



## Canada's Economic Immigration Program to be Transformed

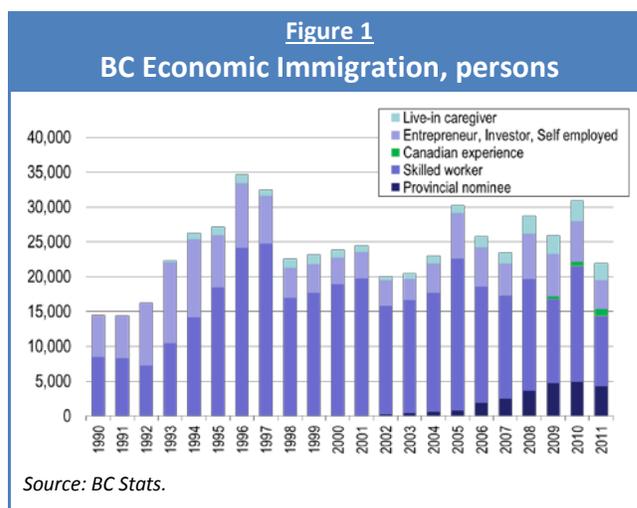
The Conservative government is embarking on a major overhaul of Canada's economic immigration program. The new approach will give employers a greatly elevated role in the immigration process and hopefully reduce lengthy delays that have long plagued the immigration system. If it runs as anticipated, the revamped program should help deliver skilled immigrants to sectors and regions of the country where they are needed – and do so faster.

The development of the 'Expression of Interest' (EOI) system is intended to fundamentally transform the economic immigration process from a purely supply driven model to more of a demand driven process. Rather than entering a queue in which applicants are dealt with on a first-in-first-out basis, the EOI process establishes a pool of prospective immigrants who are to some degree 'pre-qualified'. Employers will be able to search this pool for candidates possessing the skills they are looking for. Under this model, the employers' role shifts from a passive one in which they are looking for job candidates once the immigrants have been admitted to the country and joined the labour force, to one where they are selecting candidates for visas before arrival in Canada and thus more actively shaping the workforce.

### Background

The need for more skilled immigrants is well documented. As we move through this decade many more people will retire from Canada's existing workforce. At the same time, lower fertility rates mean a smaller number of

Canadian-born individuals will be entering the workforce in the coming years. In addition to the fundamental demographic challenges, stepped up resource project activity in the Western provinces is resulting in strong demand for skilled trades, project managers, engineers, and some other types of workers. By the middle of this decade immigration will account for the vast majority of the net growth in the Canadian labour force.



Currently, there are a number of different programs under the rubric of economic immigration. Among the paths to permanent residency, the federal skilled worker program is the largest. It is a points-based system where applicants receive points for different criteria such as language, age, education, labour market experience, and so on. Under the business immigrant stream, individuals can apply to become a Canadian resident as an investor, entrepreneur or self-employed person. The Canadian experience class (CEC) is a pathway to permanent residency for temporary foreign workers and international

students studying in Canada. And finally, the provincial nominee program (PNP) allows provinces to nominate applicants of all skill levels who meet a specific role for an employer. The PNP is one area of immigration where companies have a direct influence over immigrants that are selected.

In addition to the above noted permanent pathways to residency, the temporary foreign worker program accounts for a significant number of people currently residing in Canada. Companies that cannot find suitable Canadian workers may hire a temporary foreign worker, subject to meeting various requirements established by the federal authorities.

For permanent residency, the flagship program is the federal skilled worker program. In 2011, 57,000 immigrants were accepted through this stream, which amounted to 37% of all economic immigrants. More than 10,000 of these skilled worker immigrants settled in BC, which was close to half of all economic immigrants arriving in the province that year. While use of the PNP has grown quickly, it is still a relatively small part of economic immigration in BC. The federal-skilled worker program accounts for a larger share of immigration to our province.

Ottawa's plan is to have the EOI system operational about 18 months from now. In the meantime, the government is making changes to the federal skilled-worker program to help address skill shortages and improve labour market outcomes for new immigrants. For one thing, it is adjusting the points grid: points for age will be

restructured to favour younger applicants, and additional points will be awarded for Canadian work experience (the latter shift will be of particular benefit to temporary foreign workers). In addition, a minimum language threshold is being put in place along with a requirement for a third party assessment of an applicant's education credentials. The government is also introducing a skilled trades stream, in recognition of shortages in this key area. It will be designed to recognize the reality of different provincial certification processes for certain trades.

**Table 1**  
**Skilled Workers and Professional**  
**Immigration Points**

<b>Selection Factor</b>	<b>Maximum Points</b>
Education	25
Proficiency English / French	24
Experience	21
Age	10
Arranged Employment	10
Adaptability	10
<b>Maximum Points</b>	<b>100</b>
<b>Pass mark</b>	<b>67</b>

*Source: Citizenship and Immigration Canada.*

Note that currently there is an employer role within the federal skilled worker program, in that candidates with an offer of employment can be fast-tracked. For reasons that aren't clear to us, the uptake for pre-arranged employment and subsequent fast-tracking has been quite slow, perhaps because this option is not widely known. In 2002, 1,673 immigrants were fast-tracked in the skilled worker program; by 2011 this figure had increased to just 3,477.

### **Moving to a Demand Driven Process**

A much more far-reaching restructuring of Canada's immigration system will occur with the implementation of the EOI process. Once in place, the new demand driven process will include a more significant and clearly defined role for employers. Importantly, this should allow for immigration processing to happen in a number of months rather than years.

The EOI process will be built around the creation of a pool of skilled immigration candidates who are deemed ready to begin working in Canada. It will be a two-stage system, beginning with candidates completing an online application form that includes information such as age, language skills, education, work experience, occupation, job offer, willingness to settle in a particular region, and so on. This represents the candidate's "expression of interest" in coming to Canada. It is not an actual application but only the first step in potentially being invited to apply for immigration to Canada. All EOIs will be entered into a database where they can be sorted, ranked and searched on the basis of the skills, education, overall point total or any other criteria included in the first stage. Candidates are eligible to apply for an immigration visa only if their EOI is drawn from the pool.

Candidates will be selected based on a set of clear and transparent rules. EOIs that are not chosen will remain in the pool for a prescribed period of time. Candidates will be permitted to submit a new EOI if they are removed from the pool.

### **New Zealand was the Innovator**

New Zealand introduced an EOI system in 2003 because of a desire to move from a model based on the passive acceptance of applications to one featuring active recruitment of immigrants who could best meet the country's labour market and economic needs. A concomitant goal was to improve immigration outcomes by giving candidates with job offers in hand high priority.

To date, New Zealand's EOI system has been effective. As many as 92% of all candidates who are selected have a job or job offer in New Zealand. Perhaps even more noteworthy, fully 85% of successful principal applicants are already in New Zealand – either as temporary foreign workers or as students. This suggests there is a strong linkage from temporary to permanent residency. In terms of processing time, New Zealand reports that visas are issued to successful candidates in less than one year from the time applications are first received. New Zealand holds a draw every two weeks to pull applicants from the pool. Individuals must reach a threshold of 100 points to gain entry to the pool and thus possibly be selected to apply for a visa, while those who have more than 140 points are automatically invited to apply.

Australia recently (July 2012) launched its own EOI system. It is now mandatory for skilled workers looking to immigrate to Australia to use the EOI process, replacing previous skilled worker immigration streams that were similar to Canada's federal skilled worker, business and Provincial Nominee programs.

Under their new system, employers registered with the Australian Tax Office are able to search the EOI database and access blind profiles of candidates. Companies are then able to nominate individuals from the pool for temporary or permanent skilled immigrant visas.

### **What Does it Mean for Employers?**

When these changes come into effect there will be three broad economic immigration streams in Canada: federally selected immigrants, provincially selected (under the PNP) immigrants, and employer-selected immigrants. Employers already play a significant role in the PNP system (and a limited role in the federal skilled worker program), but the advent of an EOI system means employers will have a greater role in influencing a large majority of the overall economic immigration that takes place.

Exactly how employers will engage in a new EOI system has yet to be fully scoped out. The federal government is contemplating having a registry to confirm the *bona fides* of all companies wanting to participate in the EOI process. Policy-makers are sensitive to the potential for abuse of the system by unscrupulous operators who may try to use it to secure visas for potential immigrants in the absence of a legitimate job opportunity. Use of random audits with expulsion from the system for employers who don't follow the rules is being contemplated.

At this juncture it's not clear at what stage of the EOI process employers will be best advised to search the database for potential candidates. The mechanism by which interested employers and people in the EOI

pool will make contact to decide if the job offer is a good fit still needs to be determined, along with what information employers need to make informed decisions about potential candidates. A fee for employers to register and search the database is being considered.

It is also not clear whether the size of the EOI pool will be restricted or managed, other than by putting a limit on the time a person is allowed to remain in the pool without being selected. It would be possible for CIC to manage the size and even the composition of the pool by routinely adjusting the points system. If skilled labour shortages become acute for a particular occupation or region, it would be possible to award additional points for applicants with appropriate skills or a desire to locate in a certain region of the country. In advance of finalizing the points system, policy makers will need to think about whether it will essentially be fixed and reviewed only periodically or be more dynamic.

Finally, it will be important that employers understand any obligations that come with nominating someone for a visa through the new EOI process. Is there a time commitment associated with the job? What happens if the employment relationship doesn't work out? These are issues the Business Council will be exploring in the next couple of months.

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