



# BRITISH COLUMBIA IMMIGRATION TASK FORCE

Minister of State for Multiculturalism





## 0.0 LETTER FROM THE CHAIR

Dear Premier Clark:

I am honoured to submit herewith the report of the Immigration Task Force. This report summarizes the work undertaken in accordance with the terms of reference for the Task Force, announced on December 8, 2011.

In the Task Force's travels, all members were struck by the role immigration has played and will continue to play in all regions of the province. First and foremost, immigration is not only a source of labour but is a driver of economic growth. Immigrants help enable business development by providing global talent and financial capital, two key factors influencing investment decisions which, in turn, are key to creating and maintaining employment opportunities for British Columbians. Second, there is widespread support for increases in immigration to support British Columbia's economic development and sustainability. This is true for stakeholders across sectors and regions. Finally, the British Columbia Provincial Nominee Program was recognized as the most effective means to select immigrants to match BC's economic needs, especially in regions outside the Lower Mainland where labour and skills shortages remain most acute.

Based on these and other findings, this report proposes a series of recommendations for British Columbia aimed at increasing immigration levels to the province, and ensuring that programs are adapted to attract and retain more immigrants with the skills and attributes required to build a strong workforce and economy. As responsibility for immigration is shared with Canada and many economic immigration programs are managed by the federal government, the report also includes recommendations for Canada. Opportunities for collaboration with New West Partners were also identified, to be pursued as part of ongoing efforts to develop a New West Labour Market Strategy with Alberta and Saskatchewan.

Many of the recommendations in the report complement measures, announced in the 2012 Federal Budget on March 29, 2012, to make the immigration system more responsive to economic needs. This includes joint federal-provincial efforts to develop a more demand-driven immigration system where governments can work in concert with employers to select ready-to-work immigrants. Given that British Columbia's Provincial Nominee Program already focuses on quick response to regional labour market demands, BC can make significant contributions to federal efforts, and ensure the new system meets BC and Canada's labour market needs.

I am grateful for the support of the Task Force members who generously volunteered their time, wisdom and expertise and were key to successfully delivering on the mandate. I am also thankful to the staff from the Ministry of Jobs, Tourism and Innovation who provided exceptional operational and strategic support to the Task Force.

Finally, I truly appreciate the opportunity to lead this Task Force. It has been an exceptional privilege to travel the province and hear about the need for and opportunities presented by immigration. We trust our work will inform you in this crucial aspect of the Jobs Plan – to build a strong and adaptable workforce and economy and ultimately, support government's 'Families First' agenda.

Yours respectfully,



John Yap

Minister of State for Multiculturalism



## 1.0 EXECUTIVE SUMMARY

As a key element of Canada Starts Here: The BC Jobs Plan, the BC Immigration Task Force was established to review the current economic immigration system and provide recommendations on how to enhance its outcomes. Over three months, the Task Force engaged with a broad range of stakeholders across British Columbia, identifying challenges and opportunities pertaining to economic immigration, focusing on how the British Columbia Provincial Nominee Program (BC PNP), the Federal Skilled Worker Program (FSWP), the Canadian Experience Class (CEC) and the Federal Immigrant Investor Program (FIIP) could be better leveraged to respond to labour market and economic development needs.

The Task Force found that the need for economic immigration is growing across the province. Over the next decade, more than one million job openings are forecast in BC; given the limited domestic supply, it is estimated that one third of these job openings will need to be filled by migrants from outside BC and Canada. However, the current immigration system is not geared to effectively respond to the needs of communities across the province. Whereas BC is playing a more important role in driving national economic growth, immigration levels to the province have declined sharply over the last five years. Furthermore, some federally-managed economic immigration programs have resulted in immigration flows that are not aligned with regional skills needs.

In the context of the consultations, stakeholders expressed strong support for increases in immigration to fill urgent labour and skills gaps, and sustain business development and competitiveness across BC. Stakeholders challenged governments to manage the immigration system in a manner that facilitates economic development, emphasizing the importance of:

- Immediately increasing immigration levels to BC, with a focus on growth in the BC PNP as the most responsive program to fill regional labour needs across the skills spectrum;
- Ensuring that economic immigration program requirements, application procedures and processing times reflect business realities;
- Capitalizing on BC's geographic attractiveness as a destination of choice for entrepreneurs and investors;
- Providing effective information and supports for clients, especially employers and newcomers.

A detailed overview of the Task Force's findings and recommendations can be found below:

**FINDING 1:** *The impact of the aging population and economic development varies across regions and industries in British Columbia. Immigration policies and programs are not sufficiently responsive to ensure competitiveness.*

- Recognizing that the province is best positioned to respond to regional and industry needs for international talent, engage British Columbia in setting immigration levels that reflect labour market needs and enable BC to select all economic immigrants to the province (Canada and British Columbia)

**FINDING 2:** *Current immigration levels are insufficient to meet British Columbia's needs, and targeted increases in immigration are supported by stakeholders across the province.*

- Immediately increase economic immigration levels to British Columbia (Canada)
- Work with New West Partners to engage industry to identify labour and skills needs and set immigration levels based on labour market information (British Columbia)

**FINDING 3:** *Lack of awareness and knowledge of immigration program requirements prevents employers from effectively using economic immigration programs to attract foreign workers*

- Provide one-stop access to information on economic immigration programs for employers (British Columbia)
- Ensure employers and prospective immigrants have access to timely and meaningful information about the status of their immigration applications and expected timeframe for completion of processing (Canada)
- Collaborate with immigration lawyers, consultants, and organizations that deliver settlement and integration services to improve the accuracy and availability of information on economic immigration programs (British Columbia)

**FINDING 4:** *Temporary foreign workers play a key role in filling urgent labour and skills gaps across industries. Yet, processing times are too long and the program is not responsive to business needs.*

- For essential job openings that have demonstrated shortages, exempt employers from obtaining a Labour Market Opinion, a federal requirement to confirm Canadians are not available to fill the positions before hiring temporary foreign workers (British Columbia)
- Streamline the Labour Market Opinion application process and reduce processing times to better reflect business needs (Canada)
- Work with New West Partners to support employers in recruiting temporary foreign workers overseas (British Columbia)
- Use sub-provincial information (e.g. regional unemployment rates) to assess the need for temporary foreign workers (Canada and British Columbia)

**FINDING 5:** *Employers and industry support an immediate shift to a demand-driven economic immigration system.*

- Immediately increase BC's PNP cap to at least 5,000 in 2012, and 6,500 in 2013, to respond to demonstrated labour and skills shortages across British Columbia's regions (Canada)
- Broaden the BC PNP's Entry-Level and Semi-Skilled Stream to support retention of low-skilled temporary foreign workers who fill permanent roles (British Columbia)
- Increase the number of occupations eligible for the FSWP to better reflect British Columbia's regional and province-wide skills needs (Canada)
- Use the successful BC PNP as a guide in developing a more demand-driven economic immigration system (Canada)
- Work with the Industry Training Authority, trades training organizations and employers to maximize employment opportunities in trades for British Columbians (British Columbia)

**FINDING 6:** *Pathways to attract and permanently retain international students need to be expanded to increase the supply of workers, support innovation and allow for a better regional distribution of immigration*

- Revise the eligibility criteria for the CEC and BC PNP to allow more international students from authorized institutions to remain in British Columbia after graduation without a job offer (Canada and British Columbia)



- Ensure all international students are aware of the employment services available and the options to become permanent residents upon arrival (Canada and British Columbia)
- Allow all international students from authorized institutions to work in BC during their studies and after graduation (Canada)

**FINDING 7:** *Foreign entrepreneurs provide capital and know how to support business development and succession. Not enough is being done to attract and support them, especially in regions outside the Lower Mainland.*

- Facilitate business succession planning by marketing regional business opportunities to potential entrepreneurs overseas, and setting up business mentorship programs to maximize their success (British Columbia)
- Explore changes to the requirement for entrepreneurs to operate a business in order to facilitate investment pooling in larger-scale businesses under the BC PNP (Canada and British Columbia)

**FINDING 8:** *BC's share of the capital collected through the Federal Immigrant Investor category is not commensurate with the number of investors residing in BC.*

- Increase the minimum investment threshold for the FIIP to increase the amount of capital available for BC (Canada)
- Revise the allocation formula for the FIIP to better reflect the settlement patterns of investors within Canada (Canada and British Columbia)
- Establish a selection mechanism that leverages the business know-how of investors (Canada)

**FINDING 9:** *Settlement and integration services are crucial to the success of immigration programs and the attraction and retention of economic immigrants in regions across BC.*

- Ensure effective settlement and integration programs are available in communities across the province (British Columbia)
- Engage industry, local governments, and non-governmental organizations in settling and integrating immigrants, especially in communities outside the Lower Mainland (British Columbia)
- Continue to fund settlement and integration programs commensurate to immigration levels (Canada)

**FINDING 10:** *Challenges with recognizing foreign qualifications and work experience by regulators and employers prevent economic immigrants from fully contributing to BC's labour market.*

- Establish a review panel to investigate foreign qualification barriers identified through examination of individual assessments, in collaboration with regulators in occupations crucial to economic growth (British Columbia)
- Help employers understand and evaluate foreign qualifications and work experience (British Columbia)

## 2.0 IMMIGRATION TASK FORCE

The BC Immigration Task Force was established on December 8, 2011, to support implementation of Canada Starts Here: The BC Jobs Plan. The Task Force's mandate was to engage with employers, industry, sector associations, settlement service providers, community associations and other relevant stakeholder groups across the province to review economic immigration programs and make recommendations to improve economic immigration outcomes, in order to support British Columbia's economic development and innovation priorities.

Chaired by John Yap, Minister of State for Multiculturalism, the Task Force comprised nine business and community leaders with an understanding of the challenges of attracting, integrating and retaining immigrants to the province. The members were:

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| ■ Tung Chan (Richmond)            | <i>Former CEO of S.U.C.C.E.S.S./Chinese community leader</i>  |
| ■ Stockwell Day (Penticton)       | <i>Government Relations Consultant/former Minister/Member of Parliament</i>   |
| ■ Yuen Pau Woo (North Vancouver)  | <i>CEO Asia Pacific Foundation</i>  |
| ■ Grace Wong (Vancouver)          | <i>Senior Advisor, International, Office of the Provost and Vice- President Academic, UBC</i>                         |
| ■ Suki Badh (Richmond)            | <i>College instructor/South Asian community leader</i>  |
| ■ Michael Hwang (Coquitlam)       | <i>Principal lawyer at Amicus Lawyers and Co-President of Vancouver Asian Heritage Month Society</i>                  |
| ■ Narindarpal Singh Kang (Surrey) | <i>Kang and Company Law Firm, Former member, Immigration Appeal Division, Immigration and Refugee Board of Canada</i> |
| ■ Barj Dhahan (Vancouver)         | <i>Chair, Canada-India Foundation</i>   |

Over three few months, the Task Force met with stakeholders from across British Columbia to discuss labour market and economic pressures, the role immigration can play in responding to these pressures and to identify challenges with the current economic immigration system and opportunities for improvement. Specifically, the Task Force's review focused on the British Columbia Provincial Nominee Program (BC PNP), the Federal Skilled Worker Program (FSWP), the Canadian Experience Class (CEC) and the Federal Immigrant Investor Program (FIIP). Appendix B provides a detailed description of the programs reviewed.

The Task Force held stakeholder consultations in a number of communities including Prince George, Fort St. John, Nanaimo, Cranbrook, Surrey, Richmond, Kitimat and Penticton. In addition, the Task Force met with the senior federal immigration officials and New West Partners, the Immigration Section of the British Columbia Bar Association, labour organizations, and Immigration Consultants of the Canada Regulatory Council. A website was established to allow stakeholders to provide electronic submissions. Written submissions were also received. Appendix A provides a list of the categories of stakeholders targeted by the Task Force as part of its review.

The Task Force is pleased to present the findings of its review along with recommendations to provide guidance to provincial and federal policy-makers on how existing immigration programs could be modified to better respond to current and emerging demands throughout the province, ensuring an expanding and well-matched supply of immigrants to BC. While some recommendations are within the mandate and scope of the Province or fall solely within federal jurisdiction, others are shared between the federal and provincial governments or are of potential interest to Alberta and Saskatchewan as BC's New West Partners <sup>1</sup>.

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<sup>1</sup> The New West Partnership is comprised of the governments of British Columbia, Alberta and Saskatchewan and was established in 2010 to collaborate on innovative ways to strengthen the economy of the West

## 3.0 STRATEGIC CONTEXT

### 3.1 BC Jobs Plan

Canada Starts Here: The BC jobs Plan is BC's roadmap for creating long-term jobs and investment in the province by converting BC's strengths into competitive advantages, and opportunities into lasting economic benefits. The BC Jobs Plan, which provides the key policy context for the Task Force's work, is based on three pillars to drive growth in BC:

- Working with employers and communities to enable job creation;
- Strengthening our infrastructure to get our goods to market;
- Expanding markets for BC products and services, particularly in Asia.

The BC Jobs Plan also recognizes that the context for economic activity in BC has changed drastically over the past decade, a point that the Task Force feels is critical to its mandate. One of the most significant of these changes is the growing importance of BC's ability to tap into new markets and bring investment into the province from these markets. For example, while the US—which remains BC's largest trading partner—continues to face relatively slower economic recovery, emerging markets, in Asia in particular, are growing at record rates as income levels rise and urbanization accelerates. These changes are reflected in BC's trade relationships: BC export levels to the US continue to be lower than those of a decade ago while just in the last year (from 2010 to 2011), the value of BC goods shipped to China increased by 25 per cent, and exports to South Korea grew by a record 45 per cent.<sup>2</sup> BC is responding to the growing demand in these markets for resources such as minerals, oil, gas and forestry products. This economic opportunity will likely be a major driver for BC's growth into the future.

To be well-positioned to take advantage of this opportunity, however, BC needs a responsive, adaptable and skilled labour force—and this means having workers with the right skills in the right places at the right times. In fact, matching people with employment opportunities across all regions of the province will be critical to capitalize on the economic growth opportunity presented by BC's position as the gateway to Asia.

### 3.2 Connecting Skills, Jobs and People

At the core of the Task Force's mandate is the reality that the BC Labour Market Outlook 2010 forecasts more than one million job openings over the next decade in the province. According to the Outlook, approximately two-thirds of these openings will be met through current BC workers and new entrants while the remainder will need to be met through immigration.

More significantly, at the provincial level, the demand for workers is forecasted to exceed the current supply by 2016. In the Northeast, where unemployment is already below four per cent, this will put additional pressure on an already tight labour market.<sup>3</sup> Even as BC fully invests in and maximizes opportunities for British Columbians, the province will still see labour supply shortages into the next decade—making effective economic immigration programs critical to the province's success.

Beyond general labour shortages, skills shortages are already prevalent in many regions of BC and will become more acute over the next decade. In some regions, widespread skills shortages will occur sooner than elsewhere in BC, as the gap between the supply and demand of workers will continue to vary by region. While some communities will be able to fill their workforce needs from within the broader region by using creative recruitment strategies, including sharing workers between industries, others will face unique difficulties specific

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2 BC Stats Exports and Imports Data: <http://www.bcstats.gov.bc.ca/StatisticsBySubject/ExportsImports/Data.aspx>

3 BC Labour Market Outlook 2010-2020



to remote communities. For example, the Northeast is expected to show labour demand growth of 1.7 per cent annually, exceeding the existing labour supply through 2015.<sup>4</sup>

In contrast, other regions in BC are not facing these immediate pressures, even though labour demand may also be high. For instance, the Mainland/Southwest, Vancouver Island/Coast and Thompson-Okanagan regions account for 90 per cent of the total projected job openings in the province. The Lower Mainland, in particular, will experience comparatively high rates of growth.<sup>5</sup> However, this region also benefits from a relatively large supply of labour from domestic and international sources. These significant regional differences highlight the need for programs and policies that account for, and respond to, the diversity of the province, and to effectively match the workers to the employment opportunities.

In order to fully utilize the existing workforce, BC must continue to make strategic investments to ensure that British Columbians have the skills they need to succeed, to match those skills with labour demand from employers in communities and regions across the province, and to increase workplace productivity. There are many examples of employers, service providers and post-secondary institutions partnering with government to fulfill these objectives, including through initiatives such as the Employment Skills Access Initiative and the BC Shipbuilding and Repair Sector Table.

The Province must also continue to improve the responsiveness of BC's educational and training systems. In particular, efforts to improve trades training through engaging key partners in identifying solutions to enhance BC's trades training system, such as through the Trades Training Conference in December 2011 and extension of tax incentives to motivate British Columbians to obtain trades training, will help meet these goals.

However, even with these significant investments and a domestic labour force that is working to its full potential, there will be a large labour supply gap in BC that simply cannot be filled without an increased and well-matched supply of immigrants. With the challenge of an aging workforce, attracting foreign workers and entrepreneurs is an important part of the labour market solution.

In this context, it is important to note that many other jurisdictions, especially in the Northern hemisphere, share similar challenges of an aging workforce and increasing demand for skilled workers. Globalization is fuelling labour mobility<sup>6</sup> and British Columbia as well as the rest of Canada will experience more competition for internationally trained workers.

## 4.0 IMMIGRATION IN CANADA AND BC

### 4.1 *Federal and Provincial Roles in Immigration*

In Canada, immigration is a shared jurisdiction between the federal and provincial and territorial governments, with federal paramountcy in cases where disputes arise. Under the *Immigration and Refugee Protection Act*<sup>7</sup>, 2002, the federal Minister of Citizenship, Immigration and Multiculturalism can enter into immigration agreements with provincial and territorial governments. In 2010, British Columbia signed its third immigration agreement with the federal government, the *Canada-BC Immigration Agreement, 2010* (CBCIA)<sup>8</sup>. The Agreement outlines shared objectives for immigration as well as respective roles and responsibilities of each level of government in managing immigration in British Columbia. Specifically, the CBCIA provides:

■ A continued and expanded role for British Columbia in temporary and permanent immigrant attraction and

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4 BC Labour Market Outlook 2010-2020

5 BC Labour Market Outlook 2010-2020

6 Global Talent Risk – Seven Responses: [http://www3.weforum.org/docs/PS\\_WEF\\_GlobalTalentRisk\\_Report\\_2011.pdf](http://www3.weforum.org/docs/PS_WEF_GlobalTalentRisk_Report_2011.pdf)

7 *Immigration and Refugee Protection Act*: <http://laws-lois.justice.gc.ca/eng/acts/I-2.5/index.html>

8 Canada-British Columbia Immigration Agreement: <http://www.cic.gc.ca/english/departement/laws-policy/agreements/bc/bc-2010.asp>

retention through the BC PNP and Annexes relating to temporary foreign workers and International Students; and

- Continued responsibility for the design, administration and delivery of federally-funded settlement and integration programs that help new immigrants fully participate in BC's society and economy, along with the transfer of federal funding to support provision of these services.

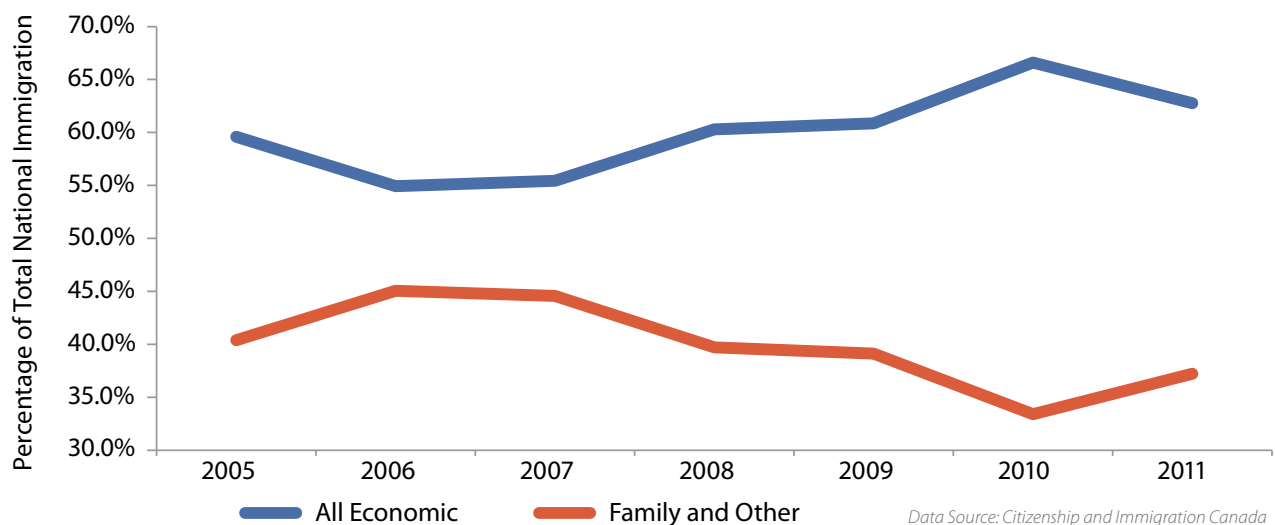
It is important to emphasize that federal law takes precedence over provincial jurisdiction in the case of a conflict and that the federal government has sole jurisdiction over determining the admissibility of immigrants to Canada, establishing the criteria for immigration classes and setting annual immigration levels.

## 4.2 Immigration Trends and Impacts

The constraints on BC's role in immigration and on its ability to meet its labour market needs through international worker attraction can be better understood by looking at national and provincial immigration trends.

National economic immigration levels have increased over the past few years. As demonstrated by Figures 1 and 2, the proportion of economic immigration as a per centage of overall immigration increased from approximately 60 per cent in 2005 to 63 per cent in 2011. During the same period, economic immigration admissions trended upward.<sup>9</sup>

**Figure 1: Immigration Class as a Percentage of National Immigration**



Despite national increases, however, economic immigration levels to BC declined sharply between 2005 and 2011. As Figure 3 illustrates, BC's proportional share of national economic immigration dropped from approximately 19 per cent to 14 per cent during the same period. In large part, the decline can be attributed to the federal government's decision to decrease admissions under the FSWP, which remains British Columbia's largest source of economic immigrants. Unlike in many other jurisdictions, the decline in FSW admissions was only partially offset by growth under the BC PNP. While admissions under the BC PNP increased from 798 to 4,303 between 2005 and 2011, admissions under the FSWP declined from a high of 21,810 to a low of 10,028 during the same period.<sup>10</sup> Starting in 2010, the federal government capped further growth in the BC PNP, restricting the province's ability to offset the decline in FSW admissions and respond to the growing demand for

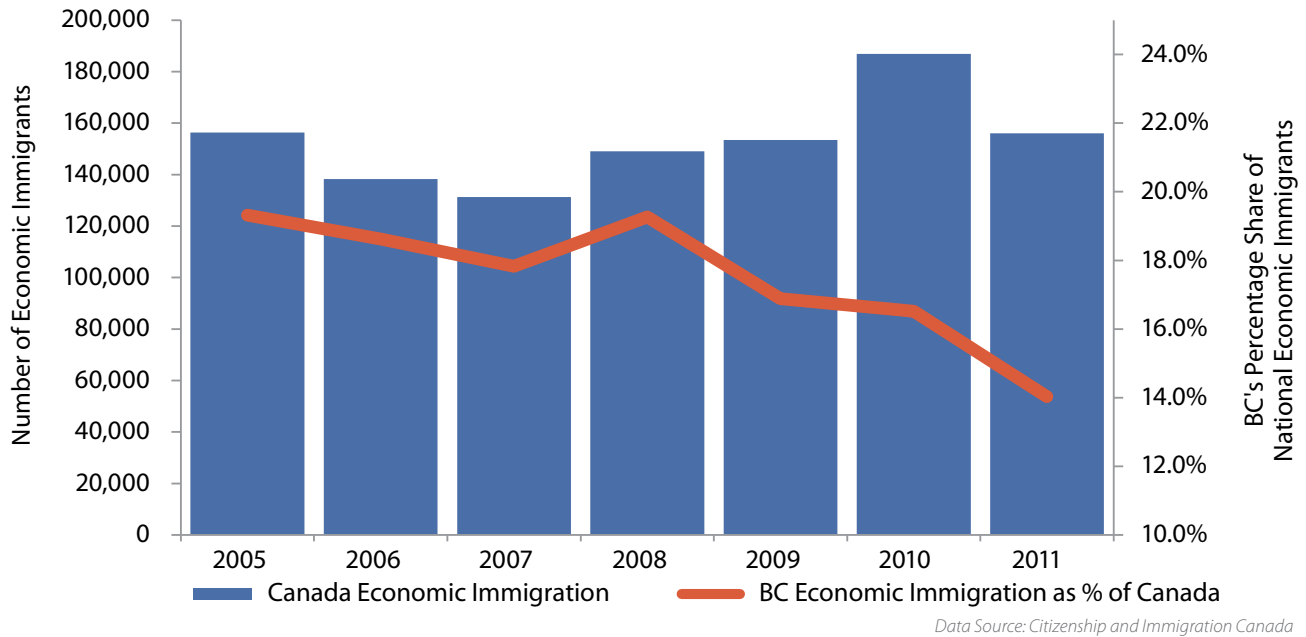
<sup>9</sup> Citizenship and Immigration Canada, Facts and Figures: <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

<sup>10</sup> Citizenship and Immigration Canada, Facts and Figures: <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

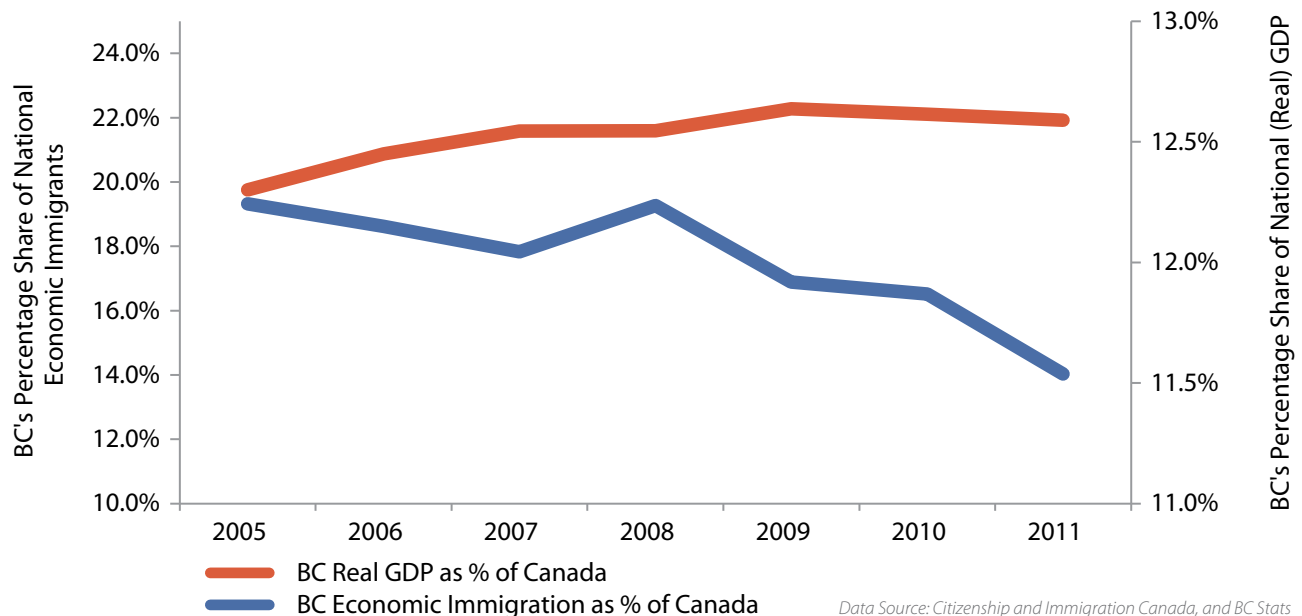
workers across communities.

The observed decline in BC's proportional share of economic immigration comes at a time when the province is playing a more important role in driving national economic growth, a trend that is forecasted to continue over the near future. The trade-offs made between immigration categories at the national level, combined with a federal cap on the PNP, mean that BC is constrained in attracting the number of immigrants it needs to respond to and support economic growth.

**Figure 2: BC's Percentage Share of National Economic Immigrants**



**Figure 3: BC's Percentage Share of National Economic Immigrants**

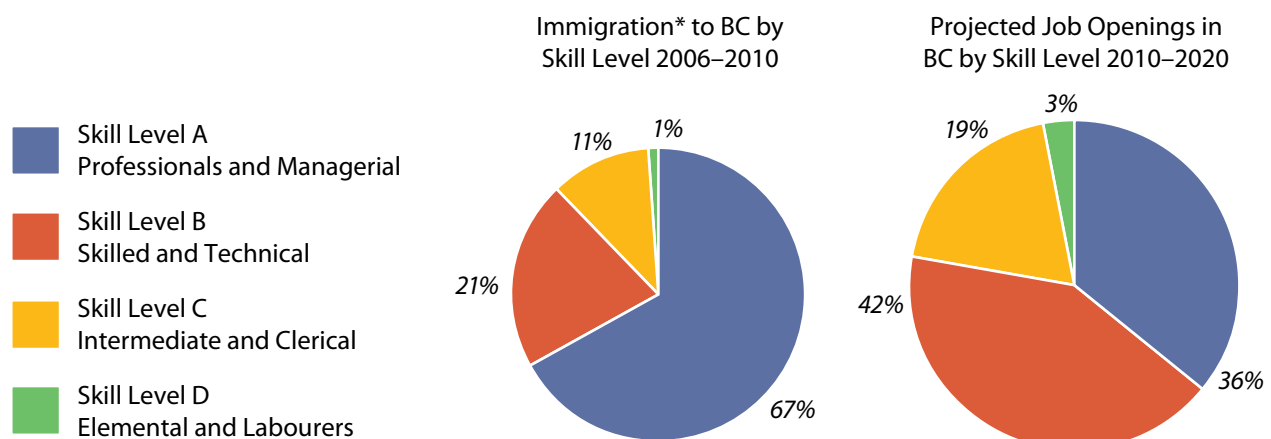


In addition to a disconnect between the need for international workers and the supply through current immigration levels, federal economic immigration programs are not well geared to supply workers with the skills

required by employers across the province. Firstly, there is a skills mismatch between forecasted job openings in BC and the priority occupations the federal government has identified under the FSWP. Of the 29 occupations identified by the federal government as priority occupations for processing, only 11 are reflected in the province's list of top occupations by labour market tightness, and approximately one third of these occupations show a soft labour market demand, where domestic labour supply may actually exceed the demand.

Secondly, the FSWP does not respond to the urgent need in the province for workers in low- and semi-skilled occupations. In British Columbia, labour demand is forecasted across skill levels over the coming decade. However, permanent immigration flows are not addressing labour market needs across the skills spectrum. As Figure 4 illustrates, the current immigration system is attracting large numbers of immigrants intending to work in professional and managerial occupations (skill level A), but not facilitating the entry of enough skilled and technical workers (skill level B, which includes skilled trades) and intermediate and semi-skilled workers (skill levels C and D), both areas where there will be strong demand in BC.<sup>11</sup> The inability of federal economic immigration programs to attract skilled trades workers is of critical concern for BC, as these occupations are some of the fastest growing in the province. The need for skilled trade workers is expected to become more pronounced as BC's economy, especially led by the natural resource sector, continues to grow.

**Figure 4: Immigration to BC and Projected Job Openings by Skill Level**



*\* Immigrants age 25–64 at arrival with skills assessed — primarily economic class principal applicants.  
Based on intended occupation in BC.*

A further issue is that economic immigration programs are not effectively facilitating immigration in regions outside of the Lower Mainland, where labour market shortages are most acute and will continue to persist. According to the Labour Market Outlook for 2010–2020, 65 per cent of all job openings will be in the Mainland Southwest region. However, 91 per cent of economic class immigrants, the majority of whom are admitted through the FSWP, are settling in the Lower Mainland. While 10.7 per cent of job openings are expected in the Thompson-Okanagan region, only 2.5 per cent of economic immigrants are settling there. Although the PNP is demand-driven and thus ensures that economic immigrants are settling in regions where the job openings are available, the FSWP does not tie immigrant settlement to labour market need.

Combined, these trends are having a significant impact on the province, adversely affecting immigrants, communities and employers. The current system should be assessed according to standards set by the Immigration and Refugee Protection Act, which are to “maximize economic benefits of immigration.” The system is not leading to sufficiently positive outcomes for immigrants themselves. Immigrants to BC—

11 Citizenship and Immigration Canada, and BC Labour Market Outlook for 2010–2020

particularly those who have settled in BC within five years or less—tend to have higher rates of unemployment and underemployment and lower wages than their Canadian-born counterparts. The unemployment rate for very recent immigrants in BC was 12.2 per cent in 2011, which was the third highest in Canada and more than double the rate of 6 per cent for Canadian-born workers, even though new immigrants have higher educational attainment.<sup>12</sup> Recent surveys suggest that about 36 per cent of immigrants are employed at a lower level compared to their country of origin.<sup>13</sup> Finally, although very recent immigrants in BC have the second highest wages of all recent immigrants in Canada, they earn 30.5 per cent less than Canadian-born workers.<sup>14</sup>

Employers and communities across BC are also missing out on economic opportunities as a result of gaps in the immigration system. Immigrants not only contribute to communities through their participation in the local economy, they often can also play a key role in the success of a project or business. This is particularly true in remote communities where labour market needs are especially acute. In these communities, the ability to attract workers can be a significant factor in whether a business will locate there. In addition, the ability to bring in a uniquely qualified individual from an international source to support a particular project can be a determinant of that project's success.

## 5.0 FINDINGS AND RECOMMENDATIONS

**FINDING 1:** *The impact of the aging population and economic development varies across regions and industries in British Columbia. Immigration policies and programs are not sufficiently responsive to ensure competitiveness.*

### Recommendation:

- *Recognizing that the province is best positioned to respond to regional and industry needs for international talent, engage British Columbia in setting immigration levels that reflect labour market needs and enable BC to select all economic immigrants to the province (Canada and British Columbia)*

As the Task Force travelled across British Columbia, the diversity of the regions became apparent. In the Northeast, stakeholders detailed the ongoing impacts of widespread labour and skills shortages on businesses and communities. They described how rapid expansion in the energy and mining sectors has caused sustained full employment, significant wage hikes across all sectors as well as a host of other social (i.e. comparatively high secondary school dropout rates) and economic consequences (i.e. business closures due to lack of front-counter staff). Major investments planned for the region could translate into a need for as many as 100,000 workers over the next decade, which the region is not currently prepared to handle.

Although less widespread, similar challenges were identified in other regions of the province. In British Columbia's Northwest Region, for example, the community of Kitimat is preparing to welcome up to 1,500 workers in the next three years to support modernization of the Rio Tinto-Alcan aluminum smelting plant. The construction contractors for the project explained that many of the workers would have to come from outside the Northwest because there are not enough workers locally who have the skills required. Stakeholders in other regions expressed concern that such major projects would result in a "domino effect", depleting them of access to workers trained domestically.

At the same time as jobs are going unfilled, many immigrants who come to Canada under the FSWP settle

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12 Statistics Canada, Labour Force Survey

13 'Environics: Nearly half of newcomers feel underemployed': Citizenship and Immigration Canada, Opinion Research Scan E-newsletter, August 2011: <http://www.cic.gc.ca/english/resources/research/scan/august2011/index.asp>

14 Statistics Canada, Labour Force Survey



in the Lower Mainland where they experience severe challenges in finding work. In Richmond and Surrey, the Task Force heard from engineers and other foreign-trained professionals who were challenged in finding work commensurate with their education and training due to their lack of Canadian experience, limited social networks and challenges associated with having their foreign credentials recognized.

Immigration program outcomes are not meeting BC's economic needs. Therefore, stakeholders challenged government to design and deliver an economic immigration system that supports economic development by responding to the needs of stakeholders across regions.

As one representative from the digital media and film sector put it: "our industry is global in nature and dependent on global talent. The talent we need is not necessarily in BC, and the talent brings the work. There is a disconnect in our immigration system: on the pretext of protecting Canadians, we keep people out. But the people we are trying to bring in are required to maintain and create job opportunities for Canadians. If British Columbia loses the talent battle, we lose the hope of long-term economic prosperity." This same message was echoed by representatives across all sectors and industries, who established a clear linkage between foreign worker attraction and business development.

Citizenship and Immigration Canada's primary objectives for immigration at this time are to focus on economic immigration, reduce visa application backlogs and modernize service delivery. Although operational challenges need to be considered, these constraints should not drive policy development and implementation. Priority must be given to managing the immigration system in a manner supportive of regional economic development.

To more effectively address their labour market needs, provinces and territories have pursued an increasingly active role in managing immigration over the past decade, gaining greater responsibility for selecting, settling and integrating immigrants. This expanded provincial-territorial role has occurred primarily through the development of PNPs across Canada. As discussed in greater detail later in this report, this program has enabled BC to expedite attraction of in-demand workers resulting in a strong match between the foreign worker and the employment opportunities.

**FINDING 2:** *Current immigration levels are insufficient to meet British Columbia's needs, and targeted increases in immigration are supported by stakeholders across the province.*

**Recommendations:**

- *Immediately increase economic immigration levels to British Columbia (Canada)*
- *Work with New West Partners to engage industry to identify labour and skills needs and set immigration levels based on labour market information (British Columbia)*

Current immigration levels to British Columbia are insufficient to fill the gap between the demand for workers and the supply through domestic sources. According to analysis by the Ministry of Jobs, Tourism and Innovation, current immigration levels will result in a gap of approximately 50,000 workers between now and 2014.<sup>15</sup> This gap could become even larger if immigration levels to BC continue to decline as they have over the past few years.

The shortage of workers is already having significant impacts on businesses and communities. Stakeholders in the Northeast detailed the effects of widespread labour and skills shortages on wages in their communities. They described how entry-level workers in the tourism and hospitality sector are being paid up to \$20/hour to serve coffee, and how even these wages are not enough to retain workers. In the same community, stakeholders described how challenges in attracting health care workers had resulted in reduced service levels

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15 Analysis of the BC Labour Market Outlook 2010-2020 with immigration data from Citizenship and Immigration Canada

for residents, even as demand is set to expand as a result of significant investments planned for the region. The oil and gas sector forecasts that up to 17,000 workers will be required over the coming years, and that a high proportion of these workers will need to be attracted from other regions of the province given local shortages.

In Prince George, the Task Force heard from businesses that “sectoral poaching” was a common occurrence in various sectors, and was resulting in significant challenges in planning and maintaining operations. In the Lower Mainland and the Okanagan Region, many businesses confirmed labour and skills pressures are so acute that they were considering moving a portion or all of their operations to the United States, where a larger labour and skills pool could be found, or overseas where the immigration programs better support business development. This includes large businesses that hire a significant number of Canadians. Representatives from the manufacturing sector confirmed that currently, over 50 per cent of manufacturers are experiencing difficulty recruiting skilled workers. BC’s tourism and hospitality sector forecasts a shortage of up to 7,000 workers over the next few years, and confirmed that over 70 per cent of businesses in the sector consistently have at least one position vacant.

The federal government has hesitated to increase immigration levels, citing concerns about high unemployment in other parts of Canada as well as a general impression that increased immigration is not supported by Canadians. These views are inconsistent with the findings of the Immigration Task Force.

Across the province, strong support was expressed for increasing immigration to fill gaps in the domestic labour market. Citing examples of how foreign workers had helped to keep businesses open, employers, sectoral representatives and other business interests confirmed that more immigrants should be attracted to complement the domestic labour and skills supply. These stakeholders approved of using labour market information to set appropriate immigration levels and direct immigration to regions where there are shortages. Beyond business interests, municipal leaders, service providers and other community members across British Columbia confirmed support for targeted increases in immigration to support regional development.

**FINDING 3:** *Lack of awareness and knowledge of immigration program requirements prevents employers from effectively using economic immigration programs to attract foreign workers.*

### **Recommendations:**

- *Provide one-stop access to information on economic immigration programs for employers (British Columbia)*
- *Ensure employers and prospective immigrants have access to timely and meaningful information about the status of their immigration applications and expected timeframe for completion of processing (Canada)*
- *Collaborate with immigration lawyers, consultants, and organizations that deliver settlement and integration services to improve the accuracy and availability of information on economic immigration programs (British Columbia)*

Throughout the regional consultations, the Task Force heard from employers who were interested in recruiting foreign workers to fill vacancies, but were not aware of specific programs to use, their requirements or where to go to find out more information. This confirms the results of a recent survey by the British Columbia Business Council, which found that a large proportion of employers were unaware that the BC PNP exists.<sup>16</sup>

Other businesses described the challenges they faced in completing and submitting the required paperwork, expressing concern with the lack of dedicated resources to help them access various programs. This is especially

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16 [http://www.bcbc.com/Documents/REF\\_201103\\_Survey\\_TempForeignWorkerandProvincialNomineePrograms.pdf](http://www.bcbc.com/Documents/REF_201103_Survey_TempForeignWorkerandProvincialNomineePrograms.pdf)

true for small- and medium-sized employers, who account for the vast majority of British Columbian employers and by virtue of their small staff complement, have less time and resources to handle recruitment activities. Some employers described the frustrating process of submitting an application only to have it rejected because of one mistake, and then having to start over again. One employer told the task force about checking a website daily for status updates, only to be informed for months on end that his application was in progress. Such information was insufficient to be helpful, and the employer had no other resource to consult for further clarification. By contrast, employers praised the BC PNP as easier to navigate and flexible because they could speak to someone.

Considering other stakeholder groups, the Task Force found that service providers would benefit from having accurate and detailed information on immigration programs on hand. Several settlement service providers, for example, were not aware that spouses of low-skilled immigrants could access Open Work Permits which would allow them to participate in the local labour market and contribute to the family's economic establishment in BC. Thus, this was not presented as an option for the employers or foreign workers. This example illustrates the need to ensure that those who assist foreign workers in navigating the immigration system have accurate and timely information to provide to clients.

**FINDING 4:** *Temporary foreign workers play a key role in filling urgent labour and skills gaps across industries. Yet, processing times are too long and the program is not responsive to business needs.*

**Recommendations:**

- *For essential job openings that have demonstrated shortages, exempt employers from having to obtain a Labour Market Opinion, a federal requirement that confirms Canadians are not available to fill the positions before hiring temporary foreign workers (British Columbia)*
- *Streamline the Labour Market Opinion application process and reduce processing times to better reflect business needs (Canada)*
- *Work with New West Partners to support employers in recruiting temporary foreign workers overseas (British Columbia)*
- *Use sub-provincial information (e.g. regional unemployment rates) in assessing the need for temporary foreign workers (Canada and British Columbia)*

Although not formally a part of its mandate, the Task Force found it impossible to exclude the Temporary Foreign Worker Program from its review given the crucial role it plays in helping employers fill urgent labour and skills shortages.

The Task Force was surprised to find out that the number of temporary foreign workers in British Columbia has ballooned over the past decade – from approximately 15,000 in 2000 to 69,000 in 2011.<sup>17</sup> At one end of the skills spectrum, employers have attracted highly-skilled temporary foreign workers to fill urgent roles for which no qualified permanent residents or Canadians are available. At the other end of the skills spectrum, low- and semi-skilled temporary foreign workers have been increasingly relied upon to fill entry-level positions in the service and other sectors.

Business representatives communicated widespread challenges in accessing temporary foreign workers. The Labour Market Opinion, a federal requirement that confirms that no Canadians are available to fill job openings, was described as “extensive”, “challenging to navigate”, “lacking transparency”, “overly rigid” and “out of touch

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17 Citizenship and Immigration Canada, Facts and Figures: <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

with business realities". As an example, one employer noted that the same application form was used to justify bringing in both a cashier and a software engineer specializing in digital media. Another employer pointed out how "out of touch with business realities" the process was when he noted that Service Canada employees were unaware that the unemployment rate in Northeast BC was below four per cent.

This is especially true for project-based industries, which described the Labour Market Opinion process as a hindrance to securing the best workers for the job, a key feature in maintaining competitiveness in globally-based industries. These views reflect the outcomes of a recent BC Business Council survey on the Temporary Foreign Worker Program, which found that the survey respondents who had used the program were only moderately satisfied with the experience because it is "slow", "expensive" and "lacking consistency".<sup>18</sup>

Businesses also communicated other significant challenges in recruiting temporary foreign workers. One employer, for example, noted that he paid a recruitment agency over \$100,000 to fill 20 vacancies through immigration but in the end, managed to attract only a handful of workers. Other businesses provided additional, though less extreme, examples of similar challenges in recruiting temporary foreign workers to fill job openings.

**FINDING 5:** *Employers and industry support an immediate shift to a demand-driven economic immigration system.*

**Recommendations:**

- *Immediately increase BC's PNP cap to at least 5,000 in 2012, and 6,500 in 2013, to respond to demonstrated labour and skills shortages across British Columbia's regions (Canada)*
- *Broaden the BC PNP's Entry-Level and Semi-Skilled Stream to support retention of low-skilled temporary foreign workers who fill permanent roles (British Columbia)*
- *Increase the number of occupations eligible for the FSWP to better reflect British Columbia's regional and province-wide skills needs (Canada)*
- *Use the successful BC PNP as a guide in developing a more demand-driven economic immigration system (Canada)*
- *Work with the Industry Training Authority, trades training organizations and employers to maximize employment opportunities in trades for British Columbians (British Columbia)*

Temporary solutions alone will not address the long-term challenges facing businesses and communities in British Columbia, and stakeholders made consistent calls for government to aggressively expand regionally-responsive economic immigration programs.

By virtue of its flexible, demand-driven nature, strong calls were made for governments to grow the BC PNP as the most effective option for employers looking to fill permanent vacancies through immigration. Businesses across the province confirmed the results of an independent evaluation of the Program completed in 2011<sup>19</sup> – that is, that the program is currently the most effective way to attract immigrants to regions outside of the Lower Mainland, and that the large majority of those who are recruited through the Program remain in the province, are successfully employed and benefit from higher employment earnings compared to skilled workers selected by the federal government.

As immigration officials have confirmed, a blurring of the lines between immigration programs is occurring

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18 [http://www.bcbc.com/Documents/REF\\_201103\\_Survey\\_TempForeignWorkerandProvincialNomineePrograms.pdf](http://www.bcbc.com/Documents/REF_201103_Survey_TempForeignWorkerandProvincialNomineePrograms.pdf)

19 BC Provincial Nominee Program Evaluation Report, 2011: [http://www.welcomebc.ca/local/wbc/docs/immigration/come/BCPNPEvaluation\\_MainReport\\_2011.pdf](http://www.welcomebc.ca/local/wbc/docs/immigration/come/BCPNPEvaluation_MainReport_2011.pdf)

whereby individuals are coming to Canada on a temporary basis and remaining permanently through various programs. Expansion of the BC PNP was recommended as the most effective mechanism to retain temporary foreign workers who fill permanent jobs across all skill levels. As one Cranbrook hotel operator confirmed, his ability to retain semi-skilled temporary foreign workers through the BC PNP had allowed his business to stay open.

Operationally, employers, immigration lawyers and consultants praised the BC PNP for its hands-on and facilitative approach. They commented that the ability to speak directly to BC PNP staff makes the application process more efficient and expedient. By contrast, the federal immigration process was viewed as inflexible. Referring to the Federal Skilled Worker Program, one speaker noted that it was easy to make a mistake but once made, the application was refused and they had to start all over again.

Stakeholders across British Columbia also confirmed that the FSWP remains challenged to respond to regional skills needs. A large majority of newcomers who come through this program settle in the Lower Mainland, where they experience difficulties in finding jobs.

The Task Force also heard loud and clear that the FSWP does not allow for effective attraction of workers, especially in trades occupations, including the construction and mining industries. Notwithstanding the fact that new immigrants with trade skills play a critical role in filling BC's labour market needs, employers also stressed the importance of preparing British Columbians to fill the significant number of trades job openings, starting with building awareness of the career opportunities available as a journeyperson.

As outlined in the 2012 federal budget, in the short-term, planned changes to the program – to attract more workers in trade occupations and consider foreign credential assessment as part of immigration application and selection process – are seen by stakeholders as steps in the right direction. In the long-term, the federal government's move to a employer demand-driven immigration system holds promise if it allows for more effective management of application intake, as well as a bigger role for employers and other business interests to select immigrants with the skills required to meet BC's labour market needs.

One challenge identified through meetings with Citizenship and Immigration Canada to move to such a model was the large backlog of FSWP applications awaiting processing, currently estimated at over 400,000 applications.<sup>20</sup> The 2012 federal budget measure to eliminate the FSWP backlog is a positive development, as it will result in additional flexibility and a faster transition to a demand driven model.

In the context of the consultations, ongoing efforts to mine the existing backlog through identifying and nominating high potential candidates under the BC PNP were described by stakeholders as "promising". In many ways, this pilot project can be seen as a test case for how governments can collaborate to engage employers in attracting immigrants with the skills BC requires under a national program.

Until the short and long term changes are implemented, the Task Force strongly believes that Citizenship and Immigration Canada should expand the BC PNP as the most effective means of meeting the needs of employers across British Columbia's regions.

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20 Citizenship and Immigration Canada, Quarterly Administrative Data: <http://www.cic.gc.ca/english/resources/statistics/data-release/2011-Q3/index.asp>



**FINDING 6:** *Pathways to attract and permanently retain international students need to be expanded to increase the supply of workers, support innovation and allow for a better regional distribution of immigration.*

**Recommendations:**

- *Revise the eligibility criteria for the CEC and BC PNP to allow more international students from authorized institutions to remain in British Columbia after graduation without a job offer (Canada and British Columbia)*
- *Ensure all international students are aware of the employment services available and the options to become permanent residents upon arrival (Canada and British Columbia)*
- *Allow all international students from authorized institutions to work in BC during their studies and after graduation (Canada)*

After Ontario, British Columbia is home to the second largest cluster of international students in Canada, the majority of whom are enrolled in colleges and universities.<sup>21</sup> Through the Off-Campus and Post-Graduation Work Permit Programs, an increasing proportion of international students gain Canadian work experience and through the BC PNP and the Canadian Experience Class, an increasing number settle permanently in the province.

Stakeholders who met with the Task Force recognized the benefits of international students as a key group to target for long-term retention in British Columbia. According to these individuals, these students bring new ideas and perspectives to BC's education system, and inject significant levels of spending into local economies. Post graduation, through their educational experience and knowledge of both BC and their countries of origin, international students infuse innovation into BC's labour market and economy by entering the workforce.

Because they also maintain strong links with their countries of origin, international students can serve as a social gateway for BC industries and employers, further enhancing BC's position as the investment gateway to Asia.

Across British Columbia, stakeholders expressed an interest in seeing governments take more aggressive steps to retain international students as immigrants given they have Canadian degrees, are proficient in English and in many cases, are employed and have established networks in their host communities. Many international students are located in educational institutions in regions across BC and thus, retaining these students as workers will go a long way to help address labour and skills gaps in these communities.

One university on Vancouver Island noted that of the 1,700 international students currently enrolled, over 60 per cent would like to stay post graduation. However, many students are not aware of the mechanisms to stay when they begin their studies. Those able to obtain this information often do so near the end of their study or work permit, and find themselves unable to remain in Canada while their applications for permanent resident visas are being processed. With only 265 of the over 60,000 international students in British Columbia taking advantage of the Canadian Experience Class in 2010, this program is underutilized.

Representatives from the education sector indicated a need to raise awareness among international students about their immigration options. One model that has proven successful is the provision of immigration information in orientation materials and sessions. Calls were also made to extend eligibility for, and the duration of, visas provided under the off-campus and post-graduation work permit programs to allow a greater proportion of international students more time to develop labour market attachments. This includes students graduating from select hybrid programs (i.e. those with an online component) at provincially-accredited institutions, to allow more time for students to gain the experience they require to qualify for permanent residency under various programs. Challenges were identified with finding employment due to a lack of awareness regarding the employment services available to international students, including those available at BC's employment centres.

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21 Citizenship and Immigration Canada, Facts and Figures: <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

**FINDING 7:** *Foreign entrepreneurs provide capital and know-how to support business development and succession. Not enough is being done to attract and support them, especially in regions outside the Lower Mainland.*

**Recommendations:**

- *Facilitate business succession planning by marketing regional business opportunities to potential entrepreneurs overseas, and setting up business mentorship programs to maximize their success (British Columbia)*
- *Explore changes to the requirement for entrepreneurs to operate a business in order to facilitate investment pooling in larger-scale businesses under the BC PNP (Canada and British Columbia)*

Throughout the consultations, the Task Force heard about the importance of foreign entrepreneurs in supporting economic development and business succession. Immigrant entrepreneurs represent an excellent source of new capital for business growth and continuity, generate economic activity, create jobs and provide essential services for local residents and communities.

According to the Canadian Federation of Independent Businesses, over 50 per cent of small- and medium-size enterprise owners intend to retire over the next decade. However, most of them have no clear plans for succession. Beyond the lost services for the communities, this also means that for many of these business owners, their retirement income is reduced if they cannot sell their business and instead simply close. Across the province, stakeholders echoed this problem. For example, in Penticton, economic development officers pointed to the fact that many local family-owned wineries have not identified successors to take over their businesses. They suggested immigrant entrepreneurs be attracted to purchase the wineries, which would allow local jobs to be maintained as well as the spinoff economic activity generated by the wine tourism industry, creating a win-win situation. Similar opportunities were identified for other sectors especially the retail and service sector in communities across the province.

Throughout the province, stakeholders expressed strong support for continued expansion of the BC PNP's Business Stream given the Program's demonstrated effectiveness in attracting entrepreneurs expediently. An independent evaluation of the BC PNP, completed in 2011, found that foreign entrepreneurs nominated by the Province between 2005 and mid-2010 invested over \$423 million into the provincial economy and created more than 1,100 jobs, more than half in regions outside of the Lower Mainland.<sup>22</sup>

While a number of large capital investments have been made by entrepreneurs selected under the BC PNP, the majority of the businesses have a net worth of less than \$500,000.<sup>23</sup> One area of opportunity suggested by participants was to revise the requirement that entrepreneurs must actively manage the business they invest in to permit a group of entrepreneurs to pool their capital to buy or develop larger businesses.

In expanding the program, it was suggested that a strong emphasis be placed on working with local partners to identify investment opportunities in regions across British Columbia, market these opportunities to potential entrepreneurs overseas and attract them in a timely manner. It was also suggested that business mentorship programs and other settlement supports be developed and put in place to help unlock the full potential of entrepreneurs. In addition to dedicated services, it was suggested that more information be provided to help entrepreneurs navigate their new environments and make lasting contributions to their host communities.

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22 Provincial Nominee Program Evaluation Report, 2011: [http://www.welcomebc.ca/local/wbc/docs/immigration/come/BCPNPEvaluation\\_MainReport\\_2011.pdf](http://www.welcomebc.ca/local/wbc/docs/immigration/come/BCPNPEvaluation_MainReport_2011.pdf)

23 Provincial Nominee Program Evaluation Report, 2011: [http://www.welcomebc.ca/local/wbc/docs/immigration/come/BCPNPEvaluation\\_MainReport\\_2011.pdf](http://www.welcomebc.ca/local/wbc/docs/immigration/come/BCPNPEvaluation_MainReport_2011.pdf)

**FINDING 8:** *BC's share of capital collected through the Federal Immigrant Investor category is not commensurate with the number of investors residing in BC.*

**Recommendations:**

- *Increase the minimum investment threshold for the Federal Immigrant Investor Program to increase the amount of capital available for BC (Canada)*
- *Revise the allocation formula for the FIIP to better reflect the settlement patterns of investors within Canada (Canada and British Columbia)*
- *Establish a selection mechanism that leverages the business know-how of federal immigrant investors (Canada)*

Through the FIIP, the Province secures interest free capital to support economic development. Managed through the British Columbia Immigrant Investor Fund, the capital is used to support public infrastructure projects including building and upgrading schools, universities, colleges, hospitals, roads and bridges. Through supporting venture capital funds, a portion of the funds are also used to support high technology businesses in the clean technology, information technology, life sciences and new media sectors.

In assessing the effectiveness of the FIIP in supporting British Columbia's economic development, the Task Force identified a large gap. Although British Columbia settles over half of passive investors in Canada <sup>24</sup>, the Province receives less than 20 per cent of funds accumulated through the Program. This is due to the allocation formula, under which funds are allocated based on proportional GDP shares, and not the province where investors intend to reside. One exception is Quebec, which receives all of the funds for investors bound to the province, although stakeholders confirmed that a high proportion of investors selected by Quebec end up residing in British Columbia.

Throughout the consultations, especially across the Lower Mainland, financial sector representatives confirmed that there is no shortage of international investors who are interested in doing business in Canada. According to many, extensive processing times and annual caps on new applications are resulting in many investors "taking their money elsewhere". It was suggested that current investment thresholds, which were doubled a few years ago, should continue to be increased, and that this would not constrict the supply.

At the same time, stakeholders recommended that governments find ways to harness the know-how of immigrant investors, many of whom maintain strong economic ties with their countries of origin in Asia and elsewhere. Through mentorship and other supports, governments could help investors channel their capital and energy in high priority areas, creating win-win situations for investors and British Columbia. Beyond business supports, it was also suggested that settlement supports are crucial to ensuring investors are able to adapt to their new environments effectively.

Following a strict interpretation of the mandate of the Task Force, the next two key findings and recommendations are outside the scope of the Task Force's mandate. However, settlement and integration and qualification recognition impact the outcomes of economic immigrants and efficacy of the economic immigration programs. No matter how carefully economic immigrants are selected, their ability to adapt and respond to changing economic environments after they arrive in BC are dependent on these factors.

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24 Citizenship and Immigration Canada, Facts and Figures: <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

**FINDING 9:** *Settlement and integration services are crucial to the success of immigration programs and the attraction and retention of economic immigrants in regions across BC.*

**Recommendations:**

- *Ensure effective settlement and integration programs are available in communities across the province (British Columbia)*
- *Engage industry, local governments, and non-governmental organizations in settling and integrating immigrants, especially in communities outside the Lower Mainland (British Columbia)*
- *Continue to fund settlement and integration programs commensurate to immigration levels (Canada)*

As the Task Force travelled throughout British Columbia, stakeholders consistently expressed the need for increased access to settlement and integration services for economic immigrants in smaller and regional communities.

Many stakeholders saw settlement services as crucial for attracting immigrants to regions outside the Lower Mainland and ensuring their labour market success. One employer noted that over 50 per cent of immigrants had not committed to staying in that community. This dynamic proves challenging for employers to plan and manage their human resource needs.

The Task Force learned that while there are a range of settlement services in regions, including information and referral services and language training, the awareness and accessibility of these services vary between communities.

In addition, stakeholders also indicated that continued investments are needed to enable communities and work places to more effectively and consistently welcome newcomers. One example of a successful partnership was in Kitimat where a local employer worked with a settlement agency to attract 10 immigrants to the community. Given the limited population of the community, efforts such as these have a large impact. Yet many employers emphasized they do not have the capacity to provide the full range of services required by immigrants. It is clear that ongoing work to strengthen capacity within BC communities and workplaces to welcome immigrants—particularly in regional and smaller communities— will continue to be important for ensuring that economic immigrants and their families are well integrated into the labour market and successful over the long-term.

**FINDING 10:** *Challenges with recognizing foreign qualifications and work experience by regulators and employers prevent economic immigrants from fully contributing to BC's labour market.*

**Recommendations:**

- *Establish a review panel to investigate foreign qualification barriers identified through examination of individual assessments in collaboration with regulators in occupations crucial to economic growth (British Columbia)*
- *Help employers understand and evaluate foreign qualifications and work experience (British Columbia)*

A key challenge that was repeatedly raised by stakeholders in regions across BC was the difficulty with adequately assessing the international credentials and work experience of economic immigrants. The impact of this challenge is born out in the relatively lower employment rates and earning of immigrants and ultimately, the fundamentally poor utilization of immigrants' skills to support BC's economic growth.<sup>25</sup>

The Task Force heard a number of issues and concerns from stakeholders who had difficulties with recognizing international qualifications and experience, or who had experienced first-hand the effects of failing to effectively assess certain skills, such as English language proficiency. This is due, in part, to the large numbers of economic immigrants who are admitted under the FSWP. In administering the Program, Citizenship and Immigration Canada selects immigrants based on a quantitative assessment of their human capital attributes (i.e. does the applicant have a university degree), but not a qualitative assessment (i.e. is the education and training the applicant received transferable in Canada). Because of this, the responsibility for that qualitative assessment falls on employers or regulators for occupations that require a license to practice, such as nurses.

Challenges can be especially acute for small businesses and can hinder their ability to attract and retain immigrants. The process of reviewing and assessing foreign education and training against BC standards was described by some stakeholders as "cumbersome", "lengthy", "costly" and "handled with little transparency" by some regulators.

While participants expressed respect for the standards established by BC's many regulatory and licensing agencies, they also stressed the importance of finding creative solutions to address qualification challenges, such as employer contributions to offset the costs of credential recognition or assessment of qualifications prior to the immigrant departing for BC or even prior to applying to immigrate. To address the challenges with assessing foreign work experience, some suggested collaborating with unions to support training. The Task Force heard that creating more transparent, streamlined, responsive and cost-constrained processes would lead to better labour market outcomes for economic immigrants and greater economic benefits for communities.

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25 TD Canada Trust, *Knocking Down Barriers Faced by New Immigrants to Canada*, February 2012: [http://www.td.com/document/PDF/economics/special/ff0212\\_immigration.pdf](http://www.td.com/document/PDF/economics/special/ff0212_immigration.pdf)



## APPENDIX A

### TASK FORCE COMPOSITION AND METHODOLOGY

With a view to delivering on its mandate, the Task Force undertook a large-scale public consultation effort. Regional consultations were held in every economic development region in BC including the communities of Prince George, Fort St. John, Nanaimo, Cranbrook, Surrey, Richmond, Kitimat and Penticton. Although an effort was made to engage stakeholders from surrounding areas, those who were unable to attend regional consultations or wished to provide additional perspectives were invited to provide written submissions via email or through a dedicated website. Perspectives received through both channels were carefully considered by the Task Force, and informed development of this report.

A broad and diverse range of stakeholders including regional and municipal leaders, economic development officers, regional chambers of commerce, industry and sector associations, employers, labour representatives, settlement service providers, community associations and other groups were engaged by the Task Force and provided their perspectives on current economic and labour market development pressures, as well as challenges and opportunities relating to the economic immigration system. This includes:

- Major economic sectors
  - Construction (BC Construction Association, employers)
  - Mining (regional sector associations, employers)
  - Energy (regional sector associations, employers)
  - Agriculture/Agrifoods (employers)
  - Tourism (Go2, regional sector associations, employers)
  - International Education (BC Council on International Education, post-secondary institutions)
  - Transportation (sector associations, employers)
  - Forestry (employers)
  - Other
    - Retail, sales and services (Western Canada Retail Council, employers)
    - Manufacturing (Canadian Manufacturers and Exporters, employers)
    - Film and media (BC Film and Media, employers)
    - Financial and banking (employers)
    - Health (regional health authorities)
- Other business and economic development
  - BC Business Council
  - Canadian Federation of Independent Business
  - Regional Chambers of Commerce
  - Regional Economic Development Offices
  - Organized labour (sectoral associations)
- Other regional and community development
  - Municipal and regional leaders
  - Settlement service providers
  - Community associations

## APPENDIX B

### OVERVIEW OF ECONOMIC IMMIGRATION PROGRAMS

#### *BC Provincial Nominee Program (PNP)* – Co-managed by Canada and BC

The PNP allows BC employers to attract and retain qualified foreign workers to meet current and future labour needs by providing an expedited pathway to permanent residency. It also helps attract business investment and facilitate job creation across the province.

Nominees must either have a job offer of indeterminate length from a BC employer, have a master's or doctorate degree from a BC post-secondary institution in select fields or be experienced entrepreneurs who are willing to invest in and actively manage a business in BC.

The BC PNP is made up of two main components:

1. Strategic Occupations – applications are considered in five categories, including Skilled Workers, Designated Health Professionals, recent international graduates from eligible Canadian post-secondary institutions, recent master's and doctorate graduates from a BC post-secondary institution in the natural, applied or health sciences, and entry-level or semi-skilled workers in select occupations; and,
2. Business – applications are considered in three categories, including Business Skills, Regional Business and Strategic Projects.

While BC establishes the selection criteria and evaluates applications in order to nominate immigrants for expedited permanent residence under this program, the federal government retains final selection authority and determines admissibility of applicants on the basis of health, criminality and security grounds. Prospective immigrants apply first to the BC PNP for nomination and then to the federal government to become Permanent Residents, along with their immediate family members.

The BC PNP was established in 2002 and total admissions in the Provincial Nominee class increased to 4,900 in 2010 (including spouses and dependants of Nominees) before dropping to 4,303 in 2011. Admissions under the PNP represent 11 per cent of overall immigration to the province<sup>26</sup>. Since 2010, the federal government has limited the BC PNP to 3,500 nominations annually.

A national evaluation of the PNP released by the federal government in January 2012 found the program to be highly effective. Similarly, a comprehensive evaluation of the BC PNP conducted by the Province in 2011 showed very strong outcomes for BC nominees and for the economy of the province.

#### *Federal Skilled Worker Program (FSWP)* – Managed by Canada

The FSWP was established to attract immigrants who possess skills and capabilities that enable them to integrate and contribute successfully to the Canadian labour market and economy. Applicants to the FSWP are assessed based on their education, work experience, age, English and/or French abilities, adaptability, and other criteria shown to result in economic establishment in Canada. The FSWP remains the largest source of economic immigrants for Canada and BC.

Between 2006 and 2010, the FSWP made up 50 per cent of economic immigration to Canada and about one-third of overall immigration. FSWP admissions to BC have fluctuated significantly over the past decade from a high of 21,810 in 2005 to a low of 10,028 in 2011.<sup>27</sup>

For many years, the number of applications to the FSWP far exceeded annual processing and admissions targets.

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26 Citizenship and Immigration Canada, *Facts and Figures*: <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

27 Citizenship and Immigration Canada, *Facts and Figures*: <http://www.cic.gc.ca/english/resources/statistics/menu-fact.asp>

As a result, a large backlog of applications accumulated. In June 2008, the federal government amended the Immigration and Refugee Protection Act, removing the obligation to process all applications received to a final decision and authorizing the Minister to issue priorities for visa processing. The federal government put in place additional screening criteria for the FSWP, called Ministerial Instructions, in order to help manage application intake volumes, reduce the backlog, and better align new applications received with labour market and economic demands. Under Ministerial Instructions, applications are restricted to individuals with experience in 29 select occupations (and there is a numerical cap of 500 applications per occupation) or to those with Arranged Employment Offers in Canada. The federal government also recently added a component to the FSWP which allows up to 1,000 international students who have completed at least two years of a PhD at a provincially authorized post-secondary educational institution to attain permanent residency. Currently, there are approximately 473,000 FSWP applicants awaiting a decision (this includes 309,000 applications in the pre-2008 backlog, and 164,000 under Ministerial Instructions).<sup>28</sup> In 2012, the federal government plans to admit between 55,000 and 57,000 immigrants in the FSW class.<sup>29</sup>

#### *Federal Immigrant Investor Program (FIIP) – Managed by Canada*

The FIIP seeks to attract experienced business people to invest in Canada's economy. Investors must have sufficient business experience, a minimum net worth of \$1.6 million and make an interest-free investment of \$800,000 with the federal government to obtain permanent residency. After a period of 5 years, the invested funds are returned to the immigrant investor.

Funds are distributed to provincial governments based on the GDP of participating jurisdictions, not the province or territory where the immigrant investors intend to settle. Although 58 per cent of federal investor immigrants settle in BC, the Province receives 16 per cent of the total investment capital accumulated through the program.<sup>30</sup> In 2010, over \$681.2 million was allocated to participating provinces and territories for investments that support economic development.<sup>31</sup>

In 2010, a lengthy backlog of FIIP applications led the federal government to impose an annual cap of 700 new applications to assist with backlog reduction efforts.

#### *Canadian Experience Class (CEC) – Managed by Canada*

The CEC allows individuals with Canadian work experience or who have graduated from eligible Canadian post-secondary programs and recently worked in Canada to apply for permanent residency from within Canada. The CEC helps to facilitate the retention of temporary residents with skilled work experience in Canada.

Launched in 2008, admissions under the CEC have remained relatively low. Nationally, CEC admissions grew from 2,545 to 3,918 (which includes principal applicants as well as their spouses and dependants). Admissions to BC grew from 385 to 572 between 2009 and 2010.<sup>32</sup>

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28 Citizenship and Immigration Canada, Quarterly Administrative Data: <http://www.cic.gc.ca/english/resources/statistics/data-release/2011-Q3/index.asp>

29 Citizenship and Immigration Canada, Annual Report to Parliament on Immigration, 2011: <http://www.cic.gc.ca/english/resources/publications/annual-report-2011/index.asp>

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