

HELP WANTED

HOW CANADA'S IMMIGRATION SYSTEM HAS FAILED TO ADDRESS THE CONSTRUCTION LABOUR SHORTAGE IN B.C.

2024 / Prepared by Jonathan Sas for the BC Building Trades



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Respectfully submitted on behalf of the 20 local craft construction unions that represent more than 40,000 highly skilled unionized construction workers in B.C.

The BC Building Trades provides coordination and support to affiliated construction unions.

By working together, organized construction workers achieve a powerful voice in government, in bargaining and in their communities.

Graphic design by Pete Tuepah, Hands on Publications



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Executive Summary

B.C.'s construction industry is facing a skilled trades shortage. The industry will need to recruit nearly 52,600 tradespeople to meet workforce demands and to replace retiring workers over the coming decade. Immigration will need to account for a growing share of that demand.

Canada's current patchwork of immigration pathways are poorly designed to meet this challenge. Over the last five years, just 7,020 tradespersons have obtained permanent residency in B.C. Meanwhile, 7,160 temporary work permits were approved across 11 construction trades in B.C. during that same period. Instead of prioritizing permanent pathways to bring in more tradespeople, there is a significant over-reliance on temporary programs. Indeed, the share of temporary workers in the construction industry in B.C. is more than double the national proportion. This undercuts wages and employment opportunities for local workers, denies migrant workers important employment rights and protections, and gives employers that overutilize these temporary programs a competitive advantage over companies hiring Canadians.

We will not be able to meet construction labour requirements and demand if the B.C. government does not make changes to better target construction workers through the Provincial Nominee Program and if the federal government does not reform the Canadian Experience Class sub-streams to better facilitate permanent entry.

To better understand how the various pathways intersect and specifically impact B.C.'s construction industry, the BC Building Trades commissioned this report to review the current immigration and temporary worker landscape.

Key Insights

- B.C.'s construction industry needs to recruit 52,600 additional workers between 2022 and 2032 to keep pace with labour demands and avoid a deficit of 18,700 construction workers.
- Nearly 30 per cent of labour supply for construction will need to come through immigration between now and 2032.
- Immigration reforms have exacerbated the construction sector's ability to attract skilled trades workers, favouring university education over training and expertise in the trades.
- Between 2016 and 2021, just 2 per cent of primary immigration applications held apprenticeship certificates compared to 76 per cent who were university educated.
- Over the last five years, just 7,020 tradespersons have obtained permanent residency (PR) in B.C. through economic class immigration streams. Only 44,000 tradespeople have been welcomed through those streams Canada-wide.
- More workers are coming in through temporary programs; between 2019 and 2023, 7,160 temporary work permits were approved across just 11 construction trades in B.C.
- The Federal Skilled Trades Program is particularly underutilized. It accounted for less than 0.2 per cent of economic immigration admissions to B.C. in 2023, with only 270 workers admitted through the program in total between 2019 and 2023.
- The supply of temporary work permits has become a permanent feature of the labour force, skewing immigration away from permanent residency. The construction sector was excluded in recent changes that were designed to reduce the overall number of temporary work permits.
- Temporary workers make up a disproportionate share of the construction industry in B.C. In 2021, they accounted for 4.7 per cent of the provincial workforce which is more than twice the Canada-wide share of 2.1 per cent.
- In 2023, temporary work permits accounted for 9 per cent of the B.C. workforce for concrete finishers, 6 per cent for insulators and carpenters, and 3 per cent for steamfitters, pipefitters and sprinkler fitters.
- The number of valid temporary work permit holders in Canada increased from 250,900 in 2010 to 1,270,360 in 2023. Those numbers do not include people working on study permits. This represents a more than 500 per cent increase.
- Temporary workers, most without a pathway to citizenship, now account for more than 6 per cent of Canada's entire workforce.
- Serious flaws in the methodology by which the government approves Labour Market Impact Assessments (LMIAs)—needed for employers to obtain certain temporary work permits—are leading to wage suppression and the distortion of B.C.'s construction labour market.

Policy Recommendations

In response, the BC Building Trades (BCBT) recommends that:

1. **THE FEDERAL GOVERNMENT** conduct an independent and transparent audit to investigate problems, abuse and mismanagement of the International Mobility Program (IMP) and the Temporary Foreign Worker Program (TFWP). Until this audit is complete, there should be a prohibition of activity in B.C.'s construction trades through the IMP and the TFWP.
2. **THE FEDERAL GOVERNMENT** update temporary worker program requirements and revise the definition and methodology for determining the prevailing wage (tied to the Investment Tax Credit), formalize construction unions' role in labour supply verification, and require a training plan and history of apprenticeship before employers are issued LMIA's.
3. **THE FEDERAL GOVERNMENT** work with Canada's Building Trades Unions (CBTU) and contractors on a special Group of Employer initiative to support the construction of infrastructure projects of strategic importance to the national economy.
4. **THE FEDERAL GOVERNMENT** facilitate the entry of more permanent immigrants into the Building Trades through the Express Entry System in order to contend with labour force pressures. This should be done through the Federal Skilled Trades Program (FSTP), PNP, and Canadian Experience Class (CEC), as well as through the expansion of pilot programs to regularize out-of-status construction workers.
5. **EMPLOYERS** not be allowed to apply for LMIA's without a strong history of participating in the apprenticeship system and an up-to-date training plan.
6. **THE B.C. GOVERNMENT** work in tandem with the BCBT to better target workers as part of the Provincial Nominee Program (PNP) trades worker draws and ensure these workers have a path to union membership.



Introduction

Immigrants are an essential and celebrated part of the BCBT membership. The construction sector has always depended on immigration and the BCBT has a proud history and tradition of support for newcomers that continues today. While ensuring an adequate supply of new skilled workers is important for the health and growth of the construction industry, so too is ensuring these policies benefit local construction workers and uphold the equal rights of immigrants coming to work in B.C.

B.C.'s construction sector is facing a significant skilled labour shortage. To meet key public policy objectives and labour market demands related to housing, energy transition and core infrastructure, all levels of government are actively considering ways to increase the supply of skilled trade workers. This includes supporting new entrants into the skilled trades, increasing the prestige of the skilled trades through mandatory certification requirements and by supplementing the existing construction workforce through immigration. In particular, the federal government is pursuing permanent immigration and temporary workforce streams to support the construction sector.

This report summarizes key information on the construction labour shortage in B.C. It also analyzes current immigration programs, how they operate and how they impact the construction sector broadly and the workforce of B.C.'s unionized trades specifically. The report demonstrates that Canada's immigration policies make it difficult to attract skilled trades workers, instead favouring temporary worker programs that allow employers to undercut the prevailing wage and subject migrant workers to fewer rights, social benefits and protections. It also showcases how current immigration policies have undercut the wages and employment opportunities of local workers. It concludes with a series of policy recommendations.

Canada's immigration policies make it difficult to attract skilled trades workers, instead favouring temporary worker programs that allow employers to undercut the prevailing wage and which subject migrant workers to fewer rights, social benefits and protections.

British Columbia's construction industry will need to recruit 52,600 additional workers between 2022 and 2032 in order to keep pace with demands and avoid a deficit of 18,700 construction workers.

Attracting new entrants to the labour market domestically will not be enough. Immigration will need to account for a growing share of that additional need.

Methodology

This report relies on both secondary research and original data analyses conducted by the BCBT. The analyses draw on several sources of government data including Statistics Canada, the Open Government Data portal and the Canada Job Bank. All of the data is publicly available and specific sources for the data are available in the endnotes. Calculations conducted by the BCBT are available upon request.

Dimensions of the Construction Sector Labour Shortage

Construction is a major contributor to B.C.'s economy. It accounts for 10 per cent of the province's GDP and contributes \$25.4 billion to the provincial economy.¹ Historic infrastructure and housing investments, the transition to a green economy and the provincial government's commitment to building critical projects quickly are only expanding the sector's growth. At the same time, an aging cohort of trades workers is combining with this growing demand to create an unprecedented skilled labour shortage.

According to a recent BuildForce Canada report, by 2032, B.C.'s construction labour force will grow from 189,500 to 203,900 workers, creating a need for an additional 14,400 hires.² But the demand is much greater because more than 38,200 workers are expected to retire in B.C. over the decade. While recruitment of new entrants to the labour market (mostly young workers under 30) can ease some of the pressure, British Columbia's construction industry will need to recruit 52,600 additional workers between 2022 and 2032 to keep pace with demands and avoid a deficit of 18,700 construction workers (Table 1).



Table 1: B.C.'s Construction Workforce 2022–2032

Retiring workers	New entrants	Additional hires	Potential shortage
-38,200	+33,900	14,400	18,700

Source: British Columbia – Construction and Maintenance Looking Forward – An Assessment of Construction Labour Markets 2023–2032, BuildForce Canada, 2023.

Immigration levels will need to account for a growing share of that additional need. Indeed, the B.C. government's labour market outlook shows that nearly 30 per cent of labour supply for construction between now and 2032 will need to come through immigration.³

Canada's Discriminatory Approach to Immigration

Canada's immigration policy has undergone many significant changes, moving historically from an outright discriminatory approach focused on white immigration to a more liberalized model focused on economic goals. Today it operates ostensibly to attract highly educated and skilled immigrants from across the globe using a points-based system to determine eligibility. Discriminatory temporary worker schemes, however, have been a near constant throughout Canada's history with seasonal (mostly racialized) workers not provided pathways to citizenship and denied the same worker rights, protections and benefits as citizens or permanent residents.

Immigration policy has undergone significant reforms over the last 30 years. These changes have systematically favoured university education over training and expertise in the trades, making it difficult for the construction sector to gain access to skilled trade workers. Changes since 2014 have also made the supply of temporary migrant workers a permanent and growing feature of the labour force, skewing the immigration system away from permanent immigration by design. Even as the federal government moves to increase permanent immigration and modestly reduce the share of temporary workers, the large supply of temporary workers who do not enjoy equal rights means a system slanted to the benefit of employers.

There are two stream types in which skilled trade workers can apply to come and work in Canada:

- As permanent residents through Economic Class streams; and
- As temporary residents through Temporary Foreign Worker streams.

The following sections provide an overview of these streams and their use and impact on the B.C. construction sector.

PART 2

Permanent Immigration and the Economic Class

Over the next three years, Immigration, Refugees and Citizenship Canada (IRCC) plans to welcome nearly 1.5 million new immigrants to Canada (Table 2), nearly 60 per cent of those through the primary economic immigration streams.⁴ The economic class is distinct from other classes such as the family class (for spouses, children and grandparents of citizens), the refugee class and the temporary resident class which includes temporary workers and those with study permits.

Even as the government moves to increase permanent immigration and modestly reduce the inflow of temporary workers, the system remains slanted to the benefit of employers, maintaining a large supply of temporary workers who do not enjoy equal rights.

Table 2: Federal Immigration Levels Plan 2024–2026

Immigration Levels Plan (2024 to 2026)			
	2024	2025	2026
Overall Plan Numbers	485,000	500,000	500,000
Economic (Federal High Skilled)	110,770	117,500	117,500
Provincial Nominee Program	110,000	120,000	120,000
Other Regional, Business, Pilot, and Quebec Programs	60,365	63,750	63,750
Total Economic	281,135	301,250	301,250
Family Class	114,000	118,000	118,000
Refugee and Protected Persons	75,115	72,750	72,750
Humanitarian and Compassionate and Other	13,750	8,000	8,000

Source: Immigration, Refugee and Citizenship Canada, Supplementary Information for the 2024–2026 Immigration Levels Plan.

Under the Economic Class, Canada awards points based on age, education, work experience and proficiency in English or French. The Economic Class streams generally favour university-educated individuals with language proficiency and tend to undervalue workers with trade certificates and other technical skills.

In response to an overwhelming number of applications and growing challenges in meeting labour shortages, Canada has created a patchwork of immigration sub-streams within the Economic Class meant to address different needs. There are four principal economic programs of relevance to the Building Trades. Through these programs, immigration candidates can be invited to apply if they meet the criteria and achieve a high enough score in the Comprehensive Ranking System. All four are part of the Express Entry system that was brought in to improve the overall management of applications.

B.C. welcomed 70,820 new immigrants in 2023, accounting for 15 per cent of the 471,700 total who immigrated to Canada.⁵ Of those newcomers, 42,690 came through economic streams.

On the following page are brief descriptions of the four main streams of the Economic Class as well as data on the share of each stream as a proportion of economic immigration to B.C. in 2023. In total, the four main economic streams accounted for 71 per cent of economic immigrants, while about 8 per cent were made up of regional, business, caregiver and other small pilot streams. Importantly, 21 per cent of economic immigration in 2023 came through the Temporary Resident to Permanent Resident Pathway, a limited-time program for certain temporary residents (and their families) who are currently working in healthcare and other “essential” sectors in Canada, including construction.⁶

Share of Economic Immigration by Stream in B.C. in 2023

Federal Skilled Worker Program (FSWP)

Applicants are required to have at least one year of continuous full-time or equivalent part-time work experience in a skilled occupation (limited to TEERs 0, 1, 2, or 3, as defined by the National Occupational Classification (NOC) system). Applicants are assessed on adaptability factors, which may include a valid job offer or provincial nomination. Skilled tradespersons usually don't qualify to immigrate under FSWP.

4,435 workers | 10% of admissions

Provincial Nominee Program (PNP)

Eligibility criteria varies depending on the specific province. Generally, applicants must have a genuine intention to settle in a particular province or territory outside of major urban centres and possess the skills, education and work experience that align with the province's economic needs and priorities. Successful applicants need to receive a nomination certificate from the province or territory to which they apply. The PNP has been a growing stream relative to the others over the past few years.

17,780 workers | 42% of admissions

Canadian Experience Class (CEC)

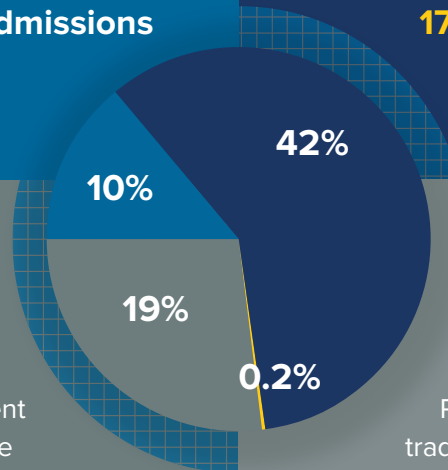
CEC offers a pathway to permanent residency for individuals who have gained skilled work experience in Canada, including workers with temporary permits in the trades. To be eligible for admission, candidates must have at least one year of full-time (or equivalent part-time) skilled work experience in Canada within the last three years before applying. This is predominantly by skilled workers outside of the trades in software engineering, IT and administration.

8,255 workers | 19% of admissions

Federal Skilled Trades Program (FSTP)

Provides a dedicated pathway for skilled trades workers. Eligible applicants must have two years of full-time experience in a skilled trade within the past five years or equivalent part-time in one of several NOC trade categories. They must possess a valid job offer for at least one year or hold a certificate of qualification. The program is critically under-utilized. In B.C., only 90 economic class immigrants came through the FSTP in 2023. This has led to a recent change in policy from IRCC that has begun to hold specific applicant "draws" for construction workers. These additional draws are limited to technical and general trades professions—trade helpers and labourers remain ineligible.

90 workers | 0.2% of admissions



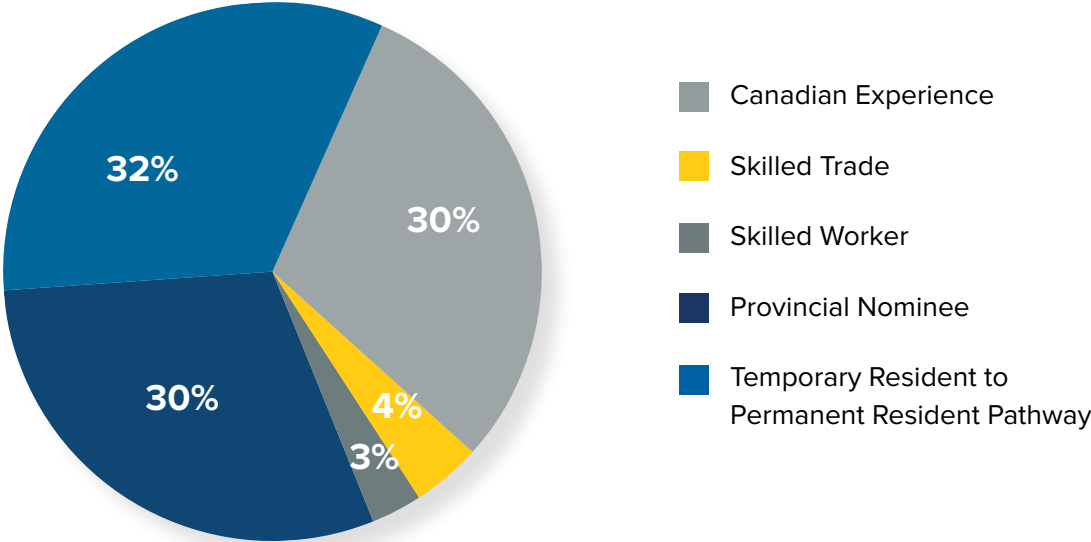
Source: Immigration, Refugees and Citizenship Canada, Admissions of Permanent Residents by Province/Territory of Intended Destination and Immigration Category, January 2015–January 2024.

Impact of the Permanent Economic Stream on B.C.'s Construction Trades

According to BuildForce Canada, the reliance on university-educated immigrants reduces “the capacity of sectors such as construction to supplement their domestic recruitment efforts with newcomers that hold apprenticeship and non-apprenticeship certificates.”⁷ Between 2016 and 2021, just 2 per cent of primary immigration applicants admitted held apprenticeship certificates compared to 76 per cent who were university educated. The overall result is an immigration system that struggles to attract skilled trades workers in an increasingly competitive global market.

According to recent data provided by the IRCC, just over 7,000 tradespeople have come to B.C. between 2019 and 2023 as permanent residents.⁸ *During that time, only 270 came through the Skilled Trades Program, accounting for just 4 per cent of admissions* (Figure 1). In total, just 44,000 tradespersons have obtained permanent residency in Canada over the last five years.⁹ Despite the government clearly signalling the need to support the skilled trade labour shortage through immigration, the programs identified have not delivered on this promise.

Figure 1: Admission of Tradespersons by Economic Stream to B.C. 2019–2023



Source: Admissions of Permanent Residents with Select Intended Occupation (4-digit NOC 2011) by Province/Territory and Immigration Category, 2019 – February 2024.

Over the last five years, 7,020 tradespersons have obtained permanent residency in B.C. through key economic class immigration streams and only 44,000 total tradespeople have come to Canada through those streams.

Migrant Workers and the Temporary Class

Canada's immigration policies allow employers to access temporary workers to fill short-term shortages in specific occupations and regions. These workers are “temporary” because they are not given pathways to become Canadian citizens. According to an analysis by Statistics Canada, the growing number of temporary foreign workers (TFW) “has enhanced their role in Canada’s overall workforce.”¹⁰ In 2010, TFWs accounted for 2 per cent of all T4 earners in the country, and this proportion increased to 4.3 per cent in 2019 and to 4.4 per cent in 2020. The same study shows that the proportion of temporary workers in the construction workforce in Canada grew from 1.4 per cent in 2010 to 2.2 per cent in 2020.¹¹ However, as explored in depth below, that share is much higher in B.C.’s construction sector generally and particularly in key building trades.

In addition to those holding study permits, Canada has two temporary foreign worker program streams: the Temporary Foreign Worker Program and the International Mobility Program.

Temporary Foreign Worker Program (TFWP)

According to IRCC, the TFWP stream “enables employers to fill labour and skills shortages on a temporary basis when Canadians and permanent residents are not available.”¹² To determine eligibility, employers must submit an LMIA that demonstrates the lack of availability of domestic labour. TFWs face particular vulnerability to abuse as they are typically tied to the specific employer named on their work permit. This creates barriers to challenging mistreatment or voicing complaints for fear of retribution and the loss of permits.

Within the TFWP, there are two temporary foreign worker streams specific to the construction sector.¹³



ACRONYMS IN THIS SECTION

TFW = temporary foreign workers

TFWP = Canada's Temporary Foreign Worker Program

IRCC = Immigration, Refugees and Citizenship Canada

LMIA = Labour Market Impact Assessment employers must submit to demonstrate need

GoE = A pilot project geared toward large-scale projects

IMP = Allows employers to hire TFWs without an LMIA or evidence

HIGH-WAGE STREAM: These are positions where the offered wage is at or above provincial/ territorial median hourly wage (e.g. trucking and construction sectors). Employers must:

- Advertise and recruit Canadians and permanent residents before looking to hire foreign nationals;
- Pay prevailing wages commensurate with the occupation where the work will occur;
- Submit details of a transition plan where the steps and commitments an employer intends to take to work towards a Canadian workforce are outlined; and
- Undertake measures to follow through on commitments made on an LMIA and be subject to inspections.

The Minister of Employment and Social Development Canada (ESDC) has the authority to revoke or suspend an LMIA.¹⁴

GROUP OF EMPLOYERS PILOT PROJECT (GoE): The GoE is geared to large-scale projects or initiatives, operating in the same industry and sector, and allows employers to band together to collectively hire and share temporary foreign workers. All three current GoEs are in industrial maintenance projects in oil and gas or electrical power generation.

- The GoE is based on a tri-partite arrangement between the owners of the project, employers (i.e. contractors working on

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the project) and the labour unions supplying labour to the contractors where all involved agree to work together to ensure Canadians and permanent residents have first access to available jobs within the project.

- The employers in the group benefit, once approved, with greater assurance their project or initiative can proceed with certainty as long as they continue to meet program requirements. LMIAs for approved groups are typically provided with a 10-day speed of service.
- Additionally, TFWs may obtain points for a valid job offer toward permanent residency under the Federal Skilled Trades Program.

International Mobility Program (IMP)

The IMP allows employers to hire temporary workers without an LMIA or providing any evidence of a labour shortage. Employers can also be granted an open work permit to hire temporary workers using the IMP. A recent Labourers' International Union of North America (LIUNA) report on the IMP summarized its two main streams: Canadian Interest and International Agreements. "Canadian interest involves the selection of migrant workers to advance the economic, cultural and national interest. International companies are allowed to import migrant workers without an LMIA, since the regulations define intra-company transferees as a national interest. Exemptions for intra-company transferees are included in the North American Free Trade Agreement (NAFTA), the Comprehensive Economic and Trade Agreement (CETA) with Europe and the Trans-Pacific Partnership (TPP) with Pacific Rim countries."¹⁵

Impact of the Temporary Class Pathway on B.C.'s Construction Trades

One of the key requirements of temporary programs is that employers must actively search for domestic workers to fill job vacancies before relying on migrant workers. This requirement is in place to ensure that local residents have priority access to jobs and to ensure that migrant workers are not being paid significantly less than those with Canadian citizenship. These programs were meant to supplement the workforce, not replace the local workforce. The BCBT has evidence that the latter is occurring in B.C.

Temporary workers make up a disproportionate share of the industry in B.C. In 2021, they accounted for 4.7 per cent of the B.C. workforce compared to 2.1 per cent Canada-wide.¹⁶ That proportion is even higher in some trades. According to the latest government data, more than 5,005 workers were approved to work across 11 key building trades in B.C. through the TFWP since 2019, including 1,370 in 2023 alone (Figure 2).¹⁷

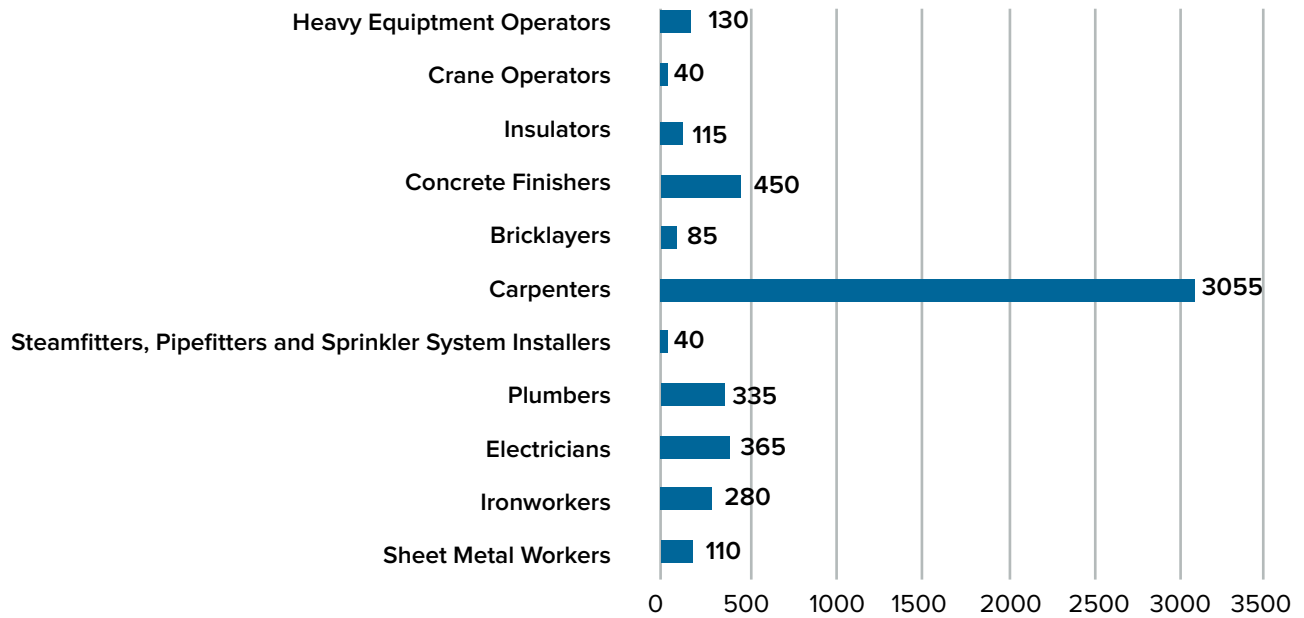


CASE STUDY

Ironworker Applications Ignored

The TFWP requires that employers post jobs on the federal government's JobBank to search for qualified applicants. Unfortunately, there seems to be little verification regarding the legitimacy of these efforts. The Ironworkers union conducted a review of employer LMIA applications and corresponding postings to Canada's job bank. In November of 2021, there were 35 postings for Ironworkers in British Columbia on JobBank. Yet none of the companies responded to local applications which indicated the Canadian applicant had a Red Seal and completed an apprenticeship through a government-supported training program. Despite not responding to local applications, half of these employers were approved to use Ironworker TFWs, either before or after the job ads were published. Further, the single-largest recipient of Ironworker TFWs in Canada failed to respond to applications.

Figure 2: TFWP Permits in B.C.'s Construction Trades 2019–2023

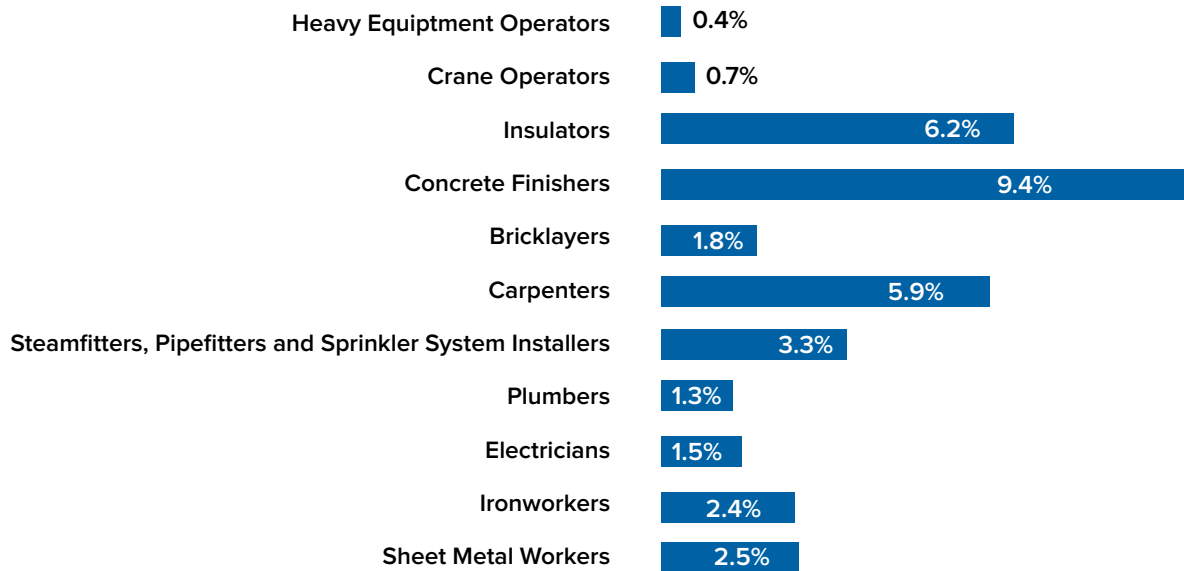


Source: Canada – Temporary Foreign Worker Program (TFWP) work permit holders by province/territory of intended destination, intended occupation (4-digit NOC 2011) and year in which permit(s) became effective, January 2015–January 2024, <https://open.canada.ca/data/en/dataset/360024f2-17e9-4558-bfc1-3616485d65b9>.

Across the construction trades, temporary work permits issued through the TFWP and the IMP represent a significant share of B.C.'s construction trades' workforce. In 2023, temporary work permits accounted for 9 per cent of the workforce for concrete finishers, 6 per cent for insulators and carpenters and 3 per cent for steamfitters, pipefitters and sprinkler installers (Figure 3).¹⁸

In 2023, temporary work permits accounted for 9 per cent of the workforce for concrete finishers, 6 per cent of insulators and carpenters, and 3 per cent of steamfitters, pipefitters and sprinkler installers.

Figure 3: Total Combined Temporary Work Permits as Share of B.C. Construction Trades in 2023

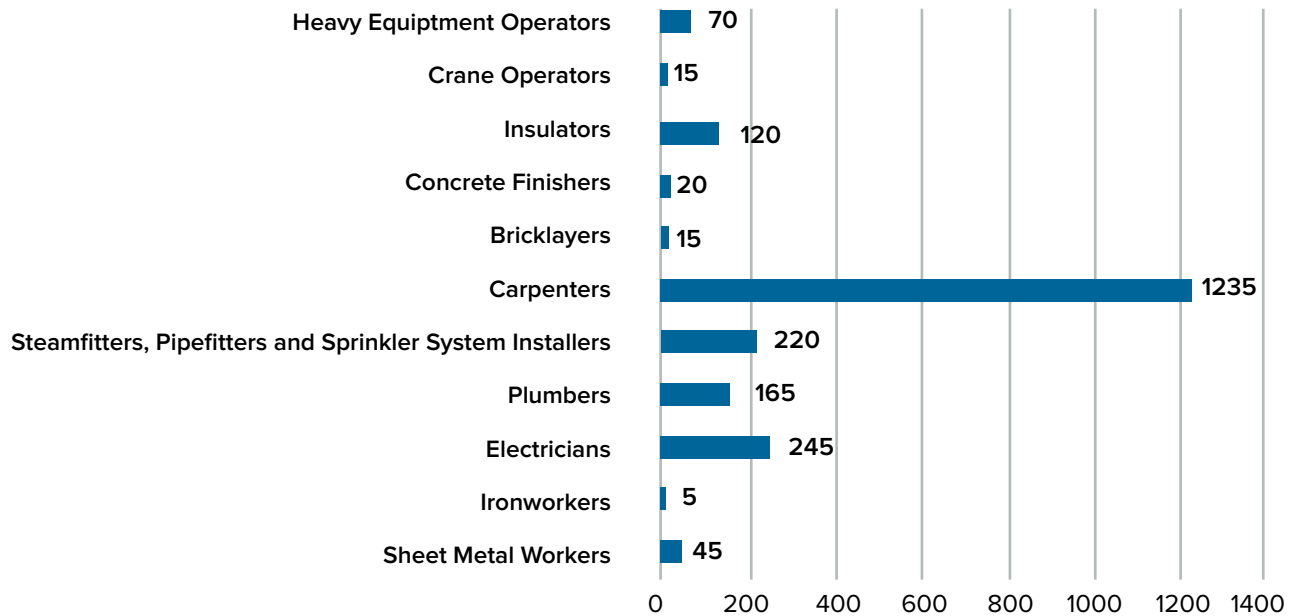


Sources: Temporary Foreign Worker Program (TFWP) work permit holders by province/territory of intended destination, intended occupation (4-digit NOC 2011) and year in which permit(s) became effective, January 2015–January 2024; International Mobility Program (IMP) work permit holders by province/territory of intended destination, intended occupation (4-digit NOC 2011) and year in which permit(s) became effective, January 2015–January 2024; Labour Market Information, Canada Job Bank.

The disproportionate use of temporary foreign workers by construction employers in B.C. clearly demonstrates an over-reliance on the program and a serious breakdown in the labour verification process. This has the effect of shortchanging Canadian workers and fundamentally undercuts the rights of immigrants by allowing employers to pay temporary workers less than what a Canadian trades worker makes and fundamentally denying them access to employment rights. This also allows employers to significantly reduce their costs, giving them a competitive advantage over companies that offer prevailing market wages.

In addition, the government insists the IMP consists of mainly intra-company transfers of high-skilled occupations in the knowledge sector (for example, university professors, management consultants, information systems analysts, software engineers, etc.) Nevertheless, 3.4 per cent of IMP workers in 2020 worked in construction accounting for 1.4 per cent of the total construction workforce in Canada that year.¹⁹ Indeed, over the past five years, 2,155 IMP permits were issued across 11 construction trades in B.C. (Figure 4), including a total of 720 in 2023.²⁰

Figure 4: IMP Permits in B.C.'s Construction Trades 2019–2023



Source: Canada – International Mobility Program (IMP) work permit holders by province/territory of intended destination, intended occupation (4-digit NOC 2011) and year in which permit(s) became effective, January 2015–January 2024.

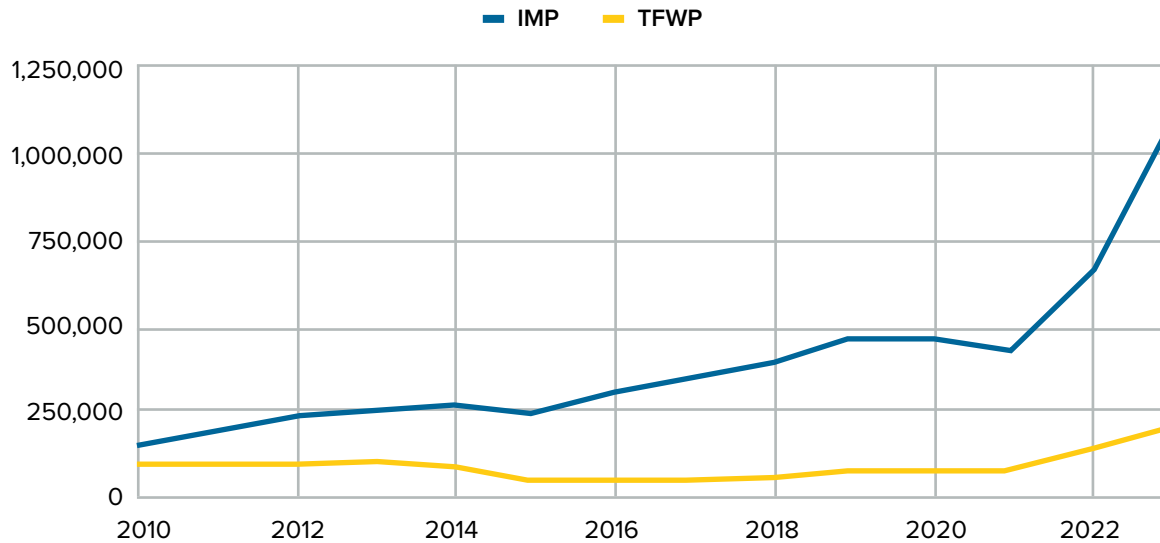
Shift to a Temporary Workforce

Every year, more temporary workers are entering Canada than permanent residents. According to government immigration data, the number of valid temporary worker permit holders in Canada, not including those on study permits, increased from 250,900 in 2010 to 1,270,360 in 2023, accounting for over 6 per cent of Canada's workforce.²¹ This represents an over 500 per cent increase and is 270 per cent more than the 471,770 permanent residents that entered Canada in 2023.

The IMP accounted for more than one million or 85 per cent of temporary workers at the end of 2023 while just under 190,000 or 15 per cent of workers had TFWP permits. The overall growth and the increased share of IMP permits is captured in Figure 5. In 2023, B.C. had the second largest share of temporary foreign worker permit holders after Ontario, with 200,665.

Figure 5: Temporary Foreign Worker Totals 2010–2023

Number of temporary foreign worker positions



Source: Temporary Residents: Temporary Foreign Worker Program (TFWP) and International Mobility Program (IMP) Work Permit Holders — Monthly IRCC Updates; Temporary Residents: Temporary Foreign Worker Program (TFWP) and International Mobility Program (IMP) Work Permit Holders — Monthly IRCC Updates.

When including those on study permits, Canada is now home to 2.67 million temporary residents that account for 6.5 per cent of the total population.²² That means nearly 2.7 million workers do not have access to the same rights and protections as Canadian citizens nor a sure pathway to citizenship. On March 21, 2024, the Minister of Immigration, Refugees and Citizenship Canada announced that Canada would seek to decrease the temporary resident population to 5 per cent of the population.²³ To meet this goal, the government promised to shrink the amount of temporary workers that employers in certain sectors are allowed to hire to 20 per cent of their workforce. Construction, however, is being excluded from that new cap.

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CASE STUDY

The Canada Line

During the construction of the \$2.1 billion Canada Line, pay stubs revealed that the TFWs from South America were making only \$3.47 an hour — less than half the salary of their European counterparts — and working six days a week, at a minimum of 60 hours. The wages issued on the Canada Line project revealed the failure of federal and provincial authorities to enforce the labour code, employment standards, human rights laws, as well as deal with the displacement of Canadian workers.

LiUNA Local 1611 launched a successful human rights challenge and the workers were awarded \$2.4 million for back pay, expenses and injury to dignity.²⁶

Wage Suppression Due to Temporary Worker Programs

The BC Building Trades is concerned that employers are using the temporary worker programs to suppress wages in the construction sector and distort the labour market. In a recent expert analysis, University of Toronto Professor Rafael Gomez determined that the wage rates the ESDC is using for the purposes of their LMIA's are neither accurate nor reliable and have serious methodological flaws. For example, the methodology does not differentiate by levels of experience and training and relies on the previous years' data insensitive to in-year fluctuations. Both of these factors can distort and underestimate wage rates. Gomez concludes that the ESDC's key source of data, the Job Bank, is not suitable for the kind of analysis and estimates ESDC is making to issue LMIA's.

When comparing median wage rates posted on the Job Bank with actual market wage rates (union and non-union) in the Lower Mainland between 2012 and 2021, he found:

- A consistent pattern of Job Bank rates that are systematically lower than wages found in both unionized and non-unionized workplaces.
- Average Job Bank wage was only 72 per cent of the union wage for all occupations.
- ESDC's median wage trends are not reflective of the steady wage and employment growth experienced across the sector. Wages in 2021 were stuck at 2012 levels.

The result is that the gap between the median wage rate the ESDC uses to make decisions about permits, and the prevailing union and industry wage rates, creates an incentive for “low quality” employers to seek to reduce labour costs through TFWs instead of employing skilled domestic labourers. Gomez argues there is a need for a different wage determination approach that can more accurately track rates in these high-skilled occupations.

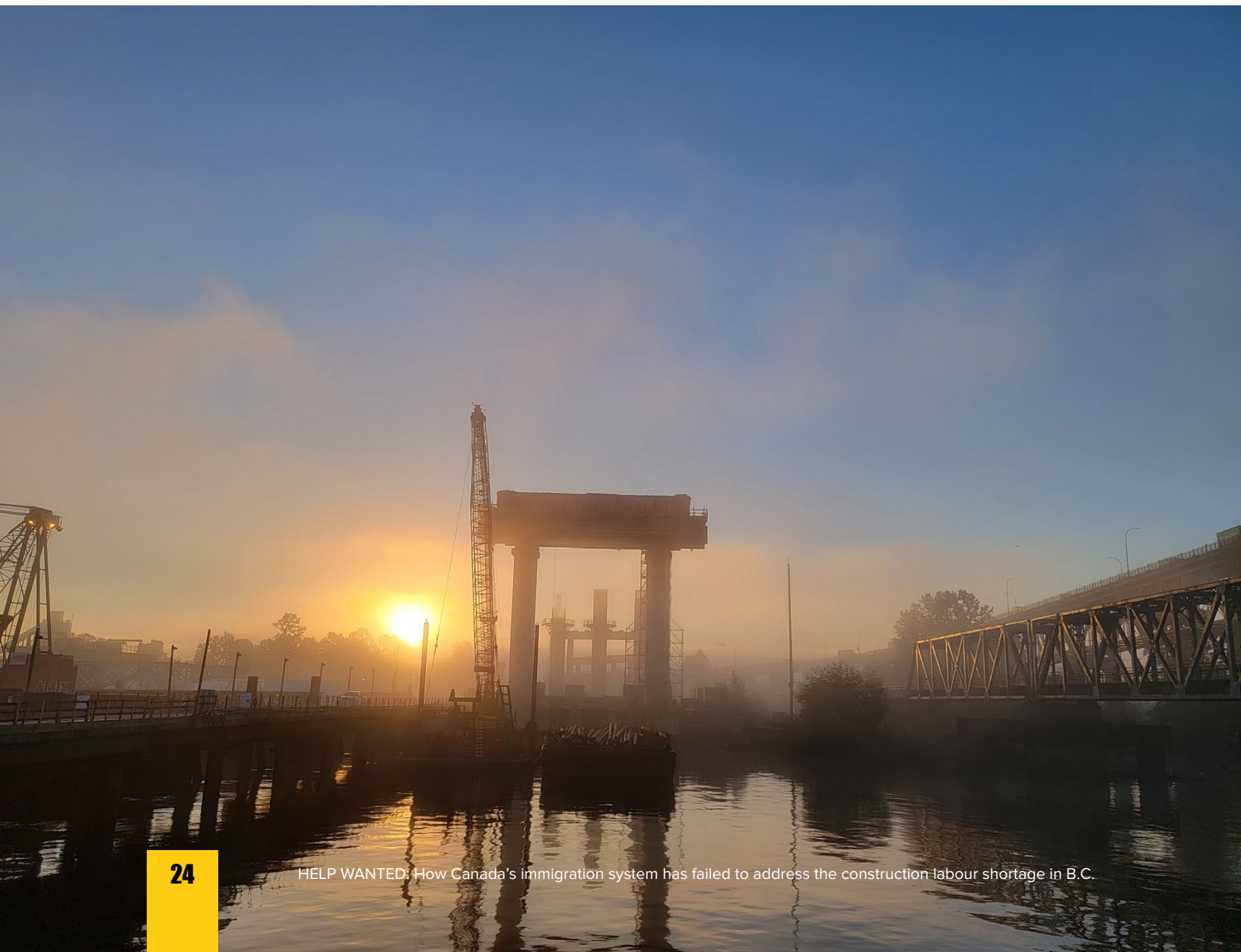
Building Trades Advocacy

Temporary worker programs are supposed to ensure employers actively search for domestic workers to fill job vacancies *before* relying on migrant workers. The programs were meant to be a last resort. In response to their growth and misuse, the Building Trades have helped to expose how these policies lead to the suppression of wages and displacement of domestic workers. A recent report by LiUNA summarized how successive Canadian governments have “enabled international and domestic contractors to profit from the employment of migrant workers on major construction and development projects.”²⁴ Another LiUNA white paper from 2016 found that temporary foreign worker programs distorted the construction labour market in Western Canada through increased competition, suppressing wages and displacing local workers.²⁵

Building Trades unions believe if someone is good enough to work in Canada, they are good enough to stay, and continue to oppose the deliberate shift to temporary migration, the exploitation of migrant workers and the replacement of local jobs with temporary workers. The BCBT advocates for finding a much better balance so that domestic workers and permanent residents continue to be the priority and temporary workers are recruited only when necessary. These workers should then have access to a well-paying job, the protection of a union and a path to citizenship.

As the Migrant Workers Alliance for Change recently pointed out, “migrants are being exploited at work, treated poorly by landlords, and denied vital services like healthcare and education because they are denied permanent residency. Migrants have been some of the worst impacted by the affordability and housing crises, and, at the same time, have been scapegoated for it.”²⁷

Canada’s labour movement more broadly has long been critical of temporary foreign worker programs. By not providing a pathway to citizenship, they create a constant pool of foreign labour for employers to access. This effectively imposes second-class status on migrant workers who are denied the same rights and protections as domestic workers.



Conclusion & Policy Recommendations

Canada's current approach to immigration makes it difficult to attract skilled trades workers. This report has demonstrated the growing need for those workers in B.C. It has also shown the deliberate reliance on problematic temporary rather than permanent immigration. Not only does this approach sanction unequal working conditions and rights for migrant workers, it has a negative impact on domestic construction workers and the B.C. labour market.

Ensuring an adequate supply of new skilled workers is vital for the health and growth of the construction industry in B.C. And that means shifting away from temporary and back towards permanent immigration streams. Immigration policies should benefit local construction workers and uphold the equal rights of any worker coming to work in the province.

The BCBT is pursuing the following reforms to immigration and temporary foreign worker policies in the interest of fairness for its members and all workers in B.C. The BCBT recommends that:

1. **THE FEDERAL GOVERNMENT** conduct an independent and transparent audit to investigate problems, abuse and mismanagement of the International Mobility Program (IMP) and the Temporary Foreign Worker Program (TFWP). Until this audit is complete, there should be a prohibition of activity on B.C.'s construction trades through the IMP and the TFWP.
2. **THE FEDERAL GOVERNMENT** update temporary worker program requirements and revise the definition and methodology for determining the prevailing wage (tied to Investment Tax Credit); formalize construction unions' role in labour supply verification and require a training plan and history of apprenticeship before employers are issued LMIAs.

Ensuring an adequate supply of new skilled workers is vital for the health and growth of the construction industry in B.C.

3. **THE FEDERAL GOVERNMENT** work with Canada's Building Trades Unions (CBTU) and contractors on a special Group of Employer initiative to support the construction of infrastructure projects of strategic importance to the national economy.
4. **THAT THE FEDERAL GOVERNMENT** facilitate the entry of more permanent immigrants into the Building Trades through the Express Entry System in order to contend with labour force pressures. This should be done through the FSTP, PNP, and CEC, as well as through the expansion of pilot programs to regularize out-of-status construction workers.
5. **EMPLOYERS** not be allowed to apply for LMIAs without a strong history of participating in the apprenticeship system and an up-to-date training plan.
6. **THE B.C. GOVERNMENT** work in tandem with the BCBT to better target workers as part of PNP trades worker draws and ensure these workers have a path to a well-paying career and union membership. ■

Notes

- 1 British Columbia Sector Profile: Construction, Job Bank, Government of Canada, 2023, www.jobbank.gc.ca/trend-analysis/job-market-reports/britishcolumbia/sectoral-profile-construction.
- 2 British Columbia – Construction and Maintenance Looking Forward – An Assessment of Construction Labour Markets 2023–2032, Buildforce Canada, 2023.
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- 5 Data is drawn from: Immigration Refugees and Citizenship Canada, Admissions of Permanent Residents by Province/Territory of Intended Destination and Immigration Category, January 2015–January 2024, <http://open.canada.ca/data/en/dataset/f7e5498e-0ad8-4417-85c9-9b8aff9b9eda>.
- 6 Express Entry Year End Report 2022, Immigration, Refugees, and Citizenship Canada, Government of Canada.
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- 8 Canada – Admissions of Permanent Residents with Select Intended Occupation (4-digit NOC 2011) by Province/Territory and Immigration Category, 2019 – February 2024.
- 9 Admissions of Permanent Residents 15 years of age or older by Province/Territory and Intended Occupation (4-Digit NOC 2011), January 2015–January 2024, Government of Canada, <http://open.canada.ca/data/en/dataset/f7e5498e-0ad8-4417-85c9-9b8aff9b9eda/resource/5a3ec9ec-bcee-4207-b00b-0d81784e6aa0>.
- 10 Yuqian Liu and Feng Hou, Foreign workers in Canada: Distribution of paid employment by industry, Statistics Canada, December 21, 2023, www150.statcan.gc.ca/n1/pub/36-28-0001/2023012/article/00005-eng.htm.
- 11 Ibid., Liu and Hou.
- 12 Temporary Foreign Worker, Government of Canada, canada.ca/en/employment-social-development/programs/temporary-foreign-worker.html.
- 13 The information that follows on the high wage stream and GoE is summarized or taken verbatim from an ESDC presentation made to the Canadian Building Trades Unions in 2023.
- 14 Criteria for suspension includes if: the employer provides false, misleading or inaccurate information in the request; new information becomes available indicating that the employment of the foreign national will have a significant negative effect on the Canadian labour market; the employer has been found non-compliant after an inspection.

- 15 Richard Gilbert, *The Political Economy of the Temporary Foreign Worker Program (TFWP) and the International Mobility Program (IMP) in Canada: Modern Slavery, Construction Cycles and National Output (2000–2020)*, LIUNA.
- 16 Custom data provided to BCBT by Statistics Canada and based on the Non-permanent resident file, Longitudinal worker file, 2023 vintage.
- 17 Canada – Temporary Foreign Worker Program (TFWP) work permit holders by province/territory of intended destination, intended occupation (4-digit NOC 2011) and year in which permit(s) became effective, January 2015–January 2024, <http://open.canada.ca/data/en/dataset/360024f2-17e9-4558-bfc1-3616485d65b9>.
- 18 Workforce data for each trade in B.C. were taken from estimates by the Canada Job Bank’s Labour Market Information Job Profiles on March 26, 2024. See jobbank.gc.ca/trend-analysis/search-occupations.
- 19 Supra note 10, Liu and Hou.
- 20 Canada – International Mobility Program (IMP) work permit holders by province/territory of intended destination, intended occupation (4-digit NOC 2011) and year in which permit(s) became effective, January 2015–January 2024.
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- 25 Supra note 15, Gilbert.
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- 27 Migrant Workers Alliance for Change Responds to Changes to Temporary Foreign Workers Rules, Migrant Workers Alliance for Change, March 21, 2024, migrantworkersalliance.org/press/response-to-changes-to-temporary-foreign-workers-rules/.



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