

EFFECTIVELY DOUBLING NL'S IMMIGRATION TARGETS

Improving our immigration strategy to better serve
employers

EMPLOYERS' COUNCIL
NEWFOUNDLAND & LABRADOR

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It is the fundamental position of the Employers' Council that Newfoundland & Labrador (NL) needs higher targets for immigration. To achieve replacement levels, NL must aim for a target of 4000 newcomers annually – more than double the number currently welcomed by the province.

How can we achieve such a lofty goal? The Employers' Council proposes an improved and simplified immigration strategy that focuses more on recruitment, places the employer as a central client, improves service delivery, has fewer partners and action items, and more efficiently utilizes limited resources.

The need for more immigrants

NL has the fastest ageing population and the lowest rate of in-migration of all our competitors. Continued population aging and decline will drastically impact our tax base, our fiscal situation, our labour market, and our economy. NL desperately needs higher targets for immigration and an improved immigration strategy.

The provincial government has made some progress on immigration. In 2016 government increased targets for new immigrants from the then annual immigration total of 1122 newcomers to 1700 annually by 2022. In 2018 we achieved 90% of this target (1525) and in 2019 NL welcomed 1,850 new permanent residents. Government recently increased its 2022 target to 2,500 new permanent residents annually. They have also made improvements to processing times, decreasing times by half despite increased applications. While these improvements are positive, 2500 new immigrants is far short of losses due to outmigration and natural population decline. There were 900 more deaths than births in NL in 2018, and 3000 people out-migrated. Just to achieve replacement levels, NL would need a target of 4000 immigrants annually.

[Past barriers to increased immigration: The political and fiscal climate](#)

A government decision to prioritize the recruitment of larger numbers of immigrants must come from the very top. In the past there has been hesitancy from government to pursue ambitious targets that could be partially due to the perception that there is resistance to increased immigration from segments of the population. However, attitudes are changing. In a survey by Narrative Research in 2019, 39% of NLers stated they think our province should welcome more immigrants from other countries than in recent years. This is compared to 34% who think we should welcome the same number of immigrants as recent years, and 23% who think we should have fewer.

The research is clear on the economic benefits of recruiting immigrants and the destructive impacts if our aging and shrinking population goes unchecked. Labour and skills shortages already exist in many regions and sectors of the province. If our population does not grow, skills shortages will get worse and further impact the ability to grow our economy. Demographic challenges will also impact our social systems and the provincial fiscal situation. NL needs to recruit significantly more people of childbearing age to work and pay taxes to support the increased demands on health care and other social programs that will occur as our population ages. Immigration is the only way to grow our population in the timeframe we need it to meet future and current labour demands and improving productivity. There

may be pressure to protect “local jobs” given the current economic reality as we recover from Covid-19. However, it is in the best long-term interest of the province not to fall behind other jurisdictions in terms of our attraction of newcomers. Instead of allowing the public’s lack of understanding of the benefits of immigration to dictate policy, it is governments’ role to educate the public on the benefits of a sound public policy decision. **Government must get behind this issue and proactively push public opinion towards being receptive and attractive to newcomers.**

Achieving current targets has been a struggle for government, which also may be limiting their will to increase targets substantially. For immigration efforts to be effective, all big picture policies must be aligned with the objective of growing our population. Tax and fiscal policy are negatively impacting our ability to attract newcomers. Government must ensure the tax burden in NL is competitive as compared to other jurisdictions. Currently both our personal and business tax burden are uncompetitive as compared to the other Atlantic Provinces. Fiscal policy is also inhibiting the Office of Immigration and Multiculturalism (OIM) to be staffed to the level required to process increased applications. To double applications would mean additional staff would be needed – and there is little capacity to do this given the current need for fiscal restraint. Refusing to restructure government spending and program delivery in other areas, notably health care, limits government’s ability to put resources towards programs that will grow our economy and population.

Given our precarious fiscal situation choices need to be made that set us up for future success. Government has in the past appeared to be trying to be all things to all people in the short term versus setting a vision for the future that requires tough decision making and priority setting. **It has long been the position of the Employers’ Council that provincial resources should be allocated away from lower priority and unproductive initiatives and towards immigration.** A long-term plan to modernize and restructure government program delivery to improve outcomes and efficiency should be a top priority.

There is also an opportunity to continue to leverage federal funding to support improvements in immigration. Many services provided as part of the province’s immigration strategy are jointly funded by the province and the federal government. This can and should continue. However, systems should be designed with a focus on outcomes versus spending. There are efficiencies that can be found in the current provincial immigration system.

[Recommended Improvements to the Immigration Strategy](#)

It is the position of the Employers’ Council that to achieve the goal of doubling NL’s annual number of newcomers, an improved immigration strategy is needed that:

- 1) Puts more focus on attraction and recruitment of newcomers.**
- 2) Places employers as a primary client.**
- 3) Improves service delivery to be more outward-facing and client-focused.**
- 4) Reduces the number of partners and action items, more efficiently allocating limited resources.**

1) Focus on Recruitment: The majority of action items and projects in the province’s immigration strategy are focused on retention and settlement services and are designed for the newcomer. Likely due to fiscal and political constraints, government’s strategy is to cast a small net and try to retain as many newcomers as possible, versus casting a wider net. If the goal is to increase our population

through immigration, we believe recruitment needs a stronger focus. While retention and settlement services are important, they are not an efficient or productive use of resources without adequate focus on recruitment. Focusing more on recruitment and increasing the number of newcomers would allow for retention and settlement supports to have a higher return on investment.

2) Employers as a central client: A job is necessary for most permanent immigration streams. Ensuring availability of and connection to jobs is essential to increased immigration. Therefore, employers must be a primary client in the immigration system. This is currently not the case. Of the approximately 45 listed initiatives in the 2019-20 plan, only approximately 10 target employers – and some of these are specific to sectors such as agriculture, dairy farming, and technology. Most of the existing action items, and in turn groups and partnerships funded by government, focus heavily on downstream issues and take the newcomer perspective. Given the fact that they hold the necessary jobs, the return on investment (ROI) of initiatives targeting employers are much higher than those targeting individuals. Without providing employers with the tools to reach out and hire newcomers and navigate the immigration process, initiatives such as advertising to non-residents and funding settlement services are inefficient.

3) Improved service standards and a client centered approach: Current services that are offered to employers do not meet the needs of local employers. Most employers in NL are small, with limited time, human resource (HR) capacity, and competing demands. Outreach services and supports must reflect this. Current outreach consists of doing presentations to employers or recruitment fairs to Europe – with low uptake. We question whether these types of outreach are the best and most efficient option. What we hear employers need is much more basic than this – quick and easy to use access to pools of potential immigrants or newcomers, simple and easy-to-access information, and good customer service. There are many unnecessary communication gaps and inefficiencies within the provincial immigration system and application process, and many barriers an employer can hit along the way.

Other small jurisdictions who have been successful with increasing immigration numbers, such as PEI and Cape Breton, have described their approach to working with employers as “hand holding”. NL’s OIM refers to employers as a “partner” and often places the onus on employers and employer groups to engage with them, versus proactively facilitating applications. Government is not focused on creating connections between employers and immigrant job candidates at the level required or providing sufficient outreach and assistance on the immigration process to employers. New programs such as ConnectorNL and TeamGrowNL are designed to focus on the employer, however these projects are too new to determine their effectiveness and their scale is small. There is also a lack of awareness amongst the employer community of these initiatives.

The variety of immigration streams are confusing for an employer with no knowledge of the system. What employers really need is a simplification in how the information is presented, and a focus on providing the information to the employer in a timely and efficient manner. Even those well versed in the system or who hire people to assist them face long wait times, delays in processing, and difficulty getting information on applications that are being processed. Employers report frequent simple customer service issues such as the wrong phone number being listed on a website; being directed to the wrong contact for services required to complete an application; unreturned phone calls; different contacts throughout the application process providing conflicting information; mailboxes being full and

OIM staff being difficult to reach. Staffing issues within the OIM are an obvious contributor to making an already complicated and onerous systems much more difficult to navigate.

The lack of clear communication and smooth service delivery may be the single biggest barrier to improving uptake from employers and comes with an opportunity cost. Small businesses do not have time to pursue this avenue of recruitment and are likely to give up. Even within large employers whose CEOs want to hire immigrants, HR staff are sometimes reluctant to take this route as the process can be time-consuming, costly, and unnecessarily onerous. If we want to grow our population, the immigration system should not be so difficult to use that employers have to pay people to help them through it. Supports and actions that streamline and simplify the process will ensure employers see hiring immigrants as a viable and attractive option. The OIM as well as funded programs and partnerships should be required to formally report on outcome-based metrics such as wait times, responsiveness, numbers of contacts/ immigrants placed, etc. and regularly evaluated against these metrics.

4) Reduce the number of partners and action items and more efficiently allocate limited resources:

The current immigration strategy lacks focus and is overly complex. There are too many action items and projects, the scope and scale of which do not provide for meaningful success. The Way Forward on Immigration released in 2016 included 39 action items to be implemented over a five-year period, and a commitment to annually provide a progress report. There was one progress report released on all 39 items at the end of 2018, and in 2019, 24 new action items were announced. Government is now preparing to announce even more action items to be added to years 4 and 5 of their action plan. They have yet to release updated detail on how the first 63 action items are performing. Government resources would be better utilized addressing front end communication and service provision issues than adding more and more initiatives and funded projects.

Most immigration services and supports for both employers and newcomers are delivered through a patchwork of project agreements run through various community groups throughout the province, funded jointly through the province and ACOA. It is necessary for the province to use a partnership model to leverage federal funds. However, it also appears that government has implemented programming in a manner motivated by funding various community groups throughout the province versus achieving the big picture objective of improving the number of immigrants. This patchwork approach overcomplicates the system, reduces awareness of services, creates inefficiencies, and overlaps, and makes an already complex system more challenging to navigate. Employers do not know where to turn. Even government employees and partners themselves do not know the scope of services and programs that exist. Multiple stakeholders have reported silos, overlapping mandates, jurisdictional issues, and a lack of collaboration.

The Employers' Council supports the use of private and not-for-profit partnerships in the delivery of government services and believes that government should utilize existing networks and infrastructure in delivering labour market initiatives. However, the current model of service delivery on immigration does not seem to be working. Parceling out funding to different groups does not create for effective service delivery. Use of partnerships in service delivery only works if government is holding partners accountable for outcomes through contracts. Programs must be effectively evaluated for ROI and overlap and gaps in service delivery must be addressed.

For example, the lack of a centralized location for employers to connect with potential immigrants, foreign graduates and non-residents living in NL is a problem. Employers report usability issues with the Canada Job Bank, which is the location employers and potential immigrants/newcomers are currently directed. There are a variety of partners that provide support in matching employers with labour pools, including MUN, ANC, NEIA and the St. John's Board of Trade. However, most employers are unaware of these services. More partners complicate and dilute the effectiveness of programming.

The Employers' Council would like to see government narrow the focus of their immigration strategy to concentrate limited resources more on recruitment initiatives targeted at employers, where the highest ROI can be achieved. The service delivery model employed by government using too many community partners is a barrier to their success. **A single point of entry for employers to all government services that are provided, and one easy to access point of contact throughout the process is needed.**

THE SOLUTION:

Continuing to utilize a partnership approach to leverage federal funds but creating a new entity or a partnership with an existing organization where services to employers can all be provided in one place, would be a much better use of resources. This entity must be mandated to reach and grow immigration targets with a strategic focus on employers.

This should include amalgamation/elimination of current projects. Amalgamation for delivery of services to employers in one location/contact would simplify the process and help to improve awareness. It is easier for government to manage and hold one organization accountable than a variety of different partners and community groups. Further, amalgamation could allow for an increase in the scope and scale of initiatives due to economies of scale. It would also increase awareness and uptake from busy employers.

While the province is in a difficult fiscal position, immigration is an area where we feel an investment by reallocating funds from other areas would be appropriate as it would help address our fiscal and economic challenges. Offering these services outside of government would remove it from bureaucratic hiring restraints and continue to allow for the utilization of federal funds. Staff would need to be well trained and appropriately compensated to get professionals who can drive this initiative forward. This entity would need to be adequately funded by both levels of government and effectively managed and held accountable for outcomes. This entity would be responsible for outreach and increasing numbers, as well as acting as consultants that assist employers through the process. Staff would need the authority to work with government officials to streamline and improve process issues. Offering these services separate from the processing of applications, currently done by the OIM, could help alleviate the sometimes-competing objectives of processing applications and reaching higher targets. Client focused staff should be dedicated to facilitating the process, versus putting up barriers. They should be mandated to minimize roadblocks to successful completion of an application, to facilitate further involvement from employers and to increase our immigration numbers.