

Standing Committee on Citizenship & Immigration Hearings

Recommendations

*Presented by: **Restaurants Canada***

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**Restaurants
Canada**

The voice of foodservice | La voix des services alimentaires



BACKGROUND

Restaurants and the many small and medium-sized businesses that make up the Canadian foodservice sector are a critical pillar of our culture, economy and local communities. Before the COVID-19 pandemic struck, our industry comprised more than 98,000 establishments from coast to coast to coast, serving about 22 million customers every day and contributing 4% to the country's GDP.

Prior to this crisis, **the foodservice sector was Canada's fourth-largest employer, directly employing 1.2 million people** and providing the number 1 source of first jobs for young Canadians.

Restaurants also reflect our country's enviable diversity:

- Women make up 58% of the foodservice workforce;
- 31% of restaurant owners, operators and staff belong to a visible minority; and
- Half of all Canadian restaurants are run by talented, hardworking, entrepreneurs who came here as immigrants.

Immigration was vitally important to our industry before we were hit with COVID-19, and this crisis has made the need for reforms all the more critical.

THE ISSUE

Heading into the COVID-19 pandemic, the restaurant sector was already struggling to fill more than 60,000 vacant positions.

This was about 10,000 more vacancies than just five years earlier and we were bracing for this trend to only get worse, largely due to demographic reasons: 1 in 5 Canadians between the ages of 15 and 24 are employed in the restaurant sector; but workforce participation among youth has been declining at an alarming rate.

Teens were once a reliable source of entry-level, quick-service and summer labour. But participation in the workforce among 15 to 19-year-olds had dropped by more than 6 percentage points over the decade leading up to the pandemic.

By its nature, foodservice is very labour intensive, and finding any staff, let alone staff with applicable skills and experience, has become more challenging than ever.

Our member surveys tell us the hardest to fill positions are back-of-house: line cook, prep cook, dishwasher, kitchen manager and chef. These are essential positions that restaurants might not be able to keep sufficiently staffed with the existing Canadian labour pool.

COVID-19 has turned an already challenging situation into a full-blown labour crisis for our industry.

The foodservice sector lost more jobs in the first six weeks of the pandemic than the entire Canadian economy lost during the 2008-2009 recession. No other industry comes close to this level of shortfall.

One out of every five jobs lost during the initial lockdown from March to April 2020 was in Canada's restaurant sector: During this period, more than 800,000 foodservice workers lost their jobs or had their hours of work reduced to zero.

At a time when all other industries have recovered an average of 90% of their pandemic job losses, the restaurant sector still hasn't recovered half of the jobs we lost.

According to the [April 2021 Labour Force Survey](#) from Statistics Canada, more than two thirds (70.9%) of the 503,000 jobs still missing from the Canadian economy in the wake of COVID-19 are from the foodservice sector.

Factoring in the 80,700 employees who didn't work any hours last month, there are still 437,500 fewer people working in the foodservice sector than there were in February 2020.

With a number of provinces prolonging or increasing dining restrictions as they continue to contend with the third wave of the pandemic, further foodservice job losses will likely be reported in May.

By the time restaurants across the country are ready to reopen and bring back their staff, many of these workers will have already found employment elsewhere.

What began as a shortage of 60,000 restaurant positions before the pandemic could become a substantially larger labour crisis for our industry that could jeopardize the ability of many restaurants to stay in business.

According to our member surveys, 8 out of 10 restaurants have been operating at a loss or barely scraping by over the course of the pandemic and expect to take at least a year to return to profitability. At this critical moment we need to ensure we are doing everything we can to reduce the administrative burden on foodservice businesses requiring access to foreign labour for their recovery.

WHY IT MATTERS

Persistent labour shortages put a damper on investment and expansion. Even existing businesses are at risk if they can't be properly staffed. The restaurant industry is one of Canada's largest employers, the biggest source of first-time jobs for youth, and a vital part of every urban and rural community across the country.

Improving access to foreign workers is not only critically necessary to help restaurants transition from survival to revival in the wake of COVID-19, immigrants also enrich our industry, from their culture, to our table; reforms are needed to build back a better, more vibrant future for our sector.

WHAT YOU CAN DO

As part of a comprehensive national labour strategy, Restaurants Canada is calling for the development of a Foodservice Stream of the Temporary Foreign Worker Program to help address seasonal and long-term labour shortages in our industry, incorporating the following recommendations:

- **Ensure successful applicants are included in a fast-track process for immigrant approval.**

- **Increase the cap from 10% to 20% per establishment.**
- **Stop using the Employment Rate (above 6% rate bar) to discredit TFW applications.**
- **Reduce the administrative burden on the small business owners who most heavily rely on the program by:**
 - Increasing minimum TFW work permits to 2 years.
 - Reducing the \$1,000 fee and redefining it as a “per position” fee and not asking for another \$1,000 when applications need to be fixed for minor errors or slight modifications.
- **Ensure high and intermediate skilled positions (NOC O, A and B) continue to be exempt from the 10% and 6% TFWP rules.**
- **Reinstate the 4 NOC key positions left aside by the province of Quebec**
 - **0631** – Directeur / Directrices de la restauration et des services alimentaires
 - **6321** – Chefs
 - **6322** – Cuisiniers diplômés ou expérimentés / Cuisinières diplômées ou expérimentées
 - **6332** – Boulangers-Pâtisseries / Boulangères-Pâtisseries
- **Provide exemptions that build on the current “cook” exemption from 10% and 6% TFWP rules where demonstrated need exists.**
- **Provide support and clear guidance on insurance during the transition period when the new TFW employee is not on provincial coverage.**
- **Allow minor TFW employment contract adjustments related to job duties where the employer and employee both agree with the changes.**
- **Reflect the year-round realities of labour shortages in the foodservice industry by including an option for workers to do both summer and winter seasons, with some flexibility on the seasonal work term, similar to programs currently in place for agricultural workers.**
- **Ensure more rigorous compliance, enforcement and sanctions for employers found to be in serious non-compliance with the program.**
- **With specific regard to the LMIA process, we recommend a few key actions that would greatly improve usage and uptake by the foodservice industry, including:**
 - Introduce online application processing.
 - Reintroduce an Accelerated LMIA process with streamlined forms or develop a Trusted Employer Program.

- Provide employers with a clear rationale and explanation for decisions related to Program rejected LMIA's.
 - Introduce and adhere to pre-defined service standards for processing timelines in order to provide employers with clarity and certainty regarding recruitment timelines.
 - Reintroduce an Accelerated LMIA process or develop a Trusted Employer Program for employers that consistently demonstrate compliance with the Program.
 - Enable minor TFW employment contract modifications related to job duties where the employer and employee both agree with the changes.
 - Consider reducing the \$1,000 application service standards for processing timelines fee, and charge application fees on a per-occupation basis, not for an individual.
- **Designate a point person for the foodservice industry to liaise with Restaurants Canada about TFW and immigration questions and concerns.**

CONCLUSION

As the restaurant industry transitions from survival to revival, it's critical that we lay the necessary foundation for building back a stronger, more resilient sector for the future.

Many Canadians launch their careers in foodservice, building the middle class across communities. As Canada continues to shift to a knowledge-based economy, the number of vacant positions in our sector, particularly at entry level, continues to grow at a rapid rate. A national labour strategy — with a TFWP Foodservice Stream component — is needed to recognize these realities and allow industry to collaborate with government in outlining sustainable and thoughtful solutions.