

**Impact of the
Temporary Foreign Worker (TFW) Program
on the Labour Market in Alberta**

Submitted by

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to

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Message

I am pleased to present this report to Honourable Thomas A. Lukaszuk, Minister of Employment and Immigration. It has been a privilege and an honour to be able to listen to and reflect on what we heard during the consultation.

Our ability to proactively and effectively address our workforce issues, especially in the face of expected economic growth, will require meaningful collaborative efforts amongst the federal, provincial and municipal governments.



Albertans who participated in the Temporary Foreign Worker (TFW) Program consultation understood that we need to address the related issues as part of a larger workforce retention strategy. The consultation strongly reaffirmed our need to attract immigrants, and to retain workers and newcomers with fair and safe workplaces and welcoming communities.

As a result of this review process, I have concluded that we cannot continue to use the TFW Program to fulfill our province's long-term labour shortages. Doing so has significant, negative impacts for the long-term growth of our economy. Although temporary foreign workers (TFWs) have a place in our economy, the TFW Program is not a long-term solution to Alberta's labour market needs.

It is imperative that we examine issues related to the TFW Program within Alberta's larger labour market strategies, so our actions are always guided first and foremost by our provincial priorities and commitments.

It is my hope that this report's findings and recommendations will make a significant contribution to our understanding of the role of TFWs on the labour market in Alberta, for the growth of the provincial economy and the good of its workers, their employers and their communities.

Original signed by

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Executive Summary

In recent years there has been a significant increase in the number of temporary foreign workers (TFWs) participating in Alberta's labour market. This is a trend largely related to the strong performance of Alberta's economy. Until 2006, less than one per cent of the province's total labour force was TFWs. However, with the federal changes to the Temporary Foreign Worker (TFW) Program in 2007 and Alberta's growing economy at the time, the province saw a significant spike in the number of TFWs in the province. As a result, Alberta employers became increasingly dependent on the program.

Against this backdrop, Thomas Lukaszuk, Alberta's Minister of Employment and Immigration, asked his Parliamentary Assistant, Teresa Woo-Paw, to carry out a series of public consultations to review and receive feedback on the impacts of the TFW Program on Alberta's workforce, its communities and its people.

The goals of the review were to identify where this federal program fits in Alberta's labour force planning, what role TFWs fill in Alberta's labour market and how to ensure that the program is best serving the needs of Albertans.

There is a chronic and permanent labour shortage in Alberta. Trying to address it with a temporary program is a stop gap measure at best.

-Employer Participant, Edmonton

Over 11 weeks, 14 facilitated consultation sessions were held in 12 different communities around Alberta: Banff, Brooks, Calgary, Cold Lake, Edmonton, Fort McMurray, Grande Prairie, High River, Hinton, Lethbridge, Peace River and Red Deer. Participants were asked for their feedback on five questions (see Appendix 1).

Stakeholders representing a variety of perspectives were involved, including employers, immigrant-serving organizations, municipal governments, labour organizations, lawyers/consultants, educators and other community stakeholders. Nine closed sessions were also held with TFWs. Several other meetings with various stakeholders took place during this period to discuss issues related to the TFW Program.

At the sessions, participants shared their ideas about what was working and what could be done better to ensure the TFW Program best serves the needs of Albertans. This report includes eight observations made by participants who attended these consultations (see Appendix 2).

The TFW Program helps improve the supply of knowledgeable and skilled workers that Alberta needs, and most TFWs contribute to fostering high performance work environments. However, employers, industry leaders and communities are in strong agreement that the TFW Program is not the solution to the permanent, long-term workforce needs of our province.

Alberta's workforce challenge is driven largely by a shortage of workers in permanent positions. Several business sectors in Alberta need to fill permanent positions over the short, medium and

long term, and nothing short of a comprehensive long-term strategy can meaningfully and effectively address this critical issue.

Having businesses spend a significant amount of time on human resource procedures that only yield temporary relief is not productive. In addition, constant and onerous administrative processes are putting a large number of small businesses at a disadvantage to compete for and recruit workers.

The Government of Alberta must continue to advocate for Alberta business and have a stronger voice in Ottawa.

-Employer Participant, Calgary

For Alberta's communities, the temporary status of their citizens means a lack of stability and continuity, as well as the challenge of providing services for workers in transition. While there are many challenges for TFWs, overall they are seeking recognition for the stressful and frequently vulnerable situation in which they work.

Both the provincial and federal governments need to address labour shortfalls in preparation for economic recovery. The TFW Program is part of the solution, but it is only one tool in the toolbox.

With the federal government responsible for the administration of the TFW Program, the majority of the Government of Canada (GoC)'s initiatives have focused on streamlining the process for employers to recruit TFWs.

For the most part, all parties benefit from the participation of TFWs in Alberta's labour market. Therefore, the GoC has implemented initiatives to strengthen the program, especially in the areas of compliance and enforcement. In addition, the Government of Alberta (GoA) and GoC have an agreement clarifying roles and responsibilities with respect to administration of the program and information is shared.

The fact remains that the GoA believes in maximizing the skills and talents of Albertans first. All Albertans, including immigrants already in the province, should have opportunities to develop their knowledge, skills and talents, and to apply these in the labour market to the extent of their potential. Improving the supply of knowledgeable and skilled workers in Alberta, for our province's long-term security and economic growth, depends on government and stakeholders working together and forming strong partnerships. Alberta's employers, and the GoA, will need to continue to explore other options for ensuring we can meet the labour shortfall that include full engagement of Canadian and Albertan workers as a priority.

However, with more people retiring and fewer workers entering the labour market, more attention needs to be paid to retaining people in Alberta's labour force. Alberta's workforce is projected to be 77,000 workers short between 2009 and 2019, with overall demand outpacing supply by 2015. As a result, we will need a comprehensive approach that includes integrating the under-represented groups within the Alberta workforce, increasing inter-provincial mobility, proper 'usage' of TFWs and seasonal workers, and population growth strategies such as the proper level of immigration that corresponds to the economic and social needs of our province.

Summary of Recommendations

As a result of what I heard during the consultations and after a great deal of reflection, I am making the following four recommendations aimed at preparing for the future and meeting Alberta's labour market needs.

Recommendation 1: The Government of Alberta (GoA) must continue to be a strong advocate for the province's labour market and population growth needs.

GoA should work with the Government of Canada (GoC) to create a more responsive immigration system, jointly develop a workforce strategy for Alberta that would meet our province's labour market needs, expand pathways to permanent residency for low- and semi-skilled workers, increase Alberta's allocation of provincial nominees, minimize the administrative burden of the TFW Program on employers and employees, and enact the evaluative provision within the TFW Annex to the *Agreement for Canada-Alberta Co-operation on Immigration* to examine effectiveness and desired outcomes.

At the provincial level, GoA should also work with other western provinces, establish mechanisms for stakeholders to provide input on the needs of the province and to support the Minister's advocacy efforts, register all employers recruiting TFWs, and research strategies pertaining to low- and semi-skilled TFWs to inform future policy recommendations.

Recommendation 2: The Government of Alberta (GoA) should ensure the rights of temporary foreign workers are recognized and upheld by employers and communities. As such, GoA must enforce the *Fair Trading Act* as it applies to employment agencies, explore the possibility of regulating the activities of recruiters of foreign workers, and create a website where TFWs can register their concerns anonymously.

Recommendation 3: The Government of Alberta (GoA) should support and encourage inclusive and engaged community (formerly Welcoming and Inclusive Community) initiatives throughout the province. Alberta communities, particularly smaller centres, are experiencing higher levels of diversity as a result of the TFW Program. Inclusive and engaged community initiatives would help communities to support TFWs and highlight their contributions to the province.

Recommendation 4: The Government of Alberta (GoA) should explore different ways of communicating what services are available to employers and workers to ensure employers are aware of their rights and responsibilities to TFWs and TFWs are provided with accurate and realistic information on the rights and responsibilities of working and living in Canada. An example could include a template for communities to use for welcoming and supporting the newcomers by providing key information.

Context

In 2010, there were two million people working in Alberta. The provincial employment rate of 68.1 per cent remains the highest in the country, a position the province has held since 1976.

Alberta's resource based economy is driven primarily by the third largest supply of proven oil reserves in the world. Increased production projections, particularly in the oil sands region, are expected to stimulate the growth of Alberta's economy even in the context of worldwide economic malaise.

Employers will continue to face critical labour and skills shortages. The impending retirement of many "baby boomers" together with future economic expansion in Alberta will signal a return to critical labour and skills shortages in the years to come.

It is projected that by 2016, just five years away, annual growth of the labour force in Canada will be near zero.

The demographic situation in Alberta is similar across Canada. Simply put, within the next decade, for every two people who retire in Canada there may be less than one person to fill their jobs.

Competition for future workers will be intense provincially, nationally and internationally.

This low labour force growth is one of the constraints to Alberta's economic growth. Given the challenges to find skilled workers, employers may look to shift work out of province or foreign companies may look to bring in their own employees from offshore to work in Alberta.

According to Alberta's Occupational Demand and Supply Outlook, Alberta's workforce is projected to be short 77,000 workers between 2009 and 2019, with overall demand outpacing supply by 2015. The top five occupations expecting labour shortages by 2015, according to the Occupational Demand and Supply Outlook, are:

- Construction trades helpers and labourers;
- Registered nurses;
- Oil and gas drilling, servicing and related labourers;
- Nurse aides, orderlies and patient service associates; and
- Oil and gas well drilling workers and service operators.

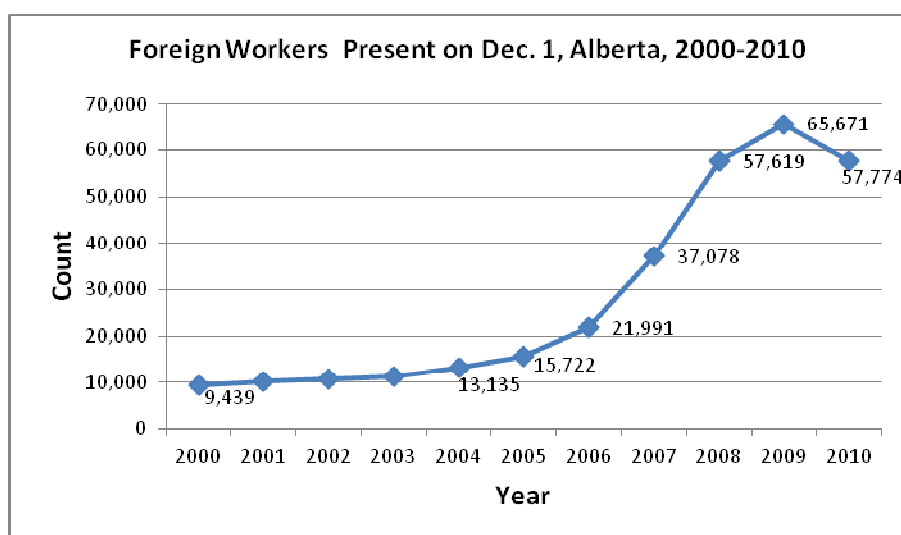
In addition to the worker shortage forecasted by Alberta's Occupational Demand and Supply Outlook, Alberta Employment and Immigration (E&I) has been working with a new short term employment forecast tool to determine occupations facing labour shortages within the next few years. Many of these occupations are related to Alberta's resource-based economy, including the oil sands.

In terms of occupations, eight per cent of Alberta's employment comes from occupations in the natural and applied sciences, regardless of industry. Alberta ranks above other provinces in this comparison, due to high levels of engineering and science related jobs in the energy resources sector.

To meet these growing pressures, Alberta's employers have turned to the TFW Program. In response, the federal government has been increasingly stringent on the application process to ensure that employers only access the program when they are unable to fill the vacant position with a Canadian worker.

After examining the numbers, the program works as it should. It is evident that during times of economic expansion, the number of TFWs entering the province increases, while fewer TFWs come in during a recession.

Temporary Foreign Workers (TFWs) in Alberta¹



¹ The statistic, foreign workers present on December 1, measures the number of foreign workers with a valid work permit on December 1 of the year. It excludes those granted permanent resident status on or before the observation date and those whose document validity has expired or is not yet in effect. This statistic is the measure normally used to report the size of the TFW population.

The TFW population in Alberta grew from 9,439 in 2000 to 57,774 in 2010 (preliminary data for 2010). This was due to the increasing number of TFWs coming to Alberta to fill job vacancies between 2006 and 2008. Population levels began to increase significantly in 2004 and increased consistently year after year until 2009.

The total number of foreign workers in a particular calendar year represents the sum of the number of foreign workers who enter Canada for the first time with a valid work permit and the number of foreign workers who are already in the country. The numbers depicted in the graph reflect TFWs who are destined to Alberta. However, TFWs are not tracked beyond initial arrival.



Approximately 29,000 TFWs arrived in Alberta in 2007, followed by 39,000 in 2008. In 2009, due to tighter federal processes and an economic downturn, Alberta employers brought in approximately 29,000 TFWs. By 2010, we were down to 24,000 new TFWs entering the province, a decrease of 38.6 per cent compared to 2008.

While the main source of TFWs to Alberta has traditionally been English-speaking countries such as the United States, the United Kingdom and Australia, an increasing number of TFWs are coming from countries such as the Philippines, Mexico, India and China.

For TFWs in low- and semi-skilled occupations, there are limited opportunities to permanent residency.

Workers who come to Alberta through the TFW Program are classified in either high-skilled occupations, or low- and semi-skilled occupations. Those in high-skilled occupations have routes to apply for permanent residency. Examples include the Canadian Experience Class (CEC), the Federal Skilled Worker (FSW) Program and the Alberta Immigrant Nominee Program (AINP). Unlike the TFW Program, the federal immigration system focuses on building human capital – selecting immigrants based upon their education, work history and economic adaptability – rather than selecting immigrants based on their specific occupational skills, as in the TFW Program. Under the CEC, the federal government allows skilled TFWs with at least two years of full time work experience in Canada to apply for permanent residency. Neither the FSW Program nor CEC is available to low- and semi-skilled TFWs. The only category of low-skilled workers eligible for permanent residence through a federal program are live-in caregivers, who have a route to permanency after working in Canada for at least 24 months or a total of 3,900 hours within four years of their arrival in Canada.

Low- and semi-skilled occupations include those in manufacturing, transportation, tourism and hospitality, food services and food and beverage processing sectors. For these categories of TFWs in low- and semi-skilled occupations, there are limited opportunities to permanent

residency through the Alberta Immigrant Nominee Program (AINP). For many that is acceptable – some TFWs who come to work in Alberta through the TFW Program are truly in temporary positions, such as seasonal workers. Others come to work in Canada for short terms under international agreements such as the North American Free Trade Agreement (NAFTA). However, an increasing number of TFWs are coming with the hope and expectation of becoming permanent residents - a hope that is often shared by their employers. Frequently, TFWs have given up other career opportunities and left family in other countries for the opportunity to work in Canada.

Temporary Foreign Worker (TFW) Program

The TFW Program was developed by the federal government in the 1970s to respond to the immediate labour market needs of the time, particularly to address employers' demand for highly skilled professionals. It is administered entirely by the federal government, and its intent is to respond to the immediate and temporary skill and labour needs of Canadian employers while protecting the Canadian labour force.

In 2002, the Government of Canada (GoC) introduced a pilot project allowing employers to recruit low- and semi-skilled TFWs. Increasingly, the demand for TFWs coming to Alberta is for low- and semi-skilled occupations.

Generally, employers must apply for a Labour Market Opinion (LMO) from the GoC proving they have been unable to hire a Canadian worker or a permanent resident before they will receive approval to hire TFWs. Citizenship and Immigration Canada (CIC) issues a work permit to a TFW based on a job offer and the foreign worker's admissibility into Canada (criminality, health and security).

In 2007, the number of TFWs increased dramatically. This happened for two reasons. First, CIC increased the maximum period of validity of a work permit to two years including for TFWs in lower skilled occupations. Second, Human Resources and Skills Development Canada (HRSDC) introduced the Expedited LMO Pilot Project, which accelerated LMO processing.

In 2009, these initiatives were withdrawn. In response to the downturn in the Canadian labour market, the GoC changed the TFW Program to ensure that employers made every attempt to find Canadians to do the job they were trying to fill. This included increasing advertising requirements, cancelling LMO extensions and, in most cases, limiting work permits to one year.

As well, regulatory changes to the federal Immigration and Refugee Protection Regulations (IRPR) came into effect April 1, 2011 and are intended to provide stricter employer accountability mechanisms and reinforce the nature of the TFW Program as a temporary solution to labour and skill shortages. One of these changes limits the cumulative amount of time a TFW will be allowed to work in Canada to a maximum of four years, after which the TFW will be required to leave Canada for a four-year period. There are a few exempted occupations and categories, such as LMO exempt occupations, TFWs who have applied for permanent residency and received preliminary approval, provincial nominees who have a positive selection decision, and workers covered under an international agreement such as North American Free Trade Agreement (NAFTA).

Provincial Nominee Program

In conjunction with CIC, provincial governments can nominate economic immigrants selected for skills in demand in the province. For these nominees, the application process for permanent residency is expedited. In addition to meeting the requirements of the provincial program, nominees must also meet federal admissibility requirements.

During the consultation, several employers discussed mirroring the “Manitoba Model” and compared Alberta’s TFW numbers to Ontario. When comparing Alberta to other provinces, it is important to remember that employers in Alberta use the TFW Program as a means to meet local workforce needs, driven by the labour market.

Manitoba Model

Manitoba’s provincial nominee program is an important part of its growth strategy.

The *Worker Recruitment and Protection Act* (WRAPA) provides a framework for a positive and sustainable recruitment process that gives businesses access to reliable skilled temporary foreign labour and responds to issues of TFW vulnerability.

The WRAPA expands employment standards coverage to encompass the protection of foreign workers from unscrupulous recruiters and employers. Under the WRAPA, all employers are required to register with the Province before the recruitment of foreign workers begins.

To obtain a registration certificate, employers must have a good compliance history with provincial employment standards and with workplace safety and health requirements. Employers contracting with a foreign worker recruiter must provide the name of the licensed recruiter as part of the registration process.

Recruiters must be licensed. To obtain a licence, a recruiter of foreign workers must be a member of the Immigration Consultants of Canada Regulatory Council or a law society of Canada and provide a \$10,000 irrevocable letter of credit. Additionally, recruiters are prohibited from charging workers, directly or indirectly, any fee whatsoever for recruitment.

It is of interest to note that under the federal government’s guidelines, Alberta and Manitoba are allocated the same number of provincial nominees annually (2010 allocations were 5,000 for each province). In 2010 Alberta received almost eight times the number of TFWs than Manitoba (24,000 vs 3,300).

Ontario Model

When examining immigrant and TFW numbers during the recent economic boom, Alberta is second only to Ontario. However, it makes sense that Ontario has higher numbers overall – it has a much larger provincial population and represents a significant intake point for immigrants.

As a result of the higher number of economic immigrants, Ontario is able to use the TFW Program for truly temporary positions, such as seasonal opportunities. Ontario does not use its provincial nominee program to the same extent as most other provinces – it has so many economic immigrants that it is able to meet its economic needs within the regular limits of the TFW Program.

Alberta Immigrant Nominee Program (AINP)

The AINP is a program operated by Employment and Immigration (E&I) on behalf of the GoA. Until recently, Alberta's nominee program was designed to accept high-skilled immigrants only. However with changes, the program now accepts applications for nominations in a limited number of low- and semi-skilled occupations in the manufacturing, transportation, tourism and hospitality, food services and food and beverage processing sectors.

Under Ministerial Instructions, the federal government lists the occupations for which it will accept applications in the Federal Skilled Worker (FSW) Program. The list of occupations developed is based on a national, not regional, perspective. Through its short term economic forecast model, the GoA has honed its ability to predict upcoming labour shortages. Alberta has a number of high-skilled occupations in shortage that are not on the federal government's list (e.g. trades). The AINP therefore remains an important avenue for Alberta employers to retain TFWs to meet labour shortages.

A majority of AINP applicants (almost all Employer-Driven Stream applicants) are from individuals already working in Alberta as TFWs. The 2010 AINP limit, a number set by the federal government, was for 5,000 nominations. Of these, approximately 70 per cent were nominees in skilled occupations and 30 per cent were in low- and semi-skilled occupations. In the consultations, employers suggested the need to review the AINP – to explore increasing Alberta's allocation as well as the ratio of applicants in low- and semi-skilled occupations, as these workers have no other routes to permanent residency.

However, there are concerns that increased mobility of former TFWs may potentially leave the employer in need of recruiting yet another TFW to fill the now vacant temporary position. As well, transitioning low-skilled TFWs to permanent residency without any specific human capital requirement may require future government investment.

Employers and researchers believe further study is required to thoroughly examine this issue within the Alberta context and properly inform future policy and program developments.

Current State and Impact in Alberta

Workforce demands, and our responses to them, have an impact beyond our province's economic well-being. They create challenges as well as potential opportunities for local communities to keep pace with both the social and physical infrastructure required to support the changing nature of the community. During the consultations, we heard comments on all aspects of community services, social and cultural development as well as integration, stability and cohesion.

TFW Program and Alberta's Communities

While Edmonton and Calgary are the primary destinations for TFWs, more foreign workers are now working in non-metropolitan areas. After Ontario, Alberta has the highest proportion of TFWs destined to non-metropolitan areas. Experiences can be more intense in smaller centres where people tend to live in close-knit communities.

This makes it challenging for TFWs to connect with the broader community to help alleviate isolation and vulnerability. As a result, employers have been expected to play a large role in supporting TFWs in the workplace. However, TFWs have immediate needs, separate from their work environment, that require attention such as accommodation, banking, shopping and transportation. In addition, increasing numbers of TFWs in Alberta communities add pressure to all programs and services as well as a community's basic infrastructure, for example, housing, schools and health care.

Lack of Continuity

In addition to not fulfilling long-term labour needs, the temporary status of TFWs results in a lack of continuity and investment at the community level. Communities now have to respond to the constant uprooting of people and live with highly transient workplaces and neighbourhoods.

While many TFWs participate in the community, in many cases their temporary employment and immigration status means they send their income back to their home country. This limits their net economic contribution to their Alberta community.

Positive Impacts

During the consultations, we frequently heard that TFWs have many positive impacts on Alberta communities. Many TFWs have forged ties and actively participate in social activities in the communities where they live. They have brought diversity to Alberta's communities and have not only made significant contributions to local businesses by filling vacant jobs but also by raising the level of productivity.

TFWs have increased service capabilities in many Alberta businesses, which has a positive effect on communities where these businesses are located (e.g. higher quality of service and shorter wait times). Community and employer stakeholders would like to see such contributions supported and sustained.

In particular, we heard that TFWs have had a positive effect on rural development within Alberta. TFWs are helping to sustain small and remote communities in Alberta. In some cases, TFWs represent the largest influx of newcomers to the community (e.g. Cold Lake/Bonnyville and Peace River). However, it is important to note they are not being considered as possible immigrants by government due to their TFW status and lack of pathways to permanency.

This is a concern because in remote areas, TFWs provide stability to businesses, as retention rates of TFWs are higher than those of Canadian workers. This is often because the TFW is obligated to work with only that employer under their LMO. Many smaller communities are facing difficulties in retaining their young people and are unable to recruit workers from other parts of Canada. TFWs are filling these gaps especially in smaller communities, where TFWs have helped keep businesses operational, and where they have integrated and contribute to the community at large.

The vast majority of participants indicated that they saw TFWs in their communities as a positive force, and they also identified some challenges.

Sustainable Infrastructure

First, the arrival of significant numbers of newcomers has had an impact on social and community services, particularly in smaller and more remote centres where there are inadequate community supports. Smaller centres in particular may not be used to accommodating diversity and, in many cases, don't have the infrastructure to support newcomers or TFWs' needs.

Clear and Timely Communication

Another challenge is preparing the community for a quick influx of people. It is important for community agencies, school boards, health authorities, and municipal officials to receive information in advance on TFWs arriving in their jurisdictions to assist with planning. Communities are sometimes unprepared for larger numbers of TFWs, especially when they do not receive information from employers or government on the numbers, countries of origin and languages spoken. Some communities have found success in sharing information and preparing for the arrival of TFWs by establishing community councils, with representation from a variety of stakeholders.

TFW Program and Alberta's Employers

Alberta employers used the TFW Program in 2008 to fill unprecedented demand for workers during an economic upswing that had resulted in a short-term labour shortage. Employers have increasingly used the TFW Program, while our federal immigration system has been challenged with long wait times and confusing processes. We heard a high level of frustration over many components of the federal system, both immigration and the TFW Program, fuelled by concerns

over a pending labour shortage as the economy recovers. Using TFWs again to fulfill labour shortfalls is a stop gap measure. We can and should do better, and many of the employers we talked with agree.

Labour Market Opinions (LMOs)

Specifically, during the consultations, we heard frustration with the federal processes for LMOs and work permits, which are complex and time consuming for employers. Employers need clear and accurate information regarding application processing times, and they would like to obtain LMOs on a more timely and responsive basis. We also heard that employers would appreciate a commitment from the federal government to meet the timelines it sets out.

Employers are also asking for a less onerous process to obtain LMOs, perhaps by enabling existing LMOs to apply across multiple substantially similar locations and employers. When a position becomes vacant, an employer cannot switch another TFW into it without getting a new LMO. In fact, it is sometimes more difficult to hire an unemployed TFW than a new TFW.

The loss of productivity Alberta companies incur as a result of lengthy LMO processes detracts from companies' ability to focus on their business and make good long-term economic decisions.

-Employer Participant, Calgary

We heard that open LMOs would be beneficial for many employers. For example, in the hospitality industry, it would be more efficient if an employer who owns a number of hotels could apply for just one LMO to cover several properties. Some of the benefits would include reducing time spent on administering LMOs by the same employer and providing opportunities for the worker to augment hours during low seasons.

Consistency and Changing Rules

It is difficult for employers to keep up-to-date with the changes to the program policy and administration, particularly smaller employers who do not have stand-alone human resource departments. We heard that employers are frustrated that they can't speak with the same caseworker each time they call Service Canada, which can lead to inconsistencies in responses from different staff.

Consultations also revealed frustrations with the differences in rules and their interpretations across jurisdictions, as well as differences between rules for TFWs and Canadian workers. Unfortunately, all of these differences are not consistently understood by employers, TFWs or their community supports. In industries where work is seasonal, the employer is unable to provide full-time hours to all employees. Instead they are obligated to provide full-time work to the TFWs. In these situations, the TFW may get the full-time hours and the Canadian worker does not.

Employers would like to contribute input to developing and refining TFW Program rules, and to receive regular and timely information about changes to rules and interpretations, including via email, to help with business and staff planning in conjunction with TFWs.

Prevailing Wage

During the consultations, we heard that the current calculation of the prevailing wage rate is problematic for some employers, especially those with employees under collective agreements. When the prevailing wage rate calculation includes unionized workplaces, the perception is that wages may be artificially inflated. It is important that local economic context and sector diversity must be taken into consideration in the setting of prevailing wages.

As well, TFWs who have less experience receive the same wage as a Canadian worker. As a result, this can become a source of friction with Canadian workers, especially when the prevailing wage rates are printed in job ads in small communities and other employers in the same industry are not able to offer the same salary.

Employers also believe the federal government should not group dissimilar municipalities for prevailing wage calculations. For example, Grande Prairie is grouped with Hinton, Grande Cache, Whitecourt and Edson for LMOs and prevailing wage rates, but Grande Prairie has relatively more unionized workers.

Seasonal Agricultural Worker Program (SAWP)

The Seasonal Agricultural Worker Program matches workers from other countries with Canadian farmers who need temporary support during planting and harvesting seasons, when qualified Canadians or permanent residents are not available.

Employers told us that the SAWP does not adequately accommodate the short timeframes for work, which vary among regions in Canada. It is difficult to advertise jobs three months in advance, a current requirement, as Canadian workers will not apply for jobs three months in advance. Employers end up advertising again when the jobs are actually available in order to obtain the required number of workers, which is time consuming and costly.

National Occupational Classification System

We also heard employers believe the National Occupational Classification System (commonly referred to as the NOC codes) is too generic and does not reflect the actual jobs of many of the workers. Further dialogue among GoC, GoA, employers and other relevant stakeholders would contribute to developing a more responsive and reflective system.

TFW Program and Alberta's TFWs

Despite the opportunity the TFW Program presents for many foreign nationals to work and earn money in Canada, we heard that the program can also be a source of anxiety and stress. In many ways, this is part of the nature of their positions – temporary work does not provide the stability, infrastructure and resources that permanent work does.

High Stress and Vulnerable Situations

TFWs living and working in unfamiliar surroundings may be vulnerable by having few supports available outside the workplace, and they may be disadvantaged by having limited recourse around adverse working conditions.

The TFW is a person;
often a person with a family.
- Calgary participant

Being separated from family adds psychological pressure to TFWs adjusting to new environments. However, TFWs are not just workers; they are people too. They have the same needs and feelings as other people do.

There is no easy solution for these concerns, and frequently TFWs are not looking for long-term solutions. They need their vulnerable and stressful situation recognized. In our consultations, we heard that all three levels of government, as well as local communities, need to recognize the unique situation of these people.

Employers and community organizations identified the need for the broader host community to engage and include the TFWs and their families, and cultural communities can be a great source of support and assistance for the TFWs.

TFWs need to know the truth and understand what their chances of staying permanently in Canada are.
-TFW Participant, Fort McMurray

Mixed Messages

In a way, TFWs receive many mixed messages and misinformation. They are told Canada and Alberta have worker shortages and they offer skills and services that are needed, but opportunities for permanent residency are actually quite limited for the majority of low- and semi-skilled workers.

Unable to Access Services

During the consultations, we heard frustrations from TFWs because they expected to have full access to Canadian services and institutions because they pay taxes. We heard situations where TFWs were told either they are not eligible to take training or language programs, or they have to pay an additional fee.

TFWs are told they are to be treated as other Canadian workers, yet their work is directly tied to a temporary position with strictly defined roles and salary. This temporary status can make it difficult to be promoted, and for some, their contracts stipulate no promotion.

Changes in policy cause anxiety for workers, particularly when they are rumoured and not confirmed. We need to be able to get accurate information.

-TFW Participant, Cold Lake/Bonnyville

Lack of Information

Stress is compounded by confusion arising from government's perceived inability to respond in short order to questions and concerns about the process or the TFW's current immigration status. TFWs also report frequently receiving contradicting information from government, leading to further anxiety and hampering their ability to make long-term plans.

Difficulty Accessing Social Services

For some TFWs, language barriers may generate workplace health and safety issues, prevent TFWs from understanding their rights and limit comprehension of information required for optimal productivity. We heard concerns that if female TFWs or TFW spouses experience domestic abuse and they try to leave their situation, they may not be eligible for social services. In many cases this is directly related to the temporary nature of the work that initially brought them to the community.

TFWs also report experiencing stress due to transportation and housing issues, especially in smaller centres. The shortage of affordable family housing in such centres limits social and cultural support.

Health and Safety

Concerns were raised about the higher number of safety violations involving TFW situations. There is a longer term impact of an employer violating health and safety regulations, which can discourage both TFWs and their employers from correcting recognized issues. For example, when an employer is in violation of a standard, the AINP will no longer accept a nomination from that employer. As a result, any possible route to residency for the TFW, through that employer, is no longer available.

Additional Training

TFWs are only in Canada for a maximum of four years. Employers are reluctant to train and promote TFWs who only remain for the short term, and TFWs face more barriers than do Canadians when accessing the public education system. TFWs are not allowed to apprentice or take courses for credit.

TFW Rights

TFWs in Alberta are covered under the same laws as Albertans, and are protected with the same rights and responsibilities under provincial Employment Standards. Employment Standards are the minimum requirements of employment for employers and employees to help maintain fair and equitable workplaces.

Most TFWs are also protected under Alberta's workers compensation and workplace health and safety legislation.

As well, all workers in Alberta, including TFWs, are protected under the *Alberta Human Rights Act*. The Act prohibits discrimination based on the protected grounds of race, colour, ancestry, place of origin, religious beliefs, gender, age, physical disability, mental disability, marital status, family status, source of income and sexual orientation.

Analysis of TFW Program –Goals, Priorities and Policies

Declining birth rates, aging of the baby boom generation and increasing life expectancy are driving a demographic shift toward an older population in Alberta, in Canada and across the developed world. This demographic reality will have significant economic and social implications for the Government of Alberta (GoA), other levels of government, individuals, employers and industries.

The attraction and retention of immigrants represents an important element in the GoA approach to address current and anticipated labour shortages. Other approaches include increasing the skill and knowledge levels of Albertans and facilitating the mobility of labour within Canada.

Building and Educating Tomorrow's Workforce

According to Alberta's Occupational Demand and Supply Outlook, the province may face a potential shortfall of more than 77,000 workers between 2009-2019, which means attracting and retaining immigrants will be key to Alberta's continued prosperity. Immigration is also a key component of the GoA cross-ministry priority, Building and Educating Tomorrow's Workforce (BETW). BETW is Alberta's labour force development strategy that states Alberta needs more skilled workers, more people with formal education and training, and more innovative and safe workplaces.

Highlights of BETW include:

- A Focus on People
All Albertans should have the opportunity to develop their knowledge, skills and talents and apply them in the labour market and in their personal lives to the extent of their potential. Enhancing Alberta's well-being requires that all Albertans have access to affordable and high-quality learning and training opportunities.
- A Focus on Quality of Life
Highlights the importance not only of good jobs but also of good workplaces, living spaces, and communities to Alberta's success in attracting and retaining workers. Quality of life factors, such as the environment, infrastructure (e.g. quality schools, hospitals, roads, parks), social supports, and municipal amenities, are important to building Alberta's labour force.
- A Focus on Innovation
Alberta's capacity for innovation is dependent upon support for the creative process that generates and implements new ideas and knowledge in both the learning system and the marketplace. This requires support for idea and knowledge creation through public and private expenditures on research and development, as well as for the transmission and application of new ideas and knowledge in the marketplace.

Working Group on TFWs

In 2006, the Canada-Alberta Working Group on Temporary Foreign Workers was initiated to examine how both levels of government could work collaboratively to best address issues

related to the entry of TFWs to Alberta. The group was originally mandated to operate as a task force with a six- to twelve-month time limit. However, due to ongoing issues related to the complexity of the program and changing needs of Alberta's economy, the group has continued to meet regularly.

TFW Annex

Since the implementation of the Canada-Alberta Working Group on TFWs, the TFW Annex to the Agreement for Canada-Alberta Co-operation on Immigration was signed by the federal Ministers of Citizenship and Immigration Canada (CIC) and Human Resources and Skills Development Canada (HRSDC), as well as by the provincial Ministers of Employment and Immigration and International and Intergovernmental Relations.

The TFW Annex clarifies roles and responsibilities for the administration of the TFW Program in Alberta, and establishes mechanisms for information sharing between the federal and provincial governments to help ensure program effectiveness and transparency so all parties benefit from the participation of TFWs in Alberta's labour market. The activities related to the TFW Annex are monitored through the Canada-Alberta Working Group on TFWs.

What Alberta is Doing

The Government of Alberta's (GoA) long-term outlook is that immigrants will be needed to ensure the province has a permanent workforce to support a growing economy.

Premier's Council for Economic Strategy

Shaping Alberta's Future, the May 2011 report by the Premier's Council for Economic Strategy, identifies human capital as a key part of the foundation upon which a competitive environment is built and identifies the aging population as a concern to be addressed.

Building and Educating Tomorrow's Workforce (BETW)

In 2006 the GoA released its long-term labour force strategy *Building and Educating Tomorrow's Workforce* (BETW). Over the past five years much has been accomplished in building Alberta's labour force. However, economic recovery and the return of skills shortages, the aging of our workforce, intensifying global competition for workers and recognition of the importance of labour productivity all highlight the need to revisit our labour force strategy. The BETW is currently being updated.

Under-Represented Groups

To ensure Alberta has the workforce required for the long-term sustainability of the economy, it will be increasingly important to fully engage the skills and talents of all Albertans in the labour force (e.g. mature workers, youth, Aboriginal people, immigrants and persons with disabilities).

The GoA recently released *Engaging the Mature Worker: An Action Plan for Alberta* to support mature workers who choose to remain in the labour force, help mitigate future labour and skills shortages, and help minimize the loss of experience, corporate memory and leadership that can occur when people retire.

The GoA also recently released two reports: *Connecting the Dots* prepared by the MLA Committee on the First Nations, Métis and Inuit Workforce Planning Initiative, and *Government of Alberta Response*, which includes nine strategic priorities for moving forward. The report and the response speak to the need to increase collaboration and work together to better connect Aboriginal people to the job market and economic opportunities.

Effectively Communicating with Employers

The "Immigrate to Alberta" web portal (www.albertacanada.com/immigrate) contains links and information for employers who may be interested in hiring TFWs. The portal provides information related to marketing and recruitment events, how to use employment agencies, understanding the AINP as well as the processes involved in hiring a foreign worker with links to the federal site. The phone line (1-877-427-6419) provides information similar to that on the website.

The *Hiring and Retaining Foreign Workers* publication provides information for employers considering hiring TFWs, including step-by-step information related to the completion of an LMO.

Address Unscrupulous Third-Party Recruiters

Currently under the *Fair Trading Act and Employment Agencies Business Licensing Regulation*, employment agencies in the province must be licensed if they help employers find employees, or help employees find work. They are not allowed to charge a worker for finding a job.

In 2007-2008, Alberta saw a dramatic increase in the number of employment agencies operating in Alberta. The GoA became concerned that some may be operating in the province without a licence and may be charging illegal recruitment fees from TFWs. This increase, and the changing labour market at the time, prompted the review of the current legislation. Findings are due later this year.

Through the consultation, we have learned of the need to effectively communicate TFW Program rules and regulations and roles and responsibilities, address unscrupulous third party recruiters, ensure employers have access to Canadian citizens and permanent residents, accurately forecast labour shortages and compel employer compliance regarding healthy, safe and fair workplaces.

Accurately Forecasting Labour Market Trends

It became apparent during the most recent economic boom that reliable information about Alberta's labour market is essential in assessing projected demand for workers. To more effectively plan for the province's skill and training needs of the future, labour market information by sector is also required.

Alberta has reliable data related to the province's labour market, including:

- Alberta Employment and Immigration's Short Term Employment Forecast (STEF) supports short term planning (a two-year window) and development of labour market strategies.
- Alberta Regional Occupational Demand Outlook forecasts occupations in demand by regions over a five-year period.
- Alberta's Occupational Demand and Supply Outlook Model predicts occupational demand for 520 occupations in Alberta over a ten-year period.

Employer Compliance

As the number of TFWs increased in Alberta, so did reports of TFWs working in unfair and unsafe working conditions. For the most part this appeared to be true in the lower-skilled occupations.

TFW Employer and Employee Guides were developed in 2008 to ensure employers and TFWs were aware that foreign workers had the same rights as any other worker in the province and

are protected under Alberta's employment standards, workplace health and safety and workers compensation legislation. The guides were updated in 2010 and are available in several languages.

In 2007-08, six Employment Standards Officers (ESOs) were assigned, and continue to be assigned to respond to concerns related to TFW pay violations. The officers review the most recent pay periods, look at LMOs and work permits and interview TFWs to assess whether the employer is paying all of the entitlements correctly.

In addition, the Enforcement Working Group was initiated last year to ensure the TFW Program is responsive to both employers and TFWs with respect to fair and safe working conditions.

Two Temporary Foreign Worker Advisory Offices and a Helpline 780-644-2584 (toll free through 310-0000) were introduced in 2007 to assist in the protection of TFW rights and help provide solutions for unfair, unsafe and unhealthy working conditions. Services are available in 170 languages.

Going forward, opportunities exist to further ensure Alberta's ability to welcome and attract immigrants and TFWs while supporting them as they live, work and thrive in this province.

Recommendations – What Alberta Needs to Do

We consistently heard that the TFW Program is an important tool for Alberta employers who are experiencing difficulties recruiting and retaining Canadian or permanent resident workers, particularly in small and remote communities. The program currently plays a key part in meeting Alberta's labour shortfall, especially given the challenge of adjusting to an aging workforce while sustaining high levels of economic growth.

After a recent downturn, parts of Alberta's economy are poised to once again experience rapid growth. In the absence of co-ordinated action, some employers anticipate finding themselves in a position of a critical labour shortage similar to the period of rapid economic growth experienced during 2006-2008.

In order to prepare for the future and meet Alberta's labour market needs, I make the following recommendations.

Recommendation 1: The Government of Alberta (GoA) must continue to be a strong advocate for the province's labour market and population growth needs.

To meet this recommendation, the provincial government should work with the Government of Canada (GoC) to:

- be more responsive to the changing labour market needs and create a more responsive immigration system, including low- and semi-skilled occupations,
- By 2012, jointly develop a workforce strategy for Alberta that would meet our province's labour market needs,
- develop permanent solutions to the labour shortages by expanding pathways to permanent residency for workers (for example, expanding the Canadian Experience Class (CEC) would give low- and semi-skilled TFWs the right to apply for permanent residence after they have two years of work experience in Canada and have met the minimum language requirements);
- increase Alberta's allocation of provincial nominees (through the Alberta Immigrant Nominee Program),
- minimize the administrative burden of the TFW Program on employers and employees; and
- enact the evaluative provision within the Annex to examine effectiveness and desired outcomes.

At the provincial level, to continue to be a strong advocate for the province's labour and market force needs, the Government of Alberta (GoA) should also:

- Work with the Saskatchewan and British Columbia governments, through agreements such as the New West Partnership Trade Agreement, to advocate for the western

provinces regarding the federal government and the TFW Program. Working in conjunction with other jurisdictions would strengthen negotiations.

- Establish mechanisms for stakeholders to provide input on the needs of the province and to support the Minister's advocacy efforts. These mechanisms are designed to provide the Minister with a direct link to industry, employers and other stakeholders regarding industry, community needs and absorptive capacity issues.
- All employers could be required to register with the province before the recruitment of foreign workers begins, to ensure that employers are using a licensed recruiter and have a good history of compliance with employment standards and occupational health and safety requirement.
- Conduct research and analysis on strategies pertaining to low- and semi-skilled TFWs to inform future policy recommendations, as well as study the long-term impact of the TFW program in Alberta.

Recommendation 2: The Government of Alberta (GoA) should ensure the rights of temporary foreign workers are recognized and upheld by employers and communities.

- The Government of Alberta (GoA) must enforce the *Fair Trading Act* as it applies to employment agencies.
- The Government of Alberta (GoA) should explore the possibility of regulating the activities of recruiters of foreign workers, which would include requiring individuals and agencies to obtain a licence, becoming a member of the Immigration Consultants of Canada Regulatory Council or a law society of Canada and providing an irrevocable letter of credit with an amount determined by Alberta Employment and Immigration.
- Service Alberta should also create a website where TFWs can register their concerns anonymously.

Recommendation 3: The Government of Alberta (GoA) should support and encourage inclusive and engaged community (formerly Welcoming and Inclusive Community) initiatives throughout the province. Alberta communities, particularly smaller centres, are experiencing higher levels of diversity as a result of the TFW Program. Inclusive and engaged community initiatives would help communities to support TFWs and highlight their contributions to the province.

Recommendation 4: The Government of Alberta (GoA) should explore different ways of communicating what services are available to employers and workers to ensure employers are aware of their rights and responsibilities to TFWs and TFWs are provided with accurate and realistic information on the rights and responsibilities of working and living in Canada. An example could include a template for communities to use for welcoming and supporting the newcomers by providing key information.

Appendix 1 Consultation Questions

1. Do you think the Temporary Foreign Worker (TFW) Program is currently meeting Alberta's labour force needs? If so – how? If not – how not?
2. What impact is the TFW Program having on our labour force? (e.g. on jobs for under-represented sectors).
3. What advice would you give to either the provincial or federal governments concerning improvements to the program?
4. How has the TFW Program impacted Alberta communities and how can/should communities be supported?
5. What can/should the employer's role be in the TFW Program?

Appendix 2 Summary of What We Heard

Summarizing a diverse group of employees' and employers' comments from a broad, province-wide consultation is always a challenge. Sometimes specific comments reflect what is happening in only one region or industry. After each session, participants received a summary of the specific comments made at their local event.

The consultation also provided the opportunity to clarify a lot of misinformation and misperceptions about the TFW Program.

What emerged loud and clear from all of the conversations were the following eight observations:

1. The Government of Canada should increase the number of pathways to permanency for workers.
2. The Government of Alberta should advocate more strongly on behalf of Alberta's employers, TFWs as well as our labour force and population growth needs.
3. The Government of Canada should reduce the administrative burden of the TFW Program on employers and employees.
4. The Alberta Immigrant Nominee Program (AINP) should be expanded to enable employers to retain qualified workers.
5. The Government of Alberta should address the lack of programs addressing community and TFW needs.
6. TFWs and their employers should be provided with a standardized package of reliable information to guide their decisions prior to participation in the TFW Program.
7. Current programs should be aligned to focus on the social stability required by local business and the community at large.
8. The TFW Program should evolve to meet the needs of a dynamic population.