

WORKFORCE CHALLENGES IN CANADA'S RESTAURANT INDUSTRY



**Restaurants
Canada**

The voice of foodservice | La voix des services alimentaires



Restaurants Canada maintains that foreign labour is indispensable to the resilience of Canada's restaurant industry. Immigration policy must be data-driven, predictable, and responsive to sector-specific needs. We have five recommendations to modernize and improve access to this essential labour pool: expedite pathways to permanent residency, introduce a dedicated rural and tourism stream, provide open work permits for specific NOCs in a limited geographical area, simplify and extend labour market assessments and encourage settlement initiatives in rural communities.

THE NEED FOR FOREIGN WORKERS

The restaurant industry is Canada's fourth-largest private-sector employer, supporting over 1.2 million jobs and contributing 4% to the GDP. With one in five Canadians working in hospitality at some point in their career, the industry also plays a key role in youth employment and workforce development. As the number one source of first-time jobs, Canada's foodservice industry employs 480,000 youth, representing 40% of our workforce.

Demographic shifts, geographically challenging areas, waning domestic interest in service-sector work, and intense labour competition have left restaurants with severe staff shortages, particularly in non-urban, rural, remote and tourism areas, for back-of-house roles such as cooks, chefs and employees supporting 24/7 operations. Due to these challenges, many restaurants have relied on foreign workers to support their operations to remain viable, keep their doors open and employ a local workforce.

There are almost 60,000 job vacancies in foodservice today, projected to exceed well over 105,000 by 2030, even before accounting for new restrictions on foreign labour. Despite the second-highest wage growth of any industry since 2021, attracting local talent remains difficult in many areas of the country. Tight profit margins and reduced consumer discretionary spending both limit restaurants' ability to raise wages further.



A LONG-TERM STRATEGIC ECONOMIC NECESSITY

Restaurants have a strong history of employing newcomers to Canada, playing a significant role in their settlement success. In fact, half of all Canadian restaurants are run by people who came here as immigrants. The industry understands the importance of immigration and the need to support our workers.

Foreign workers are a last resort, but they remain a **long-term strategic economic necessity**. The rigorous process of employing a foreigner is more expensive and lengthier than hiring locally, but it is necessary in a world where our population is aging, and our workforce is shrinking. Foreign workers bridge a gap that allows restaurants to keep their doors open and are necessary to keep Canadians employed long-term.

Although we have seen reports of abuse in various economic migrant streams, the vast majority of business owners follow the rules and should not be penalized for the actions of a few bad actors. Foreign workers are an integral part of the operations of our restaurants. We value their contributions and fully support increased worker protections, additional inspections, and accessible pathways to report violations.

GOVERNING PRINCIPLES

Immigration intake should be strategically directed to communities with persistent labour shortages, guided by a composite index that considers unemployment, remoteness, and demographic pressures such as population age. A modern immigration framework must:

- Recognize the restaurant sector as a priority in federal and provincial planning.
- Reflect urgent workforce needs with efficient access to international talent by aligning labour supply with sector demand, particularly in chronically understaffed regions.
- Prioritize rural and remote areas where shortages threaten local economies.
- Protect and empower foreign workers through a transparent and fair process.

Canada must modernize its immigration and labour systems to remain competitive for global talent while protecting worker rights and ensuring stability for employers. Restaurants Canada recommends the following:

- 1. Expedite Pathways to Permanent Residency:** Fast-track permanent residency, especially for foreign workers already working in Canada, for critical foodservice roles in hard-to-staff regions, reducing reliance on foreign workers such as those in the TFWP, PNP and AIP.
 - Focus on geographically challenging areas.
 - Enable long-term retention and workforce stability.
- 2. Introduce a Dedicated Rural & Tourism Stream:** Create a Rural & Tourism Stream within existing programs to provide quicker, more flexible access to international labour in areas with persistent shortages. This stream should allow a multi-entry work permit for a period of 5 years.
 - Reinstate a 20% cap for Temporary Foreign Workers under the TFWP in the specific dedicated rural and tourism stream but maintain the 10% cap in urban areas.
 - Improves retention by providing certainty for employers and workers.
 - Reduces administrative burdens for government and employers by extending permit validity and improving government efficiency.
 - Addresses structural shortages in tourism-dependent, rural and remote regions.
 - Aligns immigration with local economic needs for sustainable growth.
- 3. Simplify and Extend Labour Market Impact Assessments:** Align criteria with sector-specific needs, acknowledging the continued demand in foodservice even in areas with general labour surpluses.
 - Simplify the LMIA process as has been done in the province of Quebec, by which employers apply for an LMIA without the need of advertising the position for 4 consecutive weeks prior to applying for the LMIA.
 - Extend LMIA eligibility to 5 years and work permits duration to up to 3 years under the same initial LMIA regardless of immigration stream. Currently, a one-year duration is the maximum for low-wage LMIAs under the Temporary Foreign Worker Program (TFWP). The impact of this short duration is that employers must advertise and reapply for the same position yearly which creates uncertainty in their work force.
 - Measure true unemployment by excluding the number of individuals who are linked to their employer and anticipate returning to their place of work in the future.
 - Eliminate the use of Census Metropolitan Area data to determine unemployment levels.
- 4. Provide Open Work Permits for Specific NOCs in a Limited Geographical Area:**
 - Enables employers to shift workers to different establishments based on needs.
 - Enables employees to seek employment elsewhere should they want/need to.
- 5. Encourage Settlement Initiatives in Rural Communities:** Expand mentorship networks, language training, and worker protections for immigrants and asylum seekers.
 - Encourage asylum seeker settlement in rural communities with proper support services.
 - Encourage participation of the restaurant sector in the government's job portal for asylum seekers.

ABOUT RESTAURANTS CANADA

Restaurants Canada is a national, not-for-profit association advancing Canada's diverse and dynamic foodservice industry. Restaurants are a \$125 billion industry employing 1.2 million Canadians and the number one source of first-time jobs in Canada. Visit restaurantscanada.org for more information.

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