specific tourism related occupations through the Saskatchewan Immigrant Nominee Program (SINP). This

program allows for existing workers who are currently working in Saskatchewan on a temporary work permit to achieve permanent residency if they work as a food or beverage server, food counter attendant or kitchen helper, or as housekeeping and cleaning staff. This program provides a clear example of how the government can use its existing capabilities to prioritize the tourism sector and, in this case, provide a pathway to permanent residency for existing workers in the province.

Given the importance of the tourism sector in the Maritimes, it is not surprising to note that Nova Scotia has added since November 2021 certain tourism occupations to its “Occupations in Demand” PNP immigration stream (food and beverage servers, light duty cleaners and food counter attendants, kitchen helpers and related support occupations). This change enabled employers to hire workers in these occupations without an LMIA assessment before offering the position. It also lifted the requirement for the employee to be employed for six months before applying to the PNP (Nova Scotia Labour, Skills and Immigration, 2021).

Tourism and hospitality have been specifically selected as two immigration sectors in Alberta under the “Alberta Advantage Immigration



Program” (while it usually falls under the definition of tourism, hospitality is considered a standalone category in the context of this program). Two other priority sectors were identified by the government of Alberta: agriculture and construction. The four sectors are expected to use 20 per cent of the province’s Express Entry allocations in 2023 (975) (Government of Alberta, 2023a). Alberta also allows for additional flexibility for rural municipalities (less than 100,000 inhabitants) that receive a special designation under the Rural Renewal Stream. This initiative allows the designated communities to work with local employers to attract and recruit newcomers on a non-seasonal full-time basis to address current labour needs and skill shortages. The communities also help the new immigrants settle into the community (Government of Alberta, 2023b).

Through the Rural Renewal Stream in Alberta, this community-driven approach provides communities with a strong tourism presence, such as the Municipality of Jasper or the City of Medicine Hat, the ability to directly prioritize tourism and hospitality workers as the need is determined through their local economic development agency. For example, the City of Grande Prairie publicly publishes their Rural Renewal Program job postings and, at the time of writing, had several tourism and hospitality jobs listed as eligible positions for their local labour needs.

British Columbia also has a PNP stream that specifically includes a variety of occupations in the tourism and hospitality sector. More specifically, accepting a full-time permanent job offer in one of the following categories of tourism occupations can qualify an applicant under the Entry Level and Semi-Skilled stream:

- Occupations in travel and accommodation
- Tour and recreational guides and casino occupations
- Occupations in food and beverage service
- Cleaners employed directly by hotels or resorts (WelcomeBC, 2023)

3.2. SELECTED IMMIGRATION MEASURES IN OTHER COUNTRIES

In many countries, immigration is crucial to fill the labour needs of the tourism sector. Foreign-born workers represent 19.5 per cent of the labour force in the tourism sector in the United States. This percentage jumps to 25 per cent across the Organisation for Economic Cooperation and Development (OECD) for the hospitality industry specifically (International Labour Organization, 2022, pp. 12, 22). As they compete to secure tourism workers, several countries developed programs to bring in immigrants. This section briefly presents selected immigration policies and programs focused on tourism that are in place in other jurisdictions.

Similar to Canada, some jurisdictions have programs to allow younger individuals from other countries to come work temporarily in various sectors, including tourism. In the United States, the Summer Work Travel program (SWTP) enables employers to hire foreign post-secondary students. The process is much simpler for employers compared to other immigration programs like “H-2 visas”. As a result, the SWTP is widely used by restaurants, amusement parks, hotels and resorts across the United States.

Australia has a similar program called the Working Holiday Maker Program (WHMP). Interestingly, there is no cap on the number of applicants from certain countries like Canada. In the aftermath of the pandemic, changes were made to the WHMP to accept more participants from countries with capped applications and allow foreign young workers to stay employed with the same organization for longer than the previously mandated six-month period (Australian Government Department of Home Affairs, 2023). Prior to these changes, it is worth noting that WHMP participants employed in tourism and hospitality in Northern Australia were authorized to work longer than the mandatory six-month period (Parliament of Australia, 2016).

As a federal state like Canada, Australia also allows its states and territories to nominate

immigrants for permanent residence. Similar to the PNP in Canada, individuals can be nominated for a “Skilled Nominated Visa” to meet priority high-demand areas. Several eligible occupations are in the tourism sector such as accommodation and hospitality managers, cooks and chefs.

New Zealand has taken a more targeted approach to immigration and expanding its worker pool by introducing a “Green List” program. The program has created three separate tiers that allow for specific in-demand occupations to be filled as well as allows for a pathway to permanent residency. Under Tier 1, specific roles are posted on a government website and, if an individual meets the qualifications as well as has a job offer, they are eligible to automatically apply for Permanent Residency. Tier 2 is similar to Tier 1, but requires that an individual work in the role temporarily for two or more years before applying for Permanent Residency. Tier 2 also has a sub-stream known as Tier 2B or the “Highly Paid Residence Visa” where an individual in any occupation can apply directly for Permanent Residency if they have a job offer from an accredited employer and the employer agrees to pay the worker at least twice the national median wage. The accreditation allows for the Government to track which employers are using the program and the salary requirement ensures that domestic jobs are not being replaced with cheaper sources of international labour (New Zealand Immigration, 2023).

There is also global precedent for expanding the definition of seasonality beyond the agricultural sector. Currently, France has a seasonal worker program that extends to both agriculture and tourism. The program allows for individuals to work six out of twelve months during a rolling year. This visa can also be issued for up to three years and is renewable after this period (République française, 2023). This reduces the time and cost of applying each year. As of writing, Spain is also considering a seasonal program that would allow individuals to work for nine months out of twelve. Multi-entry visas could be issued for four years (LaMP, 2022).



Lastly, Japan launched in 2019 a status of residence called “Specified Skilled Worker” (SSW) to bring in qualified specialists from other countries. These individuals can work in Japan for up to five years in total, but are not allowed to bring in family during that time. Of the 14 fields identified as in-demand industries for SSW, three directly relate to tourism: aviation, accommodation and food service (Ministry of Foreign Affairs of Japan, 2023). In order to promote this program and facilitate matching, the Immigration Services Agency of Japan organizes virtual overseas job fairs as well as in-person events in Japan for foreign nationals already living in the country.

In order to compete against other jurisdictions like the United States, Australia and Japan to attract immigrants to work in the tourism sector, Canada must take a comprehensive look at its policies and the changes made during the pandemic. The next section puts forward recommendations and an action plan to highlight the most impactful steps that should be taken to help the tourism sector address its ongoing labour shortages via immigration.

As highlighted in the previous sections, the federal government as well as some provinces took deliberate actions to increase the number of foreign workers coming to Canada to support sectors like tourism. However, many pandemic-era changes were introduced on a temporary basis, which means the government must now determine which policies should be made permanent, modified or cancelled. Additional new measures and initiatives must also be added to the immigration policy toolbox to address the labour shortages that persist in several industries.

Given the unique characteristics, challenges and opportunities of the tourism sector, the government must introduce immigration policy measures that are targeted and tailored to the sector. Tourism faces serious labour market challenges that stem in part from the fact that it was one of the last sectors to fully reopen during the pandemic. While numbers tend to increase during the high season, tourism employs individuals on both a seasonal and year-round basis. The sector is deeply embedded in local communities and constitutes the lifeblood of several smaller municipalities across the country. Tourism provides employment opportunities in these communities, which is a crucial factor to enable immigrants to settle in areas outside of urban centres. Tourism jobs can be found across the entire spectrum of skills, which makes the sector more inclusive and accessible for newcomers looking to build a career in Canada.

4.1. TARGETS

As previously discussed, raising overall immigration targets could benefit the tourism sector by arithmetically adding more workers. However, the competition among sectors to recruit new permanent residents is extremely fierce. This highlights the need for targeted measures to help the tourism sector maintain and grow the share of permanent residents it attracts. These measures could include:

- Since tourism is a sector with well-documented labour shortages challenges, permanent residence applicants that intend to work in tourism occupations should be given

priority both in terms of evaluation points and processing.

- Modify how applicants are evaluated to put more emphasis on skills instead of formal credentials and diplomas that sometimes do not end up being recognized once in Canada. A credential-driven approach penalizes sectors like tourism that have diverse occupation needs across all skill levels. To facilitate this shift, IRCC should work with relevant stakeholders that have the expertise to assess skills (via online platforms for instance).
- Similar to approach taken by the Immigration Services Agency of Japan, virtual and in-person job fairs should be organized to help connect tourism employers with foreign nationals looking to apply for permanent residence in Canada. This could be done in collaboration with tourism stakeholders as well IRCC, Innovation, Science and Economic Development Canada (ISED) and Global Affairs Canada (GAC) to leverage their international reach.
- Targeted funding for resettlement services (including language training) that supports newcomers working in tourism both in large and smaller communities.

When setting immigration targets, the government must ensure levels for the relevant categories that bring in workers in tourism occupations (e.g., Federal Skilled Trades Program, the Atlantic Immigration Program and PNPs) reflect the anticipated labour needs of the industry. Since these targets are set well ahead of time, they must also be sufficiently flexible to account for changing dynamics. To that effect, IRCC must work with relevant tourism stakeholders that have a deep understanding of the state of the labour market.

4.2. OPERATIONS AND PROCESSES

As Canada welcomes more immigrants in the coming years, increasing processing capacities at home and abroad must constitute a priority. Long wait times create significant uncertainty for both applicants and employers that rely on foreign workers to meet their labour needs and operate.

Beyond adding processing centres in strategic parts of the world and increasing staffing levels, digitalization is a foundational part of the equation. The government should strive to digitalize the great majority of immigration processes (if not all of it) to make them more efficient and accelerate the assessment of applications. Digital solutions such as advanced data analytics and artificial intelligence will have the capacity to generate quicker positive results when precise criteria and factors are met. IRCC has however made it clear that digital tools would not reject applications as formal refusal decisions would remain the prerogative of officers (i.e., humans) (Immigration, Refugees and Citizenship Canada, 2022b).

As a first step on the road to full digitalization, an end-to-end assessment of application processes should be conducted to identify the steps that should be digitalized in the short term. A roadmap to full digitalization should be developed for the medium and long term.

4.3. MEASURES TARGETING SPECIFIC COUNTRIES AND REGIONS

As it develops measures to welcome newcomers from specific countries and regions of the world, there is an opportunity for the federal government to work with relevant stakeholders to enable new immigrants to access a variety of tourism jobs in local communities. To ensure this process runs smoothly, a specialized coordination body with deep relationships with the tourism sector and locations across the country would be needed. This body would play a connector and accreditation role between government, tourism operators and communities to identify where employment opportunities are for newcomers. The coordination body would maintain a directory of accredited employers as well as an inventory of available tourism jobs in organizations and areas it deemed properly equipped to welcome new immigrants. This would give IRCC a trusted partner it can turn to when looking to help relocate to Canada foreign nationals who must leave their home countries for various reasons (e.g., wars, terrorism, extreme climate events). This coordination body

could also play additional roles such as helping with the organization of the tourism job fairs discussed in section 4.1.

This type of approach could be introduced on a trial basis first to assess the impacts and make changes if necessary. When determining the ideal national coordination body to work with, the government should prioritize an organization that already has strong networks across Canada. Creating a new entity from scratch could take time and require significant investments, which would not align with a trial approach.

4.4. PROGRAMS FOR PARTICULAR REGIONS OF CANADA

Making the Atlantic Immigration Program permanent and increasing its 2023-2025 targets were important steps to help bring new foreign workers to this part of Canada. Given the economic importance of tourism to the Atlantic provinces, it is crucial for the AIP to continue allowing companies in accommodations and food services to qualify as designated employers to extend job offers to newcomers. While each province decides who qualifies as a “designated employer”, IRCC must ensure the broader eligibility parameters around training, education, experience and responsibilities (TEER) accounts for the specific reality of tourism. To that affect, the criteria should be modified to make TEER 5 tourism job offers eligible.

4.5. SPECIFIC IMMIGRATION PROGRAMS AND STREAMS

TEMPORARY FOREIGN WORKERS PROGRAM

As the data from Figure 2 shows, the Temporary Foreign Workers Program was extremely popular during the 2022 tourism season. Several temporary changes were made to the TFWP amid the pandemic and labour shortages to increase flexibility for employers. There are now several opportunities for the government to permanently improve the program.

As we mentioned in section 2.2, applying for the TFWP is notoriously complex, especially for smaller organizations that have limited

staffing and financial resources. The application process must be simplified. For instance, in order to reduce the application burden for employers, multiyear TFWP permits for all tourism occupations should be introduced to enable immigrants to work in Canada for multiple seasons. This would remove the need to constantly reapply. Longer work permits for immigrants would follow the approach taken by Japan for its “Specified Skilled Worker” program (five-year duration). This would provide more certainty to employers and help them develop long term plans. Tourism operators could therefore focus on what they do best: provide unique experiences to clients and grow their offerings (instead of filling out paperwork).

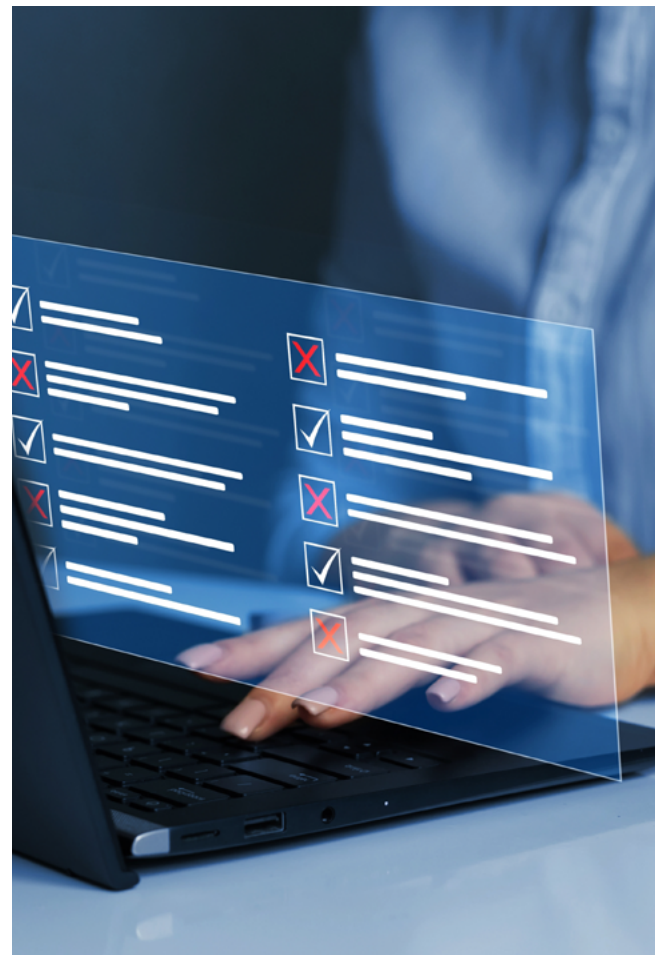
In a similar vein, a Trusted Employer Model for repeat employers should be introduced as quickly as possible to facilitate and streamline the application processes from both Employment and Social Development Canada (ESDC) and IRCC’s perspectives. Several stakeholders have strongly indicated the crucial importance of this tool for tourism employers as a large number of them hire temporary foreign worker every year during the high season (this makes them “repeat employers”). As the government develops the Trusted Employer Model, it should ensure that more experienced organizations are prioritized and that entities have the ability to hire, resettle and integrate foreign workers across all TEERs, especially for traditionally underserved TEERs such as 4 and 5.

The government should consider delegating the certification of tourism operators as “Trusted Employers” to a pan-Canadian organization like the previously discussed coordination body. Such an organization would have the necessary expertise, networks and reach to evaluate and qualify employers, using criteria developed collaboratively with IRCC, industry and local communities.

From a processing standpoint, applicable tourism TFWP applications should be prioritized by IRCC in the months leading up to peak or high demand if the position or region requires priority processing. This processing prioritization could work similarly to the processing of

agricultural occupations, which also face time constraints and the need to have the necessary workers during a peak or high-demand season. If temporary foreign workers’ applications are not processed and approved in time for the peak or high-demand season, this can have devastating consequences for tourism operators and their ability to operate and generate revenues.

On the topic of LMIA’s, many stakeholders have indicated that the \$1000 application fee is punitive and creates a barrier to access for many organizations, especially small businesses. A large number of tourism businesses are small and even micro businesses and as a result often do not have the resources to pay the fees as well as navigate the extensive job posting requirements as well as the necessary application documentation. For small businesses, ESDC should reduce the application fee from \$1000 to the pre-2014 levels of \$275 per application.



Larger and more experienced organizations with successful track records of applying for LMIA should be included in the Trusted Employer Model. This model should exempt them from the requirement to submit LMIA. Short of a blanket exemption, trusted employers should at least benefit from a fast-tracked LMIA process. ESDC should leverage the national coordination body that accredits and certifies employers to ensure continuous compliance with the Trusted Employer Model criteria. This would significantly improve processing times and reduce operational costs for ESDC in addition to reducing the administrative burden on organizations looking to bring in foreign workers.

As an alternative to the LMIA, ESDC could move towards an approach similar to New Zealand's Tier 2B on the "Green List" and allow for any Trusted Employer or employer accredited and certified through the national coordination body to hire any worker as a temporary foreign worker without the need for an LMIA. This would be under the condition the employer agrees to pay the worker 1.5 to 2 times the median wage, for an individual in that occupation, by region, as determined by ESDC.

This change would provide employers complete certainty that they will have the ability to obtain the workers they need and ESDC can accurately ensure that domestic jobs are not being filled by cheaper foreign labour. Days spent working in Canada by the worker could also be counted towards fulfilling the residency requirements and allow a temporary foreign worker to transition to PR, through PNPs or a Federal pathway, after a certain period of time spent working in Canada.

Finally, the government should consider broadening the Seasonal Agricultural Worker Program (SAWP) to include other industries with seasonal components, such as hospitality and tourism. Given the example in France, there is global precedent for this measure. Similar to the European examples of seasonal worker programs, ESDC and IRCC should also implement multi-year and multi-entry visas.



A DEDICATED STREAM

Similar to the agriculture sector, tourism should have a dedicated stream for the TFWP. Both industries have occupations that are seasonal in nature and very important to the economy of numerous communities across the country. Tourism and agriculture experience difficulties attracting domestic workers, which is why supporting them through programs like the TFWP is essential.

A dedicated tourism stream within the TFWP should be comprehensive to fully account for the unique characteristics and needs of the sector. This entails allowing employers to recruit foreign workers across all skill levels given the wide-ranging labour shortages faced in tourism. A comprehensive approach must also consider that tourism is a four-season industry in some parts of the country (e.g., ski resorts, conference centres and hotels, just to name a few examples), which means the need for foreign workers goes beyond just the high season.

A dedicated stream should be accessible to workers from any countries (unless advised otherwise by national security organizations) and provide foreign nationals with the ability to work for multiple employers within the same sector. This allows workers to escape abusive employers while also ensuring that the worker maintains their original purpose for entering Canada.

Lastly, participants in this new tourism stream under TFWP should qualify for a direct federal pathway to permanent residence to enable them to stay and work in Canada. Although PNPs serve an important function as viable pathways for tourism workers to transition to PR, both workers and employers need greater certainty as well as direct federal mechanism to transition status. Facilitating access to permanent residence across all levels of skills and occupations as well as allowing workers outside of Canada to apply through this pathway would undoubtedly contribute to attracting more dedicated and skilled foreign workers to the tourism sector. Such a program would distinguish Canada from other countries and demonstrate a firm commitment to growing and developing Canada's tourism industry.

MEASURES AND PROGRAMS FOR YOUTH

Imposing a cap on the number of hours international students can work during the school year is profoundly unfair since their domestic counterparts are not subject to this limit. The temporary measure to lift the 20-hour cap should be made permanent. Making this measure permanent would greatly benefit the tourism industry given the popularity of several occupations among international students.

Additionally, international students should be allowed to work for multiple employers if they desire (another restriction domestic students do not have to deal with). As some foreign students may be older, especially at the graduate level, their spouses and working-age dependents should be provided open work permit. This would replicate the approach taken by the federal government by granting TFWP participants' spouses and dependents similar permits.

Increasing the number of applicants for the International Experience Canada is a good start. However, the federal government can go further by taking a similar approach to Australia's Working Holiday Maker program, which does not impose application caps for a number of selected countries. Considerations should also be given to extend the IEC visa beyond two years and/or providing options for renewals.



Simplifying the post-graduate work permit system and applying a blanket duration would also improve efficiency at IRCC and reduce confusion surrounding eligibility. Under the current system, post-graduate work permits are generally issued on a one-to-one basis relative to the duration of the time studied in Canada. This unfairly penalizes international students who pursue programs that require shorter durations of study. This is particularly relevant for several college-level programs in the tourism sector, which are shorter than undergraduate degrees. As a result, tourism graduates cannot work in Canada for as long as university graduates, putting them at a disadvantage. To address this imbalance and promote greater equitability, IRCC should automatically grant a three-year post graduation work permit to anyone who completes a designated post-graduate program. This would significantly reduce administrative processing burdens at IRCC and removing the need to calculate separate durations based on each program. It would also reduce confusion and uncertainty around work plans for both graduates and their employers.

PROVINCIAL NOMINEE PROGRAMS

Section 3.1 highlighted that some Canadian provinces like Nova Scotia and British Columbia allocate a portion of the PNP numbers to immigrants in tourism occupations. In order to incentivize provinces to leverage their PNPs to bring in foreign workers for their tourism sectors, the Government of Canada should provide an automatic PNP level top up when tourism occupations are explicitly identified as a target category. The level of the top up would be the equivalent of the number of PNP spots allocated to tourism occupations. This would be a powerful incentive as it would remove the “zero-sum logic” of attributing PNP spots to the tourism category (i.e., a spot allocated to tourism is a spot not available for another sector).

REVIVING THE DESTINATION EMPLOYMENT PROGRAM

In 2018, IRCC introduced the Destination Employment program. This program was designed to help newcomers to Canada gain meaningful employment in hotels and hospitality organizations. Through this program, newcomers were able to obtain the experience as well as access industry-specific training courses needed to build a successful future in Canada in their chosen field. Programming included job interview coaching as well as language training specific to working in a hotel.

However, despite early successes, the program was interrupted due to the COVID-19 pandemic and was unable to reach full maturity. Given that the necessary infrastructure exists within IRCC, the department should revive this program and readjust its scope through the lens of post-pandemic recovery as well as the Government’s Tourism Growth Strategy. The new program could leverage the national coordination body mentioned earlier as it could help connect settlement agencies with employers in the tourism sector. This would ensure greater alignment and leverage the work currently being performed to support newcomers.



The tourism sector should encourage the government to implement the immigration policy changes proposed in the previous section in order to help address labour shortages. Some of the recommendations could be implemented relatively quickly while others may require more time. This section presents the suggested time horizon as well as the government and tourism stakeholders to involve for each policy change.

5.1. IMMEDIATE

Given the upcoming high season, the IRCC should prioritize tourism TFWP applications that have not been processed yet. Moving forward, it should become standard practice for applications for tourism occupations to be given priority starting in February in preparation for the summer.

For international students, the temporary removal of the maximum number of hours they can work during the school year should be made permanent immediately. New permits should allow international students to work for multiple employers. Additionally, IRCC should start issuing open work permits to the

spouses and working-age dependents of newly admitted international students.

Lastly, for the Atlantic Immigration Program, IRCC should modify the overarching criteria to make TEER 5 tourism job offers eligible. In doing so, IRCC should raise the awareness of the participating provinces around the economic importance of occupations under TEER 5.

5.2. SHORT TERM (12 MONTHS)

In the coming year, IRCC should make changes to how permanent residence applications are assessed to prioritize individuals that intend to work in tourism occupations. The evaluation grid should be modified to enable these applicants to receive more points.

The government should also focus in the next 12 months on introducing a tourism stream under the TFWP in time of the 2024 high season. By design, participants in this new stream should be made eligible for a direct federal pathway to permanent residence. As part of this process, changes to LMIA around costs and requirements should be made.

IRCC and ESDC should also work together to evaluate the possibility of widening the Seasonal Agricultural Worker Program (SAWP) to include other sectors like hospitality and tourism. This process should begin as soon as possible to ensure the changes made are available to tourism employers in time for the 2024 high season.

The federal government should in the short term designate a national coordination body to support the implementation of several measures proposed in this paper such as initiatives targeting specific countries and regions. Given its well-established role in the ecosystem and its deep relationships with operators and government, Tourism HR Canada would be strategically positioned to act as this national coordination body. Tourism HR Canada has the sector knowledge and the governance structure required to seamlessly take on the responsibilities of a coordination body such as certifying tourism operators for a trusted employer model. It could also play an important role in a revived Destination Employment Program.



As part of the efforts to attract more permanent residents to work in tourism, ISED, as the department in charge of tourism, should take the lead on organizing virtual job fairs to connect employers with potential permanent residence applicants. ISED would collaborate on this initiative with IRCC and GAC as well as tourism stakeholders.

The federal government should also make targeted funding available for resettlement services that supports newcomers working in tourism. The national coordination body could be made responsible for selecting the resettlement services that should be funded.

Lastly, an end-to-end assessment of application processes should be conducted to identify the steps that should be digitalized in the short term. This should take a whole-of-government approach that goes beyond IRCC only (to consider also ESDC's role for instance). A roadmap to full digitalization should be developed in collaboration with Shared Services Canada.

5.3. MEDIUM TERM (12 TO 24 MONTHS)

Leveraging the lessons learned from virtual job fairs, ISED and its government and tourism partners should organize in-person job fairs for foreign nationals that are in Canada on a temporary basis (e.g., international students, TFWP participants). The government should aim to hold its first job fairs in 2024 in major urban centres before potentially expanding to other regions of the country.

IRCC should undertake a shift away from credential-based evaluation criteria for permanent residence applications in the medium term. To achieve this goal, IRCC should, in collaboration with ESDC, convene a taskforce of relevant labour and tourism stakeholders to receive insight and recommendations on how to best integrate skill assessments as part of the permanent residence evaluation process.

For youth and students, IRCC should remove the application caps for the International Experience Canada program. This could first be introduced on a pilot basis for a limited number

of countries and then expanded to other jurisdictions based on the results and capacity. As part of this process, IRCC should review the possibility of extending the IEC visa beyond two years and/or providing options for renewals.

After working with ESDC to assess the labour market impacts of replacing the 1-to-1 basis used to issue post graduation work permit, IRCC should start automatically granting permits valid for three years to foreign nationals who completed a designated post-graduate program. As previously mentioned, this would be beneficial for individuals who graduated from tourism programs and, in many cases, enable them to work in Canada for a longer period of time.

In the medium term, the Destination Employment program should be reintroduced by IRCC. As it develops an updated version of the program, IRCC should broaden its scope to the tourism sector as a whole. An important role should be given to the national coordination body as it would act as a connector between the government, settlement agencies and employers in the tourism sector.

The Government of Canada will release its immigration targets for 2025-2027 in the fall of 2024. As it develops these targets and levels for the different categories of programs, IRCC should engage with both government partners like ISED and ESDC as well as tourism stakeholders specifically to understand their anticipated labour needs. To that effect, Tourism HR Canada as the national coordination body would be well-positioned to provide essential labour market information on the tourism sector. Additionally, the government should build into the new targets the automatic PNP level top up for spots dedicated to tourism occupations.

5.4. LONG TERM (24+ MONTHS)

The government should aim to have the great majority of its immigration processes digitalized by 2025. This will require IRCC to work in collaboration with Shared Services Canada to roll out new solutions. As part of this journey, the government should seek the feedback of users to ensure the changes made are actually helpful and make the process easier to navigate.

To ensure the recommended actions are implemented within the timelines recommended in this section, a working group of Assistant Deputy Ministers and Directors General from ISED, ESDC and IRCC should be created. They would be in charge of enacting this implementation plan within their respective areas and assess the impacts. They would report progress to three Ministers on a biannual basis.

Conclusion

The federal government introduced a large number of immigration policy changes to help employers with labour shortages in 2021 and 2022. As the majority of tourism operators faced labour market challenges, the sector had to rely on foreign workers to fill several positions. This led to a record-high number of TFWP permit holders with intended occupations in tourism in 2022. Similarly, the number of admitted permanent residents with intended occupations in this sector massively grew in 2021.

The policies rolled out by the government pertained to different aspects of immigration such as targets, processes and operations, measures targeting specific countries and regions and programs for particular regions of Canada. Several changes were also made to specific immigration programs and streams such as TFWP and permanent residence. In parallel, certain provinces made adjustments to their PNP to bring in workers in tourism occupations. For the most part, many of the measures introduced in Canada were somewhat effective at supporting the tourism sector as it dealt with labour shortages.

However, many of the immigration policy changes were temporary in nature. While some have been extended in preparation for the 2023 high season, the federal government must now determine which policies should be made permanent, modified, or cancelled. It must also consider whether additional new measures and initiatives should be added to address the labour shortages that persist in tourism. This comes at a crucial time for the sector as more than 2.5 million workers will be needed by 2030 to address future demand and avoid labour shortages across all types of tourism operators. In order to inform this reflection and support the advocacy of the tourism sector, this paper put forward important recommendations that should be implemented in the immediate, short, medium and long term.

A national coordination body would play a foundational role in enabling the successful implementation of several of the recommendations highlighted in this report. Tourism HR Canada would be a natural fit to take on this function given its extensive sectoral experience and relationships.

Immigration has an important role to play in supporting the growth of Canada's tourism sector and therefore of many communities across the country. The recommendations and the action plan constitute a call to action to unlock the full potential of both immigration and tourism.

Appendix A – National Occupational Classification Codes for Tourism Occupations

The list below identifies the NOC codes for tourism occupations. To align with the occupational data provided by IRCC, this policy paper uses the NOC codes from the 2011 system. It should be noted that a new NOC system was introduced in 2021, but is not currently used by IRCC.

- 0621** - Retail and wholesale trade managers
- 0631** - Restaurant and food service managers
- 0632** - Accommodation service managers
- 0731** - Managers in transportation
- 1226** - Conference and event planners
- 2271** - Air pilots, flight engineers and flying instructors
- 5212** - Technical occupations related to museums and art galleries
- 5254** - Program leaders and instructors in recreation, sport and fitness
- 6211** - Retail sales supervisors
- 6311** - Food service supervisors
- 6313** - Accommodation, travel, tourism and related services supervisors
- 6321** - Chefs
- 6322** - Cooks
- 6332** - Bakers
- 6421** - Retail salespersons
- 6511** - Maîtres d'hôtel and hosts/hostesses
- 6512** - Bartenders
- 6513** - Food and beverage servers
- 6521** - Travel counsellors
- 6522** - Purser and flight attendants
- 6523** - Airline ticket and service agents
- 6524** - Ground and water transport ticket agents, cargo service representatives and related clerks
- 6525** - Hotel front desk clerks
- 6531** - Tour and travel guides
- 6532** - Outdoor sport and recreational guides
- 6533** - Casino occupations
- 6552** - Other customer and information services representatives
- 6611** - Cashiers
- 6711** - Food counter attendants, kitchen helpers and related support occupations
- 6721** - Support occupations in accommodation, travel and facilities set-up services
- 6722** - Operators and attendants in amusement, recreation and sport
- 6731** - Light duty cleaners
- 6733** - Janitors, caretakers and building superintendents
- 7512** - Bus drivers, subway operators and other transit operators
- 7513** - Taxi and limousine drivers and chauffeurs
- 8612** - Landscaping and grounds maintenance labourers

Bibliography

Australian Government Department of Home Affairs. (2023, February 27). *Working Holiday Maker (WHM) program*. <https://immi.homeaffairs.gov.au/what-we-do/whm-program/latest-news>

Employment and Social Development Canada. (2023, March 27). *Government extends temporary measures under the Temporary Foreign Worker Program* [Press release]. <https://www.canada.ca/en/employment-social-development/news/2023/03/government-extends-temporary-measures-under-the-temporary-foreign-worker-program.html>

Global Affairs Canada. (2023, January 10). *Canada's Indo-Pacific Strategy*. <https://www.international.gc.ca/transparency-transparence/indo-pacific-indo-pacifique/index.aspx?lang=eng>

Government of Alberta. (2023a). *Alberta Express Entry Stream – Eligibility*. Retrieved May 29 from <https://www.alberta.ca/aaip-alberta-express-entry-stream-eligibility.aspx>

Government of Alberta. (2023b). *Rural Renewal Stream – Community designation*. Retrieved May 29 from <https://www.alberta.ca/aaip-rural-renewal-stream-community-designation.aspx>

Immigration, Refugees and Citizenship Canada. (2021, December 17). *Permanent Atlantic Immigration Program to attract workers and drive economic growth* [Press release]. <https://www.canada.ca/en/immigration-refugees-citizenship/news/2021/12/permanent-atlantic-immigration-program-to-attract-workers-and-drive-economic-growth.html>

Immigration, Refugees and Citizenship Canada. (2022a, November 1). *Notice – Supplementary Information for the 2023-2025 Immigration Levels Plan*. <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2023-2025.html>

Immigration, Refugees and Citizenship Canada. (2022b, January 24). *Digital transparency: Automation and advanced data analytics*. <https://www.canada.ca/en/immigration-refugees-citizenship/corporate/transparency/digital-transparency-advanced-data-analytics.html>

Immigration, Refugees and Citizenship Canada. (2022c, April 5). *Atlantic Immigration Program*. <https://www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/atlantic-immigration.html>

Immigration, Refugees and Citizenship Canada. (2022d, December 2). *Employers and temporary workers to benefit from family work permits to address labour shortages* [Press release]. <https://www.canada.ca/en/immigration-refugees-citizenship/news/2022/12/employers-and-temporary-workers-to-benefit-from-family-work-permits-to-address-labour-shortages.html>

Immigration, Refugees and Citizenship Canada. (2023a). *Canada - International Mobility Program (IMP) work permit holders by province/territory of intended destination, intended occupation (4-digit NOC 2011) and year in which permit(s) became effective, January 2015 - March 2023*. https://www.cic.gc.ca/opendata-donneesouvertes/data/EN_ODP-TR-Work-IMP_PT_NOC4.xlsx

Immigration, Refugees and Citizenship Canada. (2023b). *Canada - Temporary Foreign Worker Program (TFWP) work permit holders by province/territory of intended destination, intended occupation (4-digit NOC 2011) and year in which permit(s) became effective, January 2015 - March 2023*. https://www.cic.gc.ca/opendata-donneesouvertes/data/EN_ODP-TR-Work-TFWP_PT_NOC4_sign.xlsx

Immigration, Refugees and Citizenship Canada. (2023c). *Canada - Admissions of Permanent Residents 15 years of age or older by Province/Territory and Intended Occupation (4-Digit NOC 2011), January 2015 - January 2023*. https://www.cic.gc.ca/opendata-donneesouvertes/data/EN_ODP-PR-ProvNOC4.xlsx

International Labour Organization. (2022). *The future of work in the tourism sector: Sustainable and safe recovery and decent work in the context of the COVID-19 pandemic*. https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/meetingdocument/wcms_840403.pdf

LaMP. (2022, August 1). Spain's Immigration Reform Could Address Issues Within Seasonal Worker Program. *LaMP Blog*. <https://lampforum.org/2022/08/01/spains-immigration-reform-could-address-issues-within-seasonal-worker-program/>

Ministry of Foreign Affairs of Japan. (2023). *Japan is looking for Specified Skilled Workers*. Retrieved May 29 from <https://www.mofa.go.jp/mofaj/ca/fna/ssw/us/index.html>

New Zealand Immigration. (2023). Green List roles. Retrieved May 29 from <https://www.immigration.govt.nz/new-zealand-visas/preparing-a-visa-application/working-in-nz/qualifications-for-work/green-list-occupations>

Nova Scotia Labour, Skills and Immigration. (2021, November 17). *New Immigration Pathways for Hospitality Sector to Hire Skilled Workers* [Press release]. <https://novascotia.ca/news/release/?id=20211117001>

Parliament of Australia. (2016, November 22). *Australia's Working Holiday Maker program: a quick guide*. https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/WorkingHoliday

République française. (2023). *Foreigner in France: multi-annual residence permit - seasonal worker*. Retrieved May 29 from <https://www.service-public.fr/particuliers/vosdroits/F21516?lang=en>

Statistics Canada. (2023). Table 14-10-0406-01 Job vacancies, payroll employees, and job vacancy rate by industry sector, monthly, adjusted for seasonality. <https://www150.statcan.gc.ca/t1/tbl1/en/cv!recreate>.

Parliament of Australia. (2016, November 22). *Australia's Working Holiday Maker program: a quick guide*. https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/WorkingHoliday

République française. (2023). *Foreigner in France: multi-annual residence permit - seasonal worker*. Retrieved May 29 from <https://www.service-public.fr/particuliers/vosdroits/F21516?lang=en>

Statistics Canada. (2023). *Table 14-10-0406-01 Job vacancies, payroll employees, and job vacancy rate by industry sector, monthly, adjusted for seasonality*. <https://www150.statcan.gc.ca/t1/tbl1/en/cv!recreate.action?pid=1410040601&selectedNodeIds=2D18,2D19,3D1&checkedLevels=0D1,1D1&refPeriods=20210101,20230401&dimensionLayouts=layout2,layout3,layout3,layout2&vectorDisplay=false>

Tourism HR Canada. (2023a, February). *Business Intelligence Survey: Labour Market Information*. <https://tourismhr.ca/labour-market-information/business-intelligence-survey-report/>

Tourism HR Canada. (2023b). *Tourism Employment Tracker*. Retrieved May 29 from <https://tourismhr.ca/labour-market-information/tourism-employment-tracker-insights-into-covid-19s-impact/>

WelcomeBC. (2023, January 27). *Skills Immigration*. <https://www.welcomebc.ca/Immigrate-to-B-C/Skills-Immigration>



**Institute of
Public Policy
and Economy**

The StrategyCorp Institute of Public Policy and Economy is StrategyCorp's think tank on innovation in public policy and economics.

strategycorp.com/institute

Toronto Office

(T) 416-864-7112

Ottawa Office

(T) 613-231-2630