

Submission to

Alberta Ministry of Enterprise and Advanced Education

“AINP Semi-Skilled Foodservice Pilot Evaluation”

By the



Canadian Restaurant and Foodservices Association

June, 2013

Preamble

The Canadian Restaurant and Foodservices Association (CRFA) is the largest hospitality industry trade association in Alberta and Canada representing 4,000 Alberta based members from all sectors of the industry in every Alberta community.

Alberta's low margin highly competitive foodservice industry and our employees are an integral part of Alberta's fabric, both economically and socially. We serve 2.5 million guests in every Alberta community daily. In financial terms, our industry is made up of more than 9,000 small business operators generating \$10 billion in sales. On top of this, for every dollar spent in a restaurant, an additional \$1.85 is spent in the rest of the economy. With more than 130,000 direct employees, we are the fifth-largest private-sector employer in the province.

44% of Alberta's 130,000 foodservice workers are 15 to 24 years of age. But this age group has reached its demographic peak, and is now in decline. By the year 2021, the population of 15 to 24 year olds in Canada will decline by 340,000 while our industry's needs will grow by 200,000. Demographics tell us that the labour shortages our members are experiencing in Alberta will spread across the country and get progressively worse as the labour force ages because our workforce is so skewed toward youth. Demographics combined with a healthy growing economy, and low 4.5% unemployment rate, suggest Alberta's labour shortage will be with us for the foreseeable future.

Our members have responded to labour shortages by enhancing their recruitment and retention strategies, increasing wages and benefits and, putting more emphasis on attracting and accommodating underrepresented groups. A recent survey of CRFA members revealed the extent employers in our industry go to hire individuals from groups underrepresented in the Canadian labour market such as new immigrants, first nations, seniors, and the disabled in markets where they are available. For example, almost 76% of respondents hire First Nation individuals; 84% hire new immigrants; 79% hire persons with a disability and 60% hire social assistance recipients. However, it should be noted that many low unemployment locations do not have large immigrant, social assistance, or aboriginal labour pools to hire from.

Reflecting their preference to recruit domestically, our members have moved far beyond simple job postings in their efforts to attract potential employees including job fairs, interaction with community groups, and social agencies.

Despite these best efforts, in Alberta a restaurant's only option is to turn to foreign workers, both temporary and permanent, to fill the labour shortage gap.

AINP Semi-Skilled Foodservice Pilot Evaluation Report

Given the realities of Alberta's foodservice industry ongoing labour shortage situation CRFA appreciated the Alberta Government's decision to expand the Alberta Immigrant Nominee Program (AINP) to include semi-skilled occupations and to introduce the foodservice semi-skilled AINP pilot in 2008. While the number of nominees available for the pilot was only 600 (a small percentage of Alberta's foodservice temporary foreign workers), the pilot is helping fill the long term semi-skilled labour needs for many Alberta foodservice establishments.

The pilot was designed to have employers nominate their best temporary foreign workers who had the best chance to advance and succeed as Canadian residents. While many foodservice operators and CRFA members complained that the program did not allow enough nominees in total and not more than one nominee per location, it was decided to limit the number of nominees to one per location so employers would only nominate the best nominees and to ensure fairness so that a few operators did not monopolize the limited amount of nominees available for the pilot.

The AINP semi-skilled foodservice pilot evaluation report should alleviate many of the concerns AINP officials had as we began the pilot especially with respect to semi-skilled foodservice nominees not staying in Alberta or with their employers. The evaluation report stated that 99% of pilot nominees remain in Alberta and 88% remained with the same employer.

The report also indicates that employers respected and treated their nominated foreign workers well with 96% of nominees reporting that their culture was accepted and 93% reporting being very satisfied with their work duties and shifts. Employers also went over and above what was required in assisting nominees integrate into Canadian society. For example, 73% reported that employers provided information on doctors and health care, 69% introduced them to people in the community including 36% being introduced to churches, 58% helped nominees with housing, 52% helped them with banking, and 41% provided additional language training.

Given the above it is not surprising that 98% of nominees are happy with the program and would recommend it to others. The evaluation report findings also help dispel the myth that foreign workers are being exploited.

While the evaluation report clearly demonstrates a number of pilot successes, it also indicates that there some areas where improvements can be made to improve the program. CRFA agrees. The beginning of the pilot resulted in a significantly high number of declined and withdrawn applications as both AINP officials and applicants were interpreting the AINP requirements differently. For example, a number of

applications were declined due to employers not disclosing minor non-food safety related health inspection infractions in their applications. Eventually AINP officials and industry worked together to better understand the health inspection process and how it related to AINP applications which resulted in fewer applications being declined due to non-reported health violations.

There were also a number of incomplete applications where applicants were not clear on certain requirements resulting in incomplete applications which AINP declined. However, as the pilot progressed, both AINP staff and applicants learned and adapted resulting in higher quality and more complete applications near the end of the pilot. Clearly the more AINP staff engaged employers the quality of applications and approval rates improved.

Therefore, the overall 50% application approval rate is misleading. The application approval rate for the pilot was much better in the later parts of the pilot as check lists and other internal and external measures were adopted to help improve applications and speed up processing times.

For the most part CRFA agrees with many of the conclusions of the report and will incorporate many of the report's findings into CRFA's recommendations to improve the program moving forward. However, there was one statement in the report regarding CRFA that must be corrected. The statement that "*CRFA does not represent the full range of the employers in the industry*" is incorrect.

CRFA represents and has members in all sectors of Alberta's foodservice industry including full service restaurants, quick service restaurants, caterers, bars and pubs, and institutional foodservice. CRFA members consist of corporate chains, franchisees, and both large and small independent restaurateurs. CRFA held member meetings in Calgary and Edmonton announcing the AINP pilot and advertised the program through a number of channels including press releases, e-news, website, and our industry magazine. The problem with engaging certain sectors of the industry, especially small independents, is that they are short of the time and resources necessary to participate in the program. Also the vast majority of applications for the AINP semi-skilled foodservice stream are from quick service employers for food counter attendant nominees. That segment of the industry is largely dominated by a relatively small number of national chains who have actively participated in the pilot.

Overall the foodservice pilot evaluation report concludes that the pilot was largely successful. Based on the report's findings CRFA believes the semi-skilled foodservice pilot with some minor improvements should become a permanent AINP stream.

In consultation with AINP officials and a number of members CRFA has developed recommendations on improving the AINP semi-skilled foodservice program and making it a permanent AINP stream in the future.

Permanent AINP Semi-Skilled Foodservice Stream Criteria

Over the past few months CRFA has had a number of discussions with AINP and Ministry officials on parameters around possible future semi-skilled AINP criteria. Following those discussions CRFA consulted with a number of members who read the pilot evaluation report on determining proposed criteria for a permanent AINP semi-skilled foodservice stream. We have broken the criteria down into eight separate areas

1. **Work experience** – The semi-skilled AINP pilot evaluation report indicated that 61% of applicants had between 2-5 years of foodservice related work experience. CRFA and our members believe it is critical to nominate only experienced foodservice industry workers. Consulted members agree that nominees should have a minimum three years of related work experience including at least one year of work experience in Canada. Some members would even go further supporting a minimum of five years work experience with two years of work experience taking place in Canada.

CRFA recommends that future AINP semi-skilled foodservice applicants have at least three years of related foodservice work experience including at least one year of industry experience in Canada.

2. **Minimum education** – In order for new immigrants to be successful in Canada they should have achieved a minimum education level. CRFA supports the concept of nominees having a minimum level of education equivalent to high school education in Alberta. The problem is in determining the equivalent of high school education in other countries as they have different education and apprenticeship systems where high school may only have 10-11 years of academic education versus 12 years in Alberta. However, in many of those cases high school education is supplemented by vocational school or apprenticeship training. Good AINP candidates may have less than Alberta equivalent formal high school education but have also completed either an apprenticeship or a vocational school degree/diploma/certificate on top of high school. There must be flexibility in determining high school equivalency as a minimum standard.

CRFA recommends that future AINP semi-skilled foodservice applicants have the equivalent of a high school education provided that there is some flexibility in the interpretation of high school equivalency to include completion of a supplemental related post secondary apprenticeship or vocational degree/diploma/certificate where high school is not equivalent.

3. **English Language** – The vast majority of semi-skilled foodservice AINP nominees are food counter attendants who require a certain minimum level of English to perform their employment responsibilities. CRFA also believes that anyone being nominated to immigrate to Canada should have enough English proficiency to integrate into their local community. Many CRFA members are satisfied with a minimum level 4 English proficiency level for all semi- skilled AINP applicants. However, other members suggest that the minimum English proficiency level be increased to IELTS level 5-6 to ensure even more proficient applicants and to better align with other federal skilled immigration programs.

CRFA recommends that future AINP semi-skilled foodservice nominees require at least a minimum level 4 of English proficiency but would prefer nominees to have level 5-6 English proficiency. CRFA also supports adjusting the threshold to align with possible threshold changes in other immigration programs.

4. **Age threshold** – Many CRFA members consulted were satisfied with an applicant age threshold of 21-55. However, some members argue that the AINP age threshold should be lowered to 19-55 as many foreign trained workers have the experience and maturity at the age of 19 to immigrate.

CRFA recommends that future AINP semi-skilled foodservice nominees be between 21-55 years of age.

5. **Income threshold** – In order to attract and retain workers it is important that employers commit to an income level that provides self-sufficiency for employees. However, this income level varies depending on where the employee works. CRFA does not object to a reasonable income threshold for AINP nominees that varies between various rural and urban communities. . The average wage listed for semi-skilled AINP foodservice employees during the pilot is \$12.49/hour which is roughly \$26,000 annually based on full time employment. That income level surpasses the listed minimum income threshold for all Alberta communities. British Columbia's PNP program has income thresholds for semi-skilled nominees which has not been an obstacle for semi-skilled foodservice nominees.

CRFA supports a reasonable income threshold that recognizes the different costs of living in different Alberta communities.

6. **Annual Nominees** –CRFA understands that with an allocation of only 5,000 nominees annually, AINP cannot offer an unlimited number of semi-skilled foodservice nominees. However, in 2011 alone foodservice occupations were granted 25,000 LMOs. The largest LMO industry occupation category is for food counter attendants and 87.5% of those food counter attendant LMOs were approved for the prairie provinces (mostly Alberta). Therefore, many CRFA members do not feel that the 600 pilot nominee allocation is significant enough to adequately address the labour shortage needs for semi-skilled workers in Alberta’s foodservice industry. While some members still believe that AINP applications should simply be approved on a first come first served basis, most understand the need for a semi-skilled foodservice cap but would like the cap to increase given the large number of food counter attendant TFWs in Alberta. Taking into consideration the feedback from members, CRFA requests a minimum semi-skilled foodservice allocation of 800 nominees annually.

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7. **Nominee Allocation Formula** – In consultations for determining a fair semi-skilled foodservice AINP pilot allocation formula CRFA and AINP agreed to one nominee per location. While many members would have preferred more nominees per location, CRFA wanted to ensure that all of Alberta’s 9,000 foodservice outlets be given an opportunity to nominate under the pilot. After consulting members on a number of possible allocation formulas based on sales and restaurant seats etc., we could not come up with formula that was more simple and fair than one nominee per location. In moving forward CRFA would like to maintain the one nominee per location annually. However, once a location receives approval for one nominee and it is determined that there is enough space in the overall allocation cap, CRFA believes that employers be allowed to submit a second nominee application per location. Doing so will help ensure that the overall annual allocation will be filled.

CRFA recommends maintaining an annual limit of one initial nominee per location with the possibility of adding a second nominee per location after the first nominee is approved should space remain in the overall allocation cap for the year.

8. **Application Pre-Screening** – One of the AINP semi-skilled pilot evaluation report pilot conclusions was that there were a number of incomplete or poor applications resulting in AINP officers taking much longer vetting foodservice AINP pilot applications than other AINP applications. CRFA understands that AINP would like industry and/or CRFA to play a role in pre-vetting AINP applications as certain other industries are doing to save AINP officers time in reviewing applications.

CRFA consulted member multi-unit chains on whether they would be prepared to pre-screen applications within their organizations or contribute towards a central industry resource (perhaps through CRFA) to pre-screen applications for completeness/accuracy etc. before they are sent to AINP for approval. CRFA also asked members if they were prepared to pay an application fee for a pre-screening service or to AINP for additional resources to prescreen applications. There was general agreement that members would be prepared to support and pay a fee for a pre-screening process. Given the response, CRFA is willing to discuss possible pre-screening services and/or a reasonable application fee (as is in place in British Columbia) and other processes with AINP in order to ensure AINP officers receive more complete quality applications to consider for approval.

CRFA is willing to discuss possible pre-screening services and/or a reasonable application fee in order to ensure AINP officers receive more complete high quality applications to consider moving forward.

Summary

CRFA appreciated the Alberta Government's decision to expand the Alberta Immigrant Nominee Program (AINP) to include semi-skilled occupations and to introduce the foodservice semi-skilled AINP pilot in 2008. CRFA believes the continuation of an AINP semi-skilled foodservice program is critical to the continued viable operation of Alberta's foodservice industry and to maintain employment opportunities for Albertans whose employment relies on foodservice outlets having a stable supply of labour to remain in operation.

After reviewing the pilot evaluation report CRFA believes that the AINP semi-skilled foodservice pilot was successful. We look forward to discussing the above recommendations for improving the AINP semi-skilled foodservice program as a permanent AINP stream moving forward.