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# Standing Committee on Industry and Technology

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Chair: Mr. Joël Lightbound





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• (1300)

[*Translation*]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** Good morning, everyone.

I call this meeting to order.

Welcome to meeting No. 28 of the House of Commons Standing Committee on Industry and Technology. Pursuant to Standing Order 108(2) and the motion adopted by the committee on Friday, April 8, 2022, the committee is meeting to study Small and Medium-Sized Enterprises.

Today's meeting is taking place in a hybrid format, and some witnesses and members are attending using the Zoom application.

The participants who are here on site, in Ottawa, are familiar with the public health rules that are still in force, and should conduct themselves accordingly.

Without further delay, I will introduce the witnesses it is our honour to have with us today.

From the Competition Bureau, we have Anthony Durocher, Deputy Commissioner, Competition Promotion Branch, and Krista McWhinnie, Deputy Commissioner, Monopolistic Practices Directorate.

From the Department of Citizenship and Immigration, we have Sarah Hayward, Acting Senior Director, Immigration Program Guidance; Philip Somogyvari, Director General, Strategic Policy and Planning; and Matthew Graham, Director, Levels Planning and Migration Analysis.

From Statistics Canada, we have Greg Peterson, Assistant Chief Statistician, Economic Statistic; Josée Bégin, Director General, Labour Market, Education and Socio-Economic Well-Being; and Wulong Gu, Senior Advisor, Analytical Studies and Modelling Branch.

And from Treasury Board Secretariat, we have James van Raalte, Executive Director, Regulatory Policy and Cooperation Directorate, Regulatory Affairs Sector.

I'd like to thank the numerous witnesses who are participating in this process today. We appreciate their assistance as we conclude this study of competitiveness. Thank you for taking the time to come and speak to the committee.

Without further delay, I give the floor to Mr. Durocher for five minutes.

**Mr. Anthony Durocher (Deputy Commissioner, Competition Promotion Branch, Competition Bureau):** Thank you.

Mr. Chair and members of the Committee, thank you for the invitation to appear before you today.

My name is Anthony Durocher and I am Deputy Commissioner of the Competition Promotion Branch at the Competition Bureau. I am joined by my colleague Krista McWhinnie, Deputy Commissioner of the Monopolistic Practices Directorate.

We are here today to support your study on small and medium-sized enterprises, or SMEs. The Bureau's long-held position is that SMEs are the bedrock of a dynamic and resilient economy. While many SMEs were hit hard by the pandemic, they remain an important engine of inclusive economic growth. They challenge established incumbents, and disrupt entire industries.

The Competition Bureau enforces the Competition Act, which recognizes the vital role of SMEs at the outset in its purpose clause. It states that "maintaining and encouraging competition" is central to ensuring that "small and medium-sized enterprises have an equitable opportunity to participate in the Canadian economy."

[*English*]

We work hard to support SMEs. For example, we stop any anti-competitive business practices that seek to limit SMEs from challenging bigger players. We require businesses to tell the truth about their products and services, so that consumers aren't misled away from using the products and services of SMEs. We prevent any competitive mergers and punish price-fixing and other forms of collusion to ensure that SMEs can access inputs at competitive prices. We advocate for government rules that ensure a level playing field for SMEs.

To achieve these goals, we need the right tools to address competition issues in a timely and effective manner. The Competition Act amendments set out in the budget implementation act are an important step, but those changes are just the beginning. We are very pleased that the government has committed to consult broadly on the role and functioning of the Competition Act and its enforcement regime. In February of this year, we made a public submission to Senator Wetston's consultation on modernizing the Competition Act. The ideas put forward are based on our experience in administering and enforcing the law across all sectors of the economy.

The bureau remains focused and motivated in its role as Canada's competition authority and looks forward to an ongoing, vigorous and inclusive debate on how best to achieve these goals.

We look forward to your questions.

● (1305)

[Translation]

**The Chair:** Thank you.

I now give the floor to Ms. Hayward from the Department of Citizenship and Immigration.

[English]

**Mr. Philip Somogyvari (Director General, Strategic Policy and Planning, Department of Citizenship and Immigration):** Chair, if it's okay with you, may I deliver the opening remarks for IRCC?

**The Chair:** It is absolutely okay. The floor is yours.

**Mr. Philip Somogyvari:** Thank you, Chair.

Thank you for having me, committee members. I'd like to begin by acknowledging that I'm joining you from the traditional unceded territory of the Algonquin Anishinabe people.

I'm pleased to provide an overview of the immigration system and its role in addressing labour and skills shortages. As we know, Canada is currently facing labour shortages across the country. Each sector is feeling the impact. As noted by my ESDC counterparts in their appearance before this committee, most of the solutions to meeting these challenges are made in Canada and include school leavers, training and skills development of the labour force, and addressing barriers to under-represented groups.

Immigration, though, is one tool that helps provide additional labour and complements efforts to build domestic capacity. It's an increasingly important contributor to Canada's prosperity and economic growth. IRCC manages a number of temporary and permanent economic immigration programs that support the development of a strong Canadian economy and ensure that the benefits of immigration are shared across all regions.

On the permanent side, the immigration system has multiple pathways to welcome economic immigrants, who bring skills to our economy and help fill gaps in our labour force. They are typically educated, fill targeted labour and skills shortages, contribute to innovation and workforce diversity, and are able to integrate into the Canadian labour market with ease.

Our high-skilled programs, managed through an application management system known as express entry, help Canada stay

competitive and attract talent from around the world. IRCC has also implemented several pilots and programs to support rural and remote regions across a range of skill levels. Immigration is a shared responsibility among the federal and provincial and territorial governments, and almost all jurisdictions operate provincial nominee programs that cater to their specific labour force needs.

Regional immigration programs and pilots, such as the rural and northern immigration pilot and the Atlantic immigration program, allow jurisdictions to respond to their unique conditions, prioritizing the attraction and retention of skilled workers in the sectors and occupations with identified needs. The government also announced plans to attract record numbers of immigrants to help Canada grow. In 2021 Canada welcomed a record number of permanent residents, at 405,000, and Canada aims to continue welcoming immigrants at a rate of just over 1% of Canada's population. This means targets of just under 432,000 in 2022 and just over 447,000 in 2023.

On the temporary side, foreign workers and international students play a significant role in Canada's economy. They address immediate workforce needs of diverse employers, provide a wide range of skill levels and educational attainment, and facilitate business growth, innovation and productivity. Canada's temporary worker programs are demand-driven, flexible and responsive to the changing labour market landscape. There are no caps on the number of foreign workers who can be authorized to work temporarily. Employers can use temporary worker programs to tap into global pools of labour and talent to fill vacancies in any occupation.

The number of students and temporary residents who are authorized to work, including a portion of ESDC's TFW program, has been growing year over year, reaching around 1.5 million temporary residents in Canada in each of the last three years. Their contributions have been even more apparent during the COVID-19 pandemic and during Canada's economic recovery, as they help employers in essential industries fill jobs when no Canadian citizens or permanent residents are available. In recognition of their importance to Canada's recovery and to respond to border restrictions, in 2021 a time-limited temporary resident to permanent resident pathway was introduced to help us retain the talent of over 90,000 essential workers and international graduates. Many of these new residents work for small and medium-sized enterprises and continue to support them.

Some jobs are temporary in nature, and it's not the desire of every student or migrant worker to remain permanently. Our system also is limited in the number of individuals who can become permanent residents in a year. In the case of permanent immigration, individuals are selected based on factors that will contribute to their economic success. Whatever the labour market looks like in the future, and however it evolves or gets disrupted, our economically selected migrants need to be able to weather downturns and have transferable skills and attributes.

To ensure that the immigration system continues to adapt to an evolving economy, the government announced a number of new measures to further contribute to meeting labour market needs and support SMEs. Through the budget, the immigration minister will have the authority to better select candidates who meet a range of economic and labour force needs. Additional measures to address Canada's labour shortages have also been recently announced. These include faster processing of permanent resident applications and more flexibility around work permits for students and visitors.

Thank you for the opportunity to speak. My colleagues and I would be happy to take questions.

• (1310)

[*Translation*]

**The Chair:** Thank you.

I now give the floor to Mr. Peterson from Statistics Canada.

[*English*]

**Mr. Greg Peterson (Assistant Chief Statistician, Economic Statistics, Statistics Canada):** Thank you, Mr. Chair.

Good afternoon, members. It's a pleasure to be here today. My name is Greg Peterson. I'm the assistant chief statistician responsible for Statistics Canada's economic statistics program. I'm joined today by Josée Bégin, the director general responsible for labour market education and socio-economic statistics. Also joining me is Wulong Gu, a senior adviser in our analytical studies and modelling branch.

SMEs are a vital part of the Canadian economy. In 2021 small businesses were employing over 10.3 million people, two-thirds of the overall labour force. Medium-sized businesses were employing another 3.4 million people.

[*Translation*]

The number of businesses that express labour shortages to be an obstacle has almost doubled in the last 15 months to 37%.

Most indicators are pointing to an increasingly tight labour market in Canada, with the demand for workers accelerating to record levels during the second half of 2021. Job vacancies in the fourth quarter rose 80% compared with pre-pandemic levels, reflecting broad-based increases across provinces and industrial sectors.

Last month, the unemployment rate fell to a near historic low of 5.1% while the participation rate was near a record high among core-aged workers.

To help attract and retain staff, businesses are also adjusting their wage plans. In the three years leading up to April 2022, wages

among new hires rose by 15.4%, compared with 12.1% for established employees. In the first quarter of 2022, over two-fifths (45%) of businesses reported that they planned to raise wages for existing employees over the coming year. It is important to note that while wages have been on an upward trend since the fall of 2021, their growth has remained below the inflation rate.

[*English*]

Resiliency of supply chains is an issue.

In the second quarter of 2022, more businesses experienced an increased difficulty in sourcing inputs domestically, compared to the number of businesses experiencing difficulty in acquiring inputs from abroad. Over 40% of businesses expected this difficulty in acquiring inputs, products or supplies from within Canada to persist for 12 months or more, and 39.3% of businesses expected the same difficulty in acquiring inputs, products or supplies from abroad.

In general, we're finding that businesses are responding to these difficulties in supply chains by carrying more inventory.

I'd like to turn for a second to inflation. While much attention is focused on the consumer price index, Statistics Canada follows prices all along the supply chain. In general, these prices are increasing at every stage.

The raw materials price index measures the prices for raw materials purchased by Canadian manufacturers. In March 2022, this index was 64.4% higher than in January 2020, prior to the pandemic. The industrial product price index measures the prices at the factory gate of products sold by manufacturers operating in Canada. Again, in March 2022, the IPPI was nearly 30% higher than in January 2020.

The wholesale services price index measures the margin price that Canadian wholesalers receive for their products. In December 2021, the last data point we have available, the index was 12.1% higher than in January 2020. The retail services price index measures the margin price that Canadian retailers receive for their products. The retail services price index didn't increase too much during the pandemic but had moderate increases throughout 2020. Between 2019 and 2020, the retail service price index increased by 1.9% and further increased by 4.8% between 2020 and 2021.

In all, businesses are facing increased input costs. From Q1 2021 to Q1 2022, there has been a steady increase across almost all industries such that the rising costs of inputs are being identified as an obstacle to business, and over one-third of businesses reported they plan on passing on increased costs of inputs to their consumers. This challenge is accentuated by SMEs, where 75% cite rising costs of inputs as an obstacle, while 30% cite it as a major obstacle.

Statistics Canada has been closely following how SMEs have fared during the pandemic, as they're important drivers of the Canadian economy. In addition to our standard suite of products, we partnered with the Canadian Chamber of Commerce early in the pandemic to launch a forward-facing survey of business conditions. More recently, we've started working with them on a business data lab in order to better support public and private sectors in making decisions in this area.

• (1315)

Mr. Chair, this is a brief summary of the constraints facing Canadian businesses that we're measuring. I'd be happy to answer any questions you may have.

**The Chair:** Thank you very much, Mr. Peterson.

We'll now move finally to the Treasury Board and Mr. van Raalte.

**Mr. James van Raalte (Executive Director, Regulatory Policy and Cooperation Directorate, Regulatory Affairs Sector, Treasury Board Secretariat):** Thank you, Mr. Chair and members, for inviting me to join you today.

My remarks will focus on how Canada's federal regulatory policy and modernization agenda responds to the needs and concerns of Canadian small and medium-sized enterprises. I'd also like to share some of the key policy challenges we are seeing in this space.

The Government of Canada policy that sets out how regulatory departments and agencies must develop, manage and review federal regulations is called the "Cabinet Directive on Regulation". The directive asks regulators to:

...consider the impact of proposed regulations...on small businesses to ensure that [they] do not unnecessarily bear a disproportionate burden when complying with regulations.

To determine whether there are impacts on small businesses, regulators must apply what we refer to as the small business lens. If there are impacts, they must explain how they were factored into the regulatory design, as well as any flexibility that responds to small businesses' needs within the regulation. Flexibility can come in the form of delaying implementation, offering exemptions, reducing reporting frequency, etc. We find that about 20% of the time, there are impacts on small businesses when departments come forward with new regulatory proposals.

There is also a rule within the federal regulatory system that controls the administrative burden on businesses, known as the one-for-one rule. Established in policy in 2012 and under the Red Tape Reduction Act in 2015, this rule requires that, for every new dollar of administrative burden imposed on businesses, a dollar must be removed. It also requires that for every new regulation that imposes a new administrative burden on businesses, a regulation must be re-

pealed from the books. As of March 31, 2021, \$60.5 million in net annualized reductions have been observed under the rule. There's also been a net reduction of 185 regulations.

Part of our role at TBS is to ensure that regulators are complying with these rules and to report annually on the application of the one-for-one rule. In addition, TBS leads the government's regulatory modernization effort to facilitate competitiveness, agility and innovation within the Canadian regulatory system and address inefficiency, while ensuring important protections for Canadians and the environment.

We have regulatory co-operation fora with the United States, the European Union and provinces and territories in order to reduce the regulatory differences across jurisdictions and remove barriers to trade. We lead thematic regulatory reviews to identify rules and practices that are creating bottlenecks to growth and innovation, and develop plans to address them. We host a centre for regulatory innovation that focuses on building capacity for regulators to design flexible regulations that enable new and innovative products to come to market. We have a regular TBS-sponsored legislative initiative that removes requirements that stand in the way of modernizing regulations.

In support of this agenda, a committee of stakeholders external to government advises the Treasury Board on ways to improve regulatory competitiveness in Canada and promote excellence, growth and innovation. The committee most recently recommended that the government take a practical approach to help regulators assess the impact of regulations on competitiveness. We commissioned the OECD to learn about what other countries are doing to understand these impacts. The OECD report was clear. Each country has its own approach, and there is no standardized way to measure regulatory competitiveness.

Following on this, we've taken our external advisory committee's approach and are consulting with stakeholders on a draft tool designed to be a practical self-assessment checklist to help unearth potential competitiveness impacts that are top of mind to Canadian businesses as regulatory proposals come forward.

The recommendations made by the external committee are consistent with what we have learned from the COVID-19 pandemic and by monitoring how our regulatory policy compares to other top countries, exposing key opportunities and challenges.

First, while we rank third in the OECD, stakeholder engagement isn't working for everyone. Modernization requires more frequent and meaningful consultation with stakeholders. However, we are hearing that many stakeholders are experiencing consultation fatigue and lack the capacity, knowledge and resources necessary to contribute effectively. This challenge also contributes to a lack of diverse representation.

Second, businesses are concerned with the impact of the cumulative regulatory burden on competitiveness. This issue is significant, yet complex. It implicates the federal government, provinces, municipalities and international regulations. There are no recognized ways to objectively measure cumulative burden or to compare it across jurisdictions. There's a real need for better regulatory data to help search for, identify and address this cumulative burden efficiently.

• (1320)

Third, regulators could make better use of digital solutions and embrace user-centred approaches to improve service delivery. Simply put, being responsive to Canadians demands new ways of working with a focus on digitalization.

Fourth, while the one-for-one rule controls the creation of new burdens, the burden that lies in existing regulations is not getting enough attention. Canada ranks sixth place in the OECD's regulatory policy ranking on post-implementation review, a fact that reinforces the need to improve the way we examine the existing regulatory stock to ensure it is relevant and performing as intended.

Finally, while there is greater demand for agility in regulation, for example, by incorporating standards by reference, stakeholders also require predictable regulatory regimes in which to operate, and there is a tension in finding the right balance between these opposing objectives, agility and predictability.

As we look to address these challenges, I welcome the insights this committee can offer about ways the regulatory system can be more responsive to small and medium-sized enterprises, and support regulatory efficiency and competitiveness more broadly while maintaining Canada's high standards for health, safety, security and environmental stewardship.

I would be pleased to expand upon these points I've raised and to answer your questions, Mr. Chair.

[Translation]

**The Chair:** Thank you.

We will now begin the first round of questions.

Ms. Gray, the floor is yours for six minutes.

[English]

**Mrs. Tracy Gray (Kelowna—Lake Country, CPC):** Thank you, Mr. Chair.

Thank you to all of the witnesses for being here today.

I'll go first to Statistics Canada.

When it comes to the labour and job numbers—and you did cite some here today in your opening remarks, which are reported by

Stats Canada—are these total jobs, or are they broken down between full time and part time?

**Mr. Greg Peterson:** Thank you for the question.

We do collect data on both full-time and part-time jobs.

Maybe I will turn to Josée Bégin.

**Ms. Josée Bégin (Director General, Labour Market, Education and Socio-Economic Well-Being, Statistics Canada):** Thank you for the question.

Yes, we do collect information, and we also release information broken down by various elements such as part time and full time, occupations and industries.

**Mrs. Tracy Gray:** Thank you very much.

Does that also include analysis of the wages of these jobs, specifically the ones that have been gained back?

**Ms. Josée Bégin:** In terms of wages, we have several sources of information from which we produce information. Then again, we can break that down by type of employment, whether it's in the private or public sector or self-employed. We can also do the same thing but from the business angle, so looking at small, medium and large businesses.

**Mrs. Tracy Gray:** Thank you very much.

Could you table for this committee the average wages of these jobs you were mentioning, by sector, both pre-pandemic and currently? Thank you.

Next, we know inflation is really affecting people's homes and businesses. I heard that the calculation for food inflation by Stats Canada has been changed. Can you confirm that this is true?

**Mr. Greg Peterson:** No, we haven't changed the way in which we calculate food inflation.

**Mrs. Tracy Gray:** Is this something you are looking at? There are reports that this is something that Stats Canada is looking at.

• (1325)

**Mr. Greg Peterson:** With respect to the measurement of the CPI, we continually review our methodology. We look at best practices from other countries. Doing that is standard practice for us. We always make sure we're up to date in our methodology.

**Mrs. Tracy Gray:** When was the last time the CPI model was amended or changed?

**Mr. Greg Peterson:** The way in which we calculate the CPI itself hasn't changed. Are you asking about the basket weights we use to calculate the CPI?

**Mrs. Tracy Gray:** My question is when was the last time the calculation was changed for CPI? Has it been changed recently, over the last few years, or is it something that's done once every 20 years? When would the last time have been? Is it something that's amended every year? If it's something that has changed, in particular, over the last couple of years, is that something you would be able to table for this committee?

**Mr. Greg Peterson:** Sure. The method we use to calculate the CPI hasn't changed significantly in as long as I can remember. What we do periodically update are the weights of the various commodities that we use to compile the CPI.

For a long time we did this every five years. A few years back we changed to doing this every two years. As soon as the pandemic hit, we changed to updating the basket every year. We really started our last basket update just earlier this week. It will be applied to the CPI release we have coming out next week.

**Mrs. Tracy Gray:** Okay, so you are you changing the calculations, then. What I'm hearing you say is that it's not necessarily the items themselves but the weight that's given to the items. Is that what you just said, just so we're clear?

**Mr. Greg Peterson:** At Statistics Canada, we do periodically change.... The CPI is essentially a sort of weighted average of a basket of goods consumed by Canadian households. Over time, this basket changes. One reason it could change is that there are commodities that may have existed in the past that don't exist anymore—I think of DVDs or video cassette tapes—and there's the introduction of new commodities like the Internet or cellphones. The composition of the basket is continually updated.

In terms of the weights that are applied over the course of the pandemic, we decided to increase the frequency of those updates so that we could better reflect the change in consumption patterns in Canadian households.

**Mrs. Tracy Gray:** Great—

**Mr. Greg Peterson:** That's not a change in the methodology per se, but rather a change in the weights that we apply to the various commodities that feed into the CPI.

**Mrs. Tracy Gray:** Thank you.

Based on that, if you have continually been changing the weights of the different commodities and the different items, is that something that you would be able to table for this committee? How many times have you done it, particularly since 2020 and up to the most recent change you made?

**Mr. Greg Peterson:** Yes. That information is contained in the report we released earlier this week, and we'll make the link available to the committee.

**Mrs. Tracy Gray:** Thank you very much.

One of the other things I wanted to ask about is credit card interchange fees. Many small businesses I speak to tell me that, with more cashless transactions, they're paying more in interchange fees than ever before.

Can you table for the committee any statistics you may have on what small businesses are paying? That's not only on interchange fees, because we know what the baseline is, but do you have any

information on all of the fees that would be related to what a business, and a small business in particular, would pay for their full credit card transaction processing?

**Mr. Greg Peterson:** I'm not certain that we collect information on those fee statements for small businesses.

**Mrs. Tracy Gray:** Okay. Thank you very much.

I will direct my next questions to Mr. van Raalte from the Treasury Board.

Thank you for being here.

In early 2015, the former government passed the Red Tape Reduction Act. In your opening statement, you mentioned the one-for-one law, which is to ensure that regulators remove one regulation for every new regulation. Is this something that is currently being enforced by the department?

**Mr. James van Raalte:** Yes, it is, absolutely. It's the law. Not only is it being enforced, but we report on it on an annual basis and that report is public.

**Mrs. Tracy Gray:** That's great. Thank you.

Previously—

**The Chair:** I'm sorry. We're out of time.

**Mrs. Tracy Gray:** Thank you, Mr. Chair.

**The Chair:** We'll now move to Madame Lapointe for six minutes.

[*Translation*]

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Mr. Chair.

• (1330)

[*English*]

My questions are for the Department of Citizenship and Immigration.

Throughout this study, we've heard that immigration is seen as a potential mitigator of labour shortage challenges, which seem to be pervasive across all sectors but particularly for SMEs.

My riding is in northern Ontario. The rural and northern immigration pilot program is very popular amongst employers. Every time we have a round table with the chamber or with SMEs, they tell us that it is a vital component of their ability to continue to operate. The pilot program is scheduled to end in October of this year. I want to know if there is a plan to make this program permanent.

**Mr. Philip Somogyvari:** Thank you for the question.



I don't have a specific answer with respect to whether or not the rural and northern immigration pilot will become permanent. What I can say is that, given the time it started, we've been slowly able to ramp up admissions and incorporate new regions into the pilot itself. We clearly will need to have some time to be able to review the program and to watch the functioning of the program.

What I can say is that the department is monitoring this very closely. Based on the ongoing review, as we move towards the end of the pilot, there will likely be advice given as to whether to extend this pilot further.

**Ms. Viviane Lapointe:** In the reviews you've done to date, is it your assessment that the pilot program has achieved what it was designed to do?

**Mr. Philip Somogyvari:** Again, I can say, going back to when the pilot was launched—in other words, up to and during the COVID-19 pandemic, and despite those challenges—we've already had 755 admissions since its launch. That may not seem like a lot, but given that this is a pilot program and given the time it started, these are very encouraging signals.

As I said, we'll continue to monitor it, and we hope to see further admissions through the pilot.

**Ms. Viviane Lapointe:** The federal budget of 2021 invested over \$430 million to develop and deliver an enterprise-wide digital platform so that it could gradually replace IRCC's global case management system, with the goal of improving application processing and support for applicants.

Can you provide the committee today with an update on the development and implementation of this program?

**Mr. Philip Somogyvari:** With respect to the platform modernization initiative, I don't have specific knowledge. However, I can say that there has been quite a lot of development in being able to scope out the requirements and what the department would need or want to have operationalized through the new platform. There have also been significant engagements with industry to start getting a sense of what the new platform needs to do and to build it for the future.

In the meantime, we'll continue to try to update and get the most flexibility out of the global case management system as possible, because in terms of ultimately implementing platform modernization, there's still a way to go. Therefore, in parallel, the department continues to digitize and modernize its processes and get the most it can out of the GCMS.

**Ms. Viviane Lapointe:** With immigration accounting for almost 100% of Canada's labour force growth and with Canada facing critical labour shortages—again, I hear that a lot in many sectors in my riding—how can we assist SMEs in accessing labour through our immigration system?

**Mr. Philip Somogyvari:** In terms of how we can assist, the department is trying to make strides in how it engages and interacts with clients by providing as much information as possible. Some of what we're trying to do involves having better tools and resources on our websites and trying to have more contact with and hear from SMEs and other stakeholders to get a sense of what their needs are. There are also some facilitative mechanisms.

For instance, one of the innovations that was put in place was the dedicated service channel that has referrals of growth enterprises in Canada that seek top skilled foreign national talent. That's one of the other ideas in this sort of gloved service. It's to be able to give more assistance to SMEs, among others, and high-growth firms to help them navigate through the immigration process.

The other thing I'll say is that work is ongoing, including through client experience and interaction with clients, to be able to simplify application forms, for instance. When possible, we take those learnings and simplify the processes at the front end.

● (1335)

**Ms. Viviane Lapointe:** We hear a lot about the shortage of skilled labour. I'm wondering if there's any kind of dialogue at the ministry about being strategic in our immigration approaches to specifically address those skilled labour shortages. I'm thinking about the pathways that were created that really helped us with personal support workers, which were really essential, especially during COVID in our long-term care system.

**Mr. Philip Somogyvari:** Yes. Thank you for the question.

Indeed, I would refer to the temporary to permanent immigration stream, which was particularly useful during the border closures last year in being able to retain those temporary workers, particularly in essential occupations, and for students and graduates in being able to apply for permanent residence and remain in Canada.

I would mention as well some of the thinking we're doing in terms of targeting our economic immigration to meet the needs of the labour market. As was recently introduced in the Senate, our amendments to the Immigration and Refugee Protection Act permit the minister, upon consultation and in order to achieve an economic goal, to be able to conduct category-based rounds within express entry. What this essentially means is that, to provide more specificity in pinpointing and selecting those with particular attributes, including particular occupations, it's inviting them to apply for permanent residence in express entry.

**The Chair:** Thank you very much.

[*Translation*]

Mr. Lemire, the floor is yours for six minutes.

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Mr. Chair.

I'd like to thank the witness for his presentation, which was very instructive.

My question will be for the representatives of the Department of Citizenship and Immigration.

In the July 10, 2021, issue of the *Canada Gazette*, we learned that the department was doing all sorts of verifications in connection with the labour market impact assessment, or LMIA, process. Contrary to what we might think, a lot of inspections are done that have absolutely nothing to do with making sure that no Canadian can do the work of an immigrant. Over 47,200 enterprises are small enterprises, and each of them is having to deal with the difficulties and delays involved in the Temporary Foreign Worker Program. This doesn't make sense.

The government is simply passing the costs of inspections associated with the LMIA process off to enterprises. It is certainly possible to do things differently and not make the enterprises cover the costs associated with the delays it causes. While applications pile up in offices, billions of dollars in revenue are slipping through our fingers.

Representatives of Quebec Manufacturers and Exporters testified before the committee and told us that revenue lost by businesses amounted to almost \$18 billion. However, there is nothing in the LMIA process that prevents things from being done differently once immigrants arrive here.

Do you think suspending the LMIA process could be considered, at least for applications concerning workers in Quebec?

[English]

**Mr. Philip Somogyvari:** Thank you for the question.

LIAs fall within the purview of ESDC, Employment and Social Development Canada. What I can say is that there have been facilitative measures arranged within the TFWP as it specifically pertains to Quebec. These were announced in August 2021. They include raising the cap on the low-wage TFWs a Quebec employer may hire and expanding the simplified process for accessing a labour market impact assessment to national occupation classification C, which is akin to what's already in place for classification levels A and B.

Just in general with respect to processing times and delays, I can speak directly for our department that, clearly, we don't want those processing time delays. We are working very hard to come back to our processing times for work permit issuance by the end of the year. That is the goal we have set. In that sense, clearly we are of the view as well that such delays are not good for business. Frankly, they're not good with respect to our department as well.

• (1340)

[Translation]

**Mr. Sébastien Lemire:** I'm happy to hear there is a desire to take action to reduce the delays in processing times. I would still like it if you could submit a report for Quebec, to include a table with the number of LMIA applications filed in all months in 2020, 2021, and, if possible, 2022, the number of decisions made, the number of positive and negative responses, and the number of suspended decisions. Then I would like the reasons why those LIAs were refused in Quebec to be shown, with the number of refusals for those years and for each of those reasons.

In addition, given the labour shortage, which also seems to be affecting federal government departments, I would like it if you could submit a report on LMIA cases in Quebec that includes a table showing the number of employees who worked on examining LMIA applications in 2020 and 2021, the average time each employee spent on a case, and the number of cases that the department believes an employee should assess each week. I think that would help us understand why the process is so slow.

In addition, Ottawa's refusal to transfer the LMIA process to Quebec is purely political, in my opinion, and the federal government is making businesses in Quebec pay the price. There is nothing in the LMIA process that Quebec is not capable of doing and is not already doing through the Commission des partenaires du marché du travail. Obviously the federal government can issue the work permits and do the security checks. Those are its only responsibilities.

Why not recognize the labour market information, the LMI, and avoid these pointless duplications that result in wasted time and money for our SMEs, particularly if it would enable you to put your energy into other equally essential matters?

[English]

**Mr. Philip Somogyvari:** Thank you for the question. Your request for information has been noted. We'll contact ESDC.

With respect to both jurisdictions and the responsibilities, again, I'm not privy to conversations with respect to what is within each jurisdiction. What I can say is that IRCC works hard to abide by the letter and spirit of the 1991 Canada-Québec Accord, which sets out where there is concurrent jurisdiction over temporary and permanent immigration or whether there is sole selection authority in the case of economic permanent residency.

But the questions of the member are noted.

[Translation]

**Mr. Sébastien Lemire:** Thank you.

I'm going to address another subject, one you talked about briefly. Just before the election, in mid-summer 2021, your department made unilateral changes to the TFWP, the Temporary Foreign Worker Program. The regulatory impact analysis statement provided by the department itself said:

The regulatory proposal identifies additional requirements and conditions to which employers must adhere. This means that officers in both departments would undertake new activities to verify that these additional requirements and conditions have been met. This additional work may result in an increase in processing time for LMIA applications, and would increase the overall processing time to conduct inspections for both the IMP and the TFWP.

Can you tell us briefly, because time is running out, how that decision was made in your department?

[English]

**Mr. Philip Somogyvari:** Thank you very much for the question. I think the member is referring to the prepublication of the inspections to protect vulnerable workers. I will say, in that respect, that both IRCC and ESDC take very seriously protecting workers from vulnerabilities and recognize that they have a right to the same provincial, territorial and federal employment standards that Canadians and permanent residents have.

In terms of the changes themselves, which I think have not received final approval, certainly it's our intention to be able to better protect foreign workers, whether they're under the temporary foreign worker program or the international mobility program, irrespective of jurisdiction, to ensure that they are receiving adequate wages and working conditions.

• (1345)

[Translation]

**Mr. Sébastien Lemire:** Thank you.

[English]

**The Chair:** Thank you very much.

We'll now move to Mr. Masse for six minutes.

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Mr. Chair.

Thank you, witnesses, for being here on a Friday.

I come from Windsor, Ontario, a border city, so my first question is going to be for Immigration.

Obviously, in a border city, especially with the volume of traffic—about 40,000 vehicles per day and about 40% of Canada's daily trade by land and rail come through here—we get a lot of refugees, especially during times when bodies in the United States try to push them outside their country, including some of the companies that were hired to actually move them from Florida and other places.

We also have a college, St. Clair College, and the University of Windsor, which use international students as part of the base for their educational systems. They come in from all over the world and are actively recruited.

We also have some of the highest numbers of temporary foreign workers in Canada, as does the area just outside my region. Some people live here and then travel every single day to work on mushroom farms and other types of greenhouses and agricultural industries.

We also have a shortage of skilled labour in the manufacturing sector. My office has already opened thousands of inquiries about immigration. About 30 to 40 per day come in here to us, so my question is this: How strategically wise was it to close the immigration office in the city of Windsor to the public and to those persons? How strategic was that and when will that be reviewed?

**Mr. Philip Somogyvari:** I will turn that over to my colleague, who might be able to speak more about our infrastructure and closures during the pandemic.

**Mr. Brian Masse:** This was actually closed before the pandemic. It's a facility on Walker Road that actually holds hundreds of peo-

ple. It had ceremonies, which I attended for over a decade. It was closed, and people can no longer go there to get assistance. The doors have been barred, but the workers are still in there. I'm just wondering what the strategy was behind basically shutting people out from being able to inquire about things there, given the conditions that I've outlined here, which are well known and documented.

**Mr. Philip Somogyvari:** I'm afraid I don't have a response for the member, but we've taken note of the question and can get back to the committee.

**Mr. Brian Masse:** That's fair enough. Thank you, Mr. Chair.

It's a very serious issue. That's why I listed off the challenges here. The infrastructure exists and is still owned or being rented by the federal government. The employees are still in there, and people are being turned away.

The other question I have is that, since we have a shortage of labour, how strategic is it for someone....? For example, I have a single mom who is waiting for her humanitarian case to be completed. She is working with no problems, convictions or issues with regard to the Canadian economy and she is a taxpayer. She's being deported before her case can be appealed or reviewed, which will deprive us of another skilled person in the community in the health care system.

How strategic is it to deport people who are trying to get Canadian citizenship—and who are in active employment, when there are shortages in workplaces—before we finalize the decision about their citizenship in Canada?

**Mr. Philip Somogyvari:** Unfortunately, I don't have knowledge of this case, nor can I comment on those types of cases. Deportations—

**Mr. Brian Masse:** It could be any case. Let's say somebody is waiting for their humanitarian and compassionate grounds case to be reviewed, but they're being deported. It could be not just here in my community but anywhere in Canada. It could be any type of a trade position that's filled during a labour shortage.

What is the strategy behind deporting a person from a job when we don't have a replacement for them—especially in sector where there might be even more of a shortage, like health care—and then having to bring that person back to Canada after breaking up the family? We might be sending a child who could be a Canadian citizen to a foreign country they've never visited before.

What's the strategy behind doing that?

**Mr. Philip Somogyvari:** Mr. Chair, I'm afraid I don't have an answer to that question.

**Mr. Brian Masse:** These are the things that your department is.... You talked about strategy. I'm wondering how that fits between dealing with a workforce....

The other thing I'd ask is this: What's the basis for limiting international students to 20 hours of employment per week? Maybe we can go to that policy. What's the strategy of that, given the fact that, again, we have a shortage of people?

Those international students pay such high tuition costs. Most are living in poverty at times, going to food banks or bringing over money just to get by. There have been increased levels of mental illness, depression and other types of issues, because some people think that they're all rich people coming over. That's not true. There are a lot of working-class students. What's the strategy of limiting them to 20 hours a week?

• (1350)

**Mr. Philip Somogyvari:** With respect to international students, the rationale behind the 20 hours per week recognizes that the students are primarily here to study. With respect to financial hardships, during the COVID pandemic, several facilitative measures were made for international students with regard to not only extensions but the post-graduate work program, which many students avail themselves of.

**Mr. Brian Masse:** The 20 hours is based upon a blanket policy. Has there been any consideration given to changing or having an exception to that?

I know many students who are Canadian who work more 20 hours a week, because of the cost of education. I would suggest that's probably not a number.... Especially when you get to the summer, March breaks and other breaks, they're working extra hours.

**Mr. Philip Somogyvari:** One of the requirements upon application to study in Canada is to demonstrate sufficient funds to be able to live and study over the course of the program in Canada.

Whether there's been any thought to changing the 20-hour-a-week limit, I can say that the department's constantly reviewing the rules of our different programs, especially with regard to the current context, which is the shortages in the labour market. The comments of the member are taken.

**Mr. Brian Masse:** I appreciate it.

I know I'm out of time, Mr. Chair.

I want to thank you. I'm not trying to be difficult, but I have a full-time caseworker dedicated to immigration alone in this office for the public. The seriousness of the situation is so bad. The government is now only allowing us to have five emails a day for inquiries, and then after that we have to go on the phones and put a staffer on there for hours, waiting on the line. This is a real thing that's happening.

In the cases I mentioned, we have to turn around every single day, because we get five emails allowed for contact per day. It's something that's not helpful for business, the community and, obviously, the people who we're serving.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Masse. I think your comments resonate with every member around this table.

I'll now move to MP Hallan for five minutes.

**Mr. Michael Kram (Regina—Wascana, CPC):** Mr. Chair, I'm very sorry. I think there was a bit of a mix-up.

I believe we're going with Monsieur Deltell next.

[*Translation*]

**The Chair:** Mr. Deltell, the floor is yours.

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Thank you, Mr. Chair.

I'd like to thank the witnesses for being with us today. It is always good to debate issues that affect Canadians. Today we are talking, more specifically, about small businesses.

As members of Parliament, we are all being approached by entrepreneurs for help. Everyone is aware that we currently have a major problem in our economy that directly affects all small businesses: the labour shortage. No wave of a magic wand can solve this problem. As well, there is no single fact that can explain the labour shortage, and the problem exists around the world. However, there are things that can be done to accelerate certain processes.

Today, we have with us representatives of a number of organizations and departments: the Competition Bureau, Immigration, Refugees and Citizenship Canada, Statistics Canada, and the Treasury Board of Canada Secretariat.

The subject I would like to address with the witnesses involves the representatives of the Department of Citizenship and Immigration more directly.

I think that all my colleagues, whatever their political allegiance, are having to deal with two main problems in their constituency offices. The first relates to passport applications and the second to immigration applications.

This week, Isabelle Turcotte-Genest, the constituency assistant who does a remarkable job in the constituency I represent, waited five hours and 20 minutes before she was able to speak with an officer to deal with a passport case. I have no doubt that my colleagues have all had cases like this in their own constituencies.

On the question of immigration, I'd like to address certain specific cases, but I will start with a case I learned about this morning. Walking on Parliament Hill to get to the West Block, where we are now, I happened on two tourists from Switzerland who were looking for some information. I introduced myself to them and we chatted a bit. It turned out that they had come to Canada to visit their son. He had obtained a visa and had come to discover the beauty and charm of our country, as many people do.

Why am I telling you this? You will understand shortly. Their son arrived on September 29, 2021, with a tourist visa that he has to renew every six months. Since Canada is a very welcoming country, the young man met his soulmate. That's good news. He also found a job, which is also a good thing. His employer wasn't a little neighbourhood restaurant, it was the Fairmont hotel chain. He was ready to work, but since he didn't have a work permit, he put his application in on November 9 of last year. He provided his biometric data and everything went well. But he has never received an answer to his application.

His work permit application was submitted on November 9, 2021, and seven months later, he still has not received an answer from the Immigration Department. Not only does he want to work, but he has also been selected by an employer, and not just any employer. He wants to settle here. His family has come to see him. All the ingredients for success are present. He is missing only one thing: efficiency on the part of the government of Canada.

My question is a bit blunt, but I will ask it anyway, since there are representatives of the Department of Citizenship and Immigration here today.

How is it that Canada, a G7 country, that employs hundreds of thousands of people, is not capable of handling a case like this, a case in which the person has all the necessary ingredients for success?

• (1355)

[English]

**Mr. Philip Somogyvari:** Thank you for the question.

Without any further knowledge about that case, I can speak in generality and reiterate what I said before unreservedly. Some of the delays with respect to processing temporary and permanent resident authorizations are unfortunate. We're working very hard to expedite those and return back to the processing time standards. While we're starting to come out the other end of the COVID-19 pandemic, the pandemic itself caused several challenges to offices, particularly where paper files were necessary and individuals couldn't go into the office, but also with respect to border restrictions. Right now the department is working hard and, based on the \$85 million provided as part of the budget, is trying to return to those processing times.

With respect to client interaction, while the case that was raised by the member is, again, unfortunate, in terms of the client call centre, some of the innovations, including callback features, are meant to provide better client service to individuals. As well, the department is working on other client service tools, which would include things like being able to track one's application. Many of these are features that one would expect to be built into the platform modernization process that's being undertaken by the department.

[Translation]

**The Chair:** Thank you, Mr. Deltell. Your time is up. You may have time to come back to this later, if you want.

I will now give the floor to Mr. Dong.

[English]

**Mr. Han Dong (Don Valley North, Lib.):** Thank you very much, Chair.

I want to thank our witnesses for coming today.

The focus of this study, or the main piece, is around enhancing the competitiveness of SMEs. I have some questions for the Competition Bureau as well as IRCC and StatsCan.

First, to the Competition Bureau, we've heard reports of international shipping companies gouging shipping costs or prices in the last two years. We've seen a sharp increase of anywhere between \$3,000 to \$4,000 U.S. all the way to \$20,000 U.S. Are you aware of this phenomenon? What's your understanding of the situation and the cause of these sharp increases?

• (1400)

**Mr. Anthony Durocher:** Thank you very much for the question.

We are very much aware of some of the issues globally relating to supply chains and with respect to shipping costs as well. I can tell you that we are working with our international partners to coordinate and share information related to supply chain issues that cross borders. We are hard at work in that respect.

I will let my colleague Ms. McWhinnie complement my response with the enforcement perspective.

**Ms. Krista McWhinnie (Deputy Commissioner, Monopolistic Practices Directorate, Competition Bureau):** Thank you.

I would just reiterate that, on the enforcement side, we are very much aware of the issue of high and rising shipping fees. There may be a number of factors driving these up, but to the extent that they are higher than they should be as a result of anti-competitive behaviour, whether that's an agreement between competitors that would be an issue under the Competition Act or some other form of abuse of market power, those are very much the issues that we would be digging into.

Unfortunately, I can't speak further about the investigative side—

**Mr. Han Dong:** I don't mean to be rude, but I have limited time here.

I also heard that there have been sharp increases for docking fees and for storage as well. The federal government has put forward quite a bit of money, I think in excess of \$80 million, to help with this issue. Do you feel there are adequate regulations for your enforcement or your investigation into this matter?

**Mr. Anthony Durocher:** Mr. Chair, we are certainly working to modernize the Competition Bureau in respect of our intelligence capabilities and our enforcement capabilities. We are very mindful of the current stresses on the economy as well. From our perspective, as I mentioned in my opening statement, there is a very important exercise currently ongoing to modernize the Competition Act and consult broadly going forward to make sure we have a Competition Act that has the necessary tools to enable the bureau to investigate and take appropriate action to protect competition in the economy.

**Mr. Han Dong:** This problem is a big piece in the supply chain and it is happening right now. The challenges are felt every day by constituents when they go to supermarkets and local department stores. I look forward to a speedy resolution, especially coming from your department.

My second question is for StatsCan.

I heard a question about the labour market. You said that SMEs employ over 10 million across the country, accounting for two-thirds. To my recollection, the Canadian labour force is in excess of 20 million people, which should be one-half. Can you correct the record or reassure us?

Secondly, do you have any studies or reports on the under-the-table job numbers or jobs that are not being reported? Do you have any stats on that?

**Mr. Greg Peterson:** To respond to your first question, yes, if we take a look at the employment of SMEs, small businesses account for about 10.3 million employees and medium-sized business account for about 3.4 million employees. That's the data we have.

In terms of underground work, doing statistics requires data. Counting the number of employees and the number of people really depends on the way in which you're capturing that information and the source of that data. For information we're getting from employers, work that's under the table will be missing. However, we have other sources of data when we're asking households what's happening.

Perhaps I can turn to—

**Mr. Han Dong:** This is directly impacting the competitiveness of small businesses. They are losing talent and losing workers to those who are going to pay cash. In today's economy, very little cash is being used at the store, from the customer end.

I wonder if there is any way StatsCan can capture some of this information and if there's any way the Competition Bureau can look into that matter.

• (1405)

**Mr. Greg Peterson:** I'll turn to my colleague, Madam Bégin.

**Ms. Josée Bégin:** Thank you for the question.

When we conduct the labour force survey among the population, we ask questions like whether the person is employed or currently not employed, and we ask questions about whether they are away from work and why that is, or how long they've been unemployed. We don't have questions about whether or not this is a job that is under the table. We don't have that kind of question.

**Mr. Han Dong:** I hope there's an effort put toward gathering that information going forward.

Thank you, Chair.

**The Chair:** Thank you very much.

[*Translation*]

Mr. Lemire, the floor is now yours for two and a half minutes.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

I'd like to turn to the officials from the Department of Citizenship and Immigration. Perhaps Mr. Somogyvari can answer my question.

Let's look at some statistics, specifically with regard to applications for study permits at Quebec's French-language universities. In 2015, the refusal rate for study permits at Quebec universities was around 30%. Today, it's 52% for francophone universities, compared to 33% elsewhere in Canada. There is a 20% gap between Quebec and the rest of Canada.

For Quebec universities in the regions, the refusal rate is between 60% and 80%, depending on the country of origin of applicants. As for English-language universities in Quebec, McGill University has a rate of only 9%, versus 23% at Concordia University and 27% at Bishop's University.

At Cégep de l'Abitibi-Témiscamingue, the refusal rate is 75%. In the field of vocational training, it can be as high as 95% for foreign students that are not from France.

Can you reassure me and say that there is no deliberate discrimination against Quebec or French-speaking countries in the case processing measures announced?

[*English*]

**Mr. Philip Somogyvari:** Thank you, Chair, for the question. I'll turn to my colleague, Matthew Graham.

**Mr. Matthew Graham (Director, Levels Planning and Migration Analysis, Department of Citizenship and Immigration):** Thank you, Mr. Chair.

I'd like to thank the honourable member for the question.

With respect to the approval rates for international students destined to Quebec versus destined to the rest of Canada, our department is always reviewing ways to address Quebec's concerns about approval rates for international students. In 2021, of all students who declared English or French as an official language, 57% of those destined to Quebec declared French.

When comparing the approval rates for students with French as a declared language, they're very similar: 41% to Quebec and 40% to the rest of Canada. This also holds true for the approval rate between the declared language for French and English students destined to Quebec. The overall approval rate for students destined to Quebec is 41%, and it's about 62% for the rest of Canada.

[Translation]

**Mr. Sébastien Lemire:** So, there is discrimination based on the country of origin.

Let's talk about the Quebec Acceptance Certificate, or CAQ. In 2019, 12,182 certificates were issued to students of Algerian origin. Of these, only 2,679 students were granted a study permit. For Tunisian students, the refusal rate rose from 33% in 2016 to 50% in 2020.

Why is this? There are statistics for France, but there are many other countries as well. Francophone universities in the regions clearly count on the influx of foreign students, especially as a strategy to address labour shortages there.

[English]

**Mr. Matthew Graham:** Mr. Chair, I'd like to thank the honourable member for the question.

Our department is committed to addressing low visa issuance and study permit approval rates for those from French-speaking countries in Africa and elsewhere to support Quebec's immigration plan and Canada's competitive edge.

As the minister said, we are taking measures to address unconscious bias and to ensure consistency in decision-making. All decision-makers processing applications from Africa have completed Government of Canada training to recognize and counter unconscious bias. We're reviewing immigration program outcomes to identify all institutional mechanisms that contribute to any inequitable outcomes for clients to further mitigate against bias.

We've also made efforts to attract eligible students in Africa and to increase acceptance rates by engaging in outreach to those partners as well as at public events. Our IRCC offices located in Africa participate in events, such as EduCanada and ÉduQuébec, and regularly host webinars to help explain the study permit application process and requirements.

[Translation]

**The Chair:** Thank you very much.

We'll now go to Mr. Masse for two and a half minutes.

[English]

**Mr. Brian Masse:** Thank you, Mr. Chair.

I'm going to ask this of the Competition Bureau. One of the larger complaints we get from smaller SMEs is in regard to the fees for transactions for credit cards and Interac, as well as the inability to negotiate good rates. There have been high-profile disturbances in the system in the United States involving Costco and credit cards and Walmart and so forth, using their kind of purchasing power.

What needs to change in Canada? Has there been a review of this on our side? The rates seem to be.... I guess, for lack of a better

analysis, if you don't have competition, you really are just going to have collusion by default. I'm wondering whether there's been any review of that. That's one large thing.

I actually asked the BDC whether they've considered credit card processing fees. They said they did 10 years ago, but they didn't really give us much of a robust answer. They followed up with the same kind of response—that they did look at that but that was all. They didn't even give us any details, so I'll have to see if we can get those.

● (1410)

**Ms. Krista McWhinnie:** I'm happy to respond to that. Thank you very much for the question.

The high credit card fees and the challenge those pose to merchants, particularly small and medium-sized enterprises, are something the bureau has very much been live to for a quite a number of years now. Our focus under the act is looking at allegations of anti-competitive conduct that are driving those higher fees. We don't have anything under the act that prohibits the high prices or fees from being high. It's really looking at whether conduct prohibited by the act is driving that.

The Competition Bureau did bring a case forward to the Competition Tribunal some years back, alleging that conduct by Visa and Mastercard was responsible for inflating those fees. We ultimately lost. The tribunal found that the statutory tests were not made out in that application. They actually went further and said that this sounds, perhaps, more suited to a regulatory fix. On that front the Competition Bureau is actively engaged with others in government to lend advice on how policy options around this could benefit from a pro-competitive lens.

**Mr. Brian Masse:** After that, Mastercard was rewarded with \$50 million of taxpayers' money for their security program. However, I'm glad to hear that.

For the record, I believe the Competition Bureau does an excellent job of what they can do within the law. In a nutshell, the laws really are not sufficient for the Competition Bureau to be able to do a full, robust protection of consumers compared to what other countries can do. Is that correct?

**Mr. Anthony Durocher:** From our perspective, we're undergoing a very important review of the Competition Act at this time. The amendments being proposed in the budget implementation act represent a very important start, from our perspective.

However, this phase two, this further review to have a robust discussion and to hear from all quarters of the economy—because competition impacts everyone—and to make sure we have effective competition legislation, is certainly critical from our perspective to protect consumers, SMEs and the economy.

[*Translation*]

**The Chair:** Thank you very much, Mr. Durocher and Mr. Masse.

Mr. Kram, you have the floor for five minutes.

[*English*]

**Mr. Michael Kram:** Thank you very much, Mr. Chair.

Thank you to all the witnesses for joining us today.

I would like to start with Statistics Canada.

Last month, the committee heard testimony from the Canadian Federation of Independent Business. We had Ms. Corinne Pohlmann from the CFIB join us. She noted that almost 90% of small business owners surveyed said, “excessive regulations add significant stress to their lives, and almost two-thirds would not advise their children to start a business given the burden of regulations.”

I was wondering. Does Statistics Canada have a way to measure the cost of regulation and over-regulation on small businesses? If so, what were your findings?

**Mr. Greg Peterson:** Thank you, Mr. Chair, for the question.

Yes. We have done this in the past, and we've gotten some aspects of this in more real time. In our business conditions survey that we conduct in co-operation with the Canadian Chamber of Commerce, we found that in the fourth quarter of 2021 nearly 20% of all businesses felt that government regulations would be an obstacle for them over the next three months. This is variable and we'll continue to track it.

We have tracked aspects of this over time. The last time we did a comprehensive study on regulatory burden was, I believe, in the 2016 reference year. At that time.... I'm sorry, Mr. Chair. I don't have data immediately available to me, but in 2016 we did undertake a study to sort of understand what the regulatory burden faced by small businesses was, and we can make that information available to the committee.

• (1415)

**Mr. Michael Kram:** Yes, if you could table that for the committee, that would be very helpful.

I wonder, Mr. Peterson, if you could speak in more general terms, then, on what will happen to the socio-economic well-being of the country when two-thirds of small business owners tell their children not to get into small businesses because of the burden of regulation. What will Canada look like in a generation or two if this trend continues?

**Mr. Greg Peterson:** Thank you for the question, Mr. Chair.

To be honest with you, I'm not entirely familiar with that study by the CFIB, so I'm probably not the best placed to interpret the results, but we'll continue to objectively measure what small businesses identify as the burden.

**Mr. Michael Kram:** Thank you very much.

I would like to change gears now and move to the witnesses from IRCC.

All MPs' constituency offices help their constituents navigate different government programs, and the vast majority of the casework that I deal with in my office has to do with IRCC, particularly on just the amount of time it takes to go from the beginning of the process to the end, especially with temporary foreign workers and permanent resident applications. What is a typical processing time for those types of applications from start to finish? What opportunities are there to speed up the process?

**Mr. Philip Somogyvari:** Thanks, Chair.

It depends on the program. With respect to permanent residents, to provide an example, within our express entry program—which is skilled workers, the experience class, skilled trades and a portion of the provincial nominee programs—our service standards are six months in 80% of cases following the receipt of a full application.

Now, given some of the delays I've explained and some of the backlogs that were created during COVID, we're not at those processing times. We're well behind, and we're aware of this. With respect to express entry, however, it is our goal that once we reopen invitations under the express entry program, which is slated for July, we'll be able to return to a six-month standard for those applications and continue to work through the existing inventory of applications already received.

With respect to the issuance of work permits, similarly, the standard is 60 days. We're currently not at that standard, but we're working to get back to that standard as quickly as we can.

If you'd like more information, I might be able to turn to my colleague. Have I answered your question?

**Mr. Michael Kram:** Yes, and I believe I've just run out of time. Hopefully, one of the other MPs will pick up on that line of questioning.

Thank you very much.

It's over to you, Mr. Chair.

**The Chair:** Thank you, Mr. Kram, for your discipline.

I will now turn to MP Erskine-Smith for five minutes.

**Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.):** Thanks, Joël.



I want to stay with immigration. I want to start with the premise that the lack of housing affordability is a challenge to our competitiveness. It's straightforward. It's harder to attract individuals if we have unaffordable housing—unaffordable child care, as well, but let's stick with housing.

When you are looking at your strategic policy and planning, of which you're the director general, what conversations do you have with provincial counterparts to ensure that our immigration strategy is consistent with provincial housing strategies?

**Mr. Philip Somogyvari:** Indeed, housing affordability and availability are something that we have taken note of and that we take quite seriously, because as the member mentioned, this has an impact not only on the pace but the volume of immigrants we can let in. One of the important things we want for any immigrant is for them to become economically established in this country. Therefore, the lack of affordable housing is quite the concern.

We have tables with provinces and territories where, among other things, things like absorptive capacity in general are discussed, as well as the impact of immigration on infrastructure and housing, as well as schools and transportation. I can assure the member that these discussions are being had. It's going to be important to be able to balance and pace growth in a manner that ensures the success of the immigrant.

The other thing I would add is that, as part of this, a regional lens is important, as some of the major population centres may have more acute impacts on things like housing availability and other infrastructure. We also work with provinces and territories to ensure that we're trying to regionalize immigration as much as possible.

● (1420)

**Mr. Nathaniel Erskine-Smith:** I appreciate the regional nature of it.

It's a challenge, though. We might bring a particular immigration level into Saskatchewan, let's say, and people might stay there for a particular amount of time before migrating elsewhere, or vice versa. It can be a challenge, I think, at the national level.

Is it fair to say that the immigration levels set at the national level...? Are they premised on the availability of housing and housing development at the provincial level?

**Mr. Philip Somogyvari:** It's one among many factors that have been taken under consideration.

**Mr. Nathaniel Erskine-Smith:** That's okay. I understand.

We received correspondence back from Service Canada in relation to the TFW program and its impact on wages. Service Canada countered the notion that the TFW program has a downward pressure on Canadian wages. However, I went back to Professor Skuterud, who had initially been in touch with me, and he pointed out that estimates consistently point to substantial wage suppression effects with respect to the TFW program.

Can you speak to that?

**Mr. Philip Somogyvari:** One of the features of the temporary foreign worker program, as opposed to the international mobility program, is the presence of a labour market impact assessment. Among other things, one of the labour market impact assessment

goals is to ensure that prevailing or proper wages are being paid, based on the occupation for which the employer is looking for a temporary worker.

**Mr. Nathaniel Erskine-Smith:** That's fair. However, is it not the case, though, that the LMIA mitigates but doesn't entirely prevent the downward pressure?

**Mr. Philip Somogyvari:** For that, I would need to consult with an academic source.

**Mr. Nathaniel Erskine-Smith:** That's okay. I did, and he suggested substantial downward pressure.

I want to move to the Treasury Board. I struggle with this idea of a one-for-one rule sometimes. I want to cut red tape that is ineffective and ineffectual, and I want to keep regulations that matter to public policy. I don't think it's always a one-for-one rule.

Shouldn't the focus be on regulations that make no sense at all and just get in the way? I'll give an example. A licensed cannabis producer today has to seek out a separate excise tax stamp in every single province they operate in. Alcohol is not subject to the same requirements. That is a frivolous regulation that gets in the way, imposes costs and has no public interest value. Why aren't we focused on those issues?

**Mr. James van Raalte:** Thank you for the question. I think it speaks to the point I raised about some of the challenges we're noticing and are addressing going forward.

As I mentioned, the Treasury Board Secretariat has led two rounds of targeted regulatory reviews in an attempt to look backwards at that existing stock, to be far more strategic and far more pressing in terms of how to eliminate ineffective regulations that are already in existence, and to look forward in terms of future-proofing those regulatory frameworks to avoid those types of problems going forward.

**Mr. Nathaniel Erskine-Smith:** I'm out of time. My last comment to you on the Treasury Board side is simply this: Please look at the nascent industries as well to ensure that we harmonize with other jurisdictions. You have to prioritize those spaces too.

Thanks very much. I appreciate it.

**The Chair:** Thank you, Nate.

We'll now move to Madam Gray for five minutes.

**Mrs. Tracy Gray:** Thank you, Mr. Chair.

My first question is for the Competition Bureau. This is a quick question. I know that you were speaking about interchange fees as part of the overall credit card processing fees. I'm wondering if you're also looking at the MDRs that are included. Have you done some of that analysis from a competition point of view?

I don't expect you to have the numbers here today, but is that something you would be able to table with this committee, if you've done some analysis on that?

• (1425)

**Mr. Anthony Durocher:** I would be happy to look into that question with my colleagues and come back to the committee as appropriate.

**Mrs. Tracy Gray:** Great. Thank you very much. I appreciate that.

Next, to Citizenship and Immigration Canada, you acknowledged that your processing times are not meeting the standards that have been set out and you're looking to return to processing times. What are the current processing times of your department, and what are the standards? How far off are you from what the standards are?

**Mr. Philip Somogyvari:** Thank you.

On that, I will turn to my colleague Ms. Hayward.

**Ms. Sarah Hayward (Acting Senior Director, Immigration Program Guidance, Department of Citizenship and Immigration):** Thank you very much for the question.

As my colleague said, we have different lines of business. For each line of business, there are different service standards and processing times. As we have previously apologized, we realize that due to COVID, the border closures and also the closures within our own offices processing times on work permits have suffered. We are working to improve that.

Currently, the service standard for a regular work permit is 60 days. We are currently above that, but we are working to improve it. Currently, we're at about 100 days.

**Mrs. Tracy Gray:** Would 100 days be across all of the different services? Is that an average?

**Ms. Sarah Hayward:** No. That's an average for all work permits, and it is moving downwards.

**Mr. Tracy Gray:** From a timeline point of view, when would you expect to be back to meeting the standards, based on your best estimation?

**Ms. Sarah Hayward:** We have been putting a lot of different plans into motion. We hope to be back within service standards before the end of 2022.

**Mrs. Tracy Gray:** Great. Thank you.

Can you advise us on whether or not a lot of employees are still working from home at this point, or is everyone back at the office now?

**Ms. Sarah Hayward:** All of our employees are able to work, and we are working in a hybrid formation at this point. Some people are working from a distance, in their homes, and other people are in the office where it's needed.

**Mrs. Tracy Gray:** Do you do an analysis, for people who are working from home, that looks at their Internet? Do you do Internet speed tests or look at their Internet access and see what upgrades might be applicable, if they're even applicable, where they live? Is that a process you do when you have people working from home?

**Mr. Philip Somogyvari:** Perhaps I can jump in, Chair.

We generally deal with that on an employee-by-employee basis in terms of what challenges they may be facing with regard to connectivity. I think the best place is for the supervisor of that particular employee to work through whether the employee would need to work in a bricks and mortar environment or whether there are other workarounds to ensure that the employee can be productive based on their connectivity.

**Mrs. Tracy Gray:** Thank you.

Just to give an example here, I can work from home. I can bring a laptop or my Surface home, but everything is slower. I have reasonably good Internet, but opening a PDF attachment is considerably slower. Lots of times, if I have a heavy load of emails and things like that, I'll go to the office because everything is just so much faster. Everything is hard-wired, whether it's in Ottawa or back at my constituency.

I'm wondering if some of these efficiency time increases are all volume-related or if they're related to the fact that everything can be slower when people are working from home. You're not hard-wired into the system and you maybe don't have all of the information you would normally have access to, such as files and things like that.

**Ms. Sarah Hayward:** It is all volume-driven. COVID caused a lot of pressures with the border closures and people being unable to immediately go into the office and reach paper applications. Since that time, we have done great strides to digitize our applications and get them into our global case management system so that they can be processed anywhere in the world. It is in all contexts volume-driven, trying to get through the inventories that grew exponentially and get back to regular processing times.

• (1430)

**The Chair:** Thank you very much, Madam Gray.

Before moving to MP Gaheer, I will grant myself just one question following up on one of the questions that Madam Gray just asked. I don't think there was a clear answer, but do you have any idea of the proportion of employees at IRCC working remotely versus employees working on location?

**Ms. Sarah Hayward:** I don't have exact statistics on who is working where. I can say that overseas 98% of our missions are open, 97% of our visa application centres are open and offering biometrics, and 99% of our panel physician clinics around the world are also open. All our IRCC offices and service providers within Canada are open, but currently they are limited to a 30% in-person capacity for both employees and clients.

**The Chair:** Thank you.

I'll move now to MP Gaheer for five minutes.

**Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.):** Thank you, Chair.

Thank you to all the witnesses for making time for this committee.

My questions are mostly for the witnesses from IRCC, and I appreciate your time. I know you're fielding a lot of questions. As everyone's made very clear, Canada's facing a labour shortage. The riding that I represent actually has the second-largest concentration of businesses in Canada. The first is downtown Toronto. A lot of these businesses are facing shortages with regard to skilled trades.

What are we doing to attract and retain skilled workers in the trades? Are these programs being marketed? Do people actually know about these programs if they're available?

**Mr. Philip Somogyvari:** Thank you, Chair, very much. We don't mind taking questions.

With respect to trades, in fact we do have the federal skilled trades program. This is within express entry. Due to efforts to calibrate our intake to our output, the intake of federal skilled trades has been on pause, but if we look back to prior to the pause, if we look back to 2019, we would actually do separate federal skilled trades invitation rounds to ensure that those who were qualified in the trades program could be invited to apply for permanent residence. As I mentioned before, in July we'll be reopening express entry.

Also, I must say that quite a few tradespeople come in not within the federal skilled trades program but in programs such as the Canada experience class and the federal skilled worker class. I believe the percentage, although my colleague can correct me, was close to 40% of those qualified in trades within express entry were, in fact, coming in through those programs. There are several avenues.

As well, I would mention, as I said before, through the provincial nominee program, which not only has streams that can basically bring in tradespeople and tradespeople with employment, they could do so within the context of their particular regional or provincial labour market.

Thank you.

**Mr. Iqwinder Gaheer:** Great. Thank you.

My next question, also for IRCC, is in regard to international students. I know the federal government is in charge of bringing international students to Canada. Is there anything that IRCC can offer once the students are actually here to accommodate them? Is that the function of the IRCC, or is that provincial?

**Mr. Philip Somogyvari:** Generally once students arrive in Canada, they of course would go to study at their post-secondary education institution, or in some cases secondary schools, for the sake of discussion for PSE. I know many of those post-secondary institutions have supports, given the high percentages of international students on their campuses.

Generally with respect to your question, I think it's quite limited in terms of any additional supports that IRCC provides to international students per se, although the institutions that they go to or that they study at are part of a list of designated learning institutions, so in that respect, the federal government does have oversight over where the students study.

Lastly, based on the nature of the program, part of the initial screens of perspective students would also be their ability to sustain themselves while they're in Canada studying.

• (1435)

**Mr. Iqwinder Gaheer:** That's great. Thank you.

My last question, also for IRCC, is again in regard to international students. We're taking in a record number, obviously, of international students. Do we have the capacity to take in this many?

Is there a conversation that happens between different levels of government on "this is the housing we have, this is health care, this is food..."? Do those conversations happen when we set the target for the number of international students that we'll bring into the country?

**Mr. Philip Somogyvari:** Thanks for the question.

In fact, the international student program is demand-driven, so there is no cap on applications for study permits per se.

It's demand-driven and, in fact, moreover, they do tend to, in very large numbers, apply for permanent residence through express entry, often based on their ability to find work through a post-graduate work permit thereafter.

To answer the question directly, there are no caps on the intake of international students. Many of them reside in residence as well.

**Mr. Iqwinder Gaheer:** Thank you so much.

[Translation]

**The Chair:** Thank you very much.

Mr. Lemire, you have the floor for two and a half minutes.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

Mr. van Raalte, last spring the committee conducted a study on competitiveness in Canada. In June 2021, parliamentarians took part in a historic vote on a bill that later received royal assent. By the end of June, it'll have been a year since this historic vote took place. By passing Bill C-208, parliamentarians corrected a tax injustice long-tolerated within the federal government. The bill grants small businesses, particularly family farms and fishing corporations, the same tax rate on the sale of their business whether it is sold to a family member or to a third party.

However, on June 30 and July 19, 2021, the Minister of Finance issued a press release announcing her intention to delay the entry into force of these changes until January 1, 2022, due to concerns with the wording of the bill. It is now June and there has been no update. Ms. Freeland committed to providing further clarification, yet when we asked her about the matter at the Standing Committee on Finance, she was unable to provide an answer.

Can you tell us if you have any clarification on the implementation of this legislation? People are awaiting news. When will that happen?

[English]

**Mr. James van Raalte:** Thank you for the question, Mr. Chair.

The honest answer is that it would be under the purview of the Department of Finance. Tax policy and tax regulation are not the responsibility of Treasury Board Secretariat.

[Translation]

**Mr. Sébastien Lemire:** Very well.

Mr. Chair, I feel I may have taken advantage of my colleagues' generosity, so I'm going to stop now out of respect for them.

**The Chair:** It's up to you. We still have time.

**Mr. Sébastien Lemire:** In that case, I'll continue, because I have other questions.

I'd like to turn to the officials from the Department of Citizenship and Immigration.

You implied earlier that employers are not all classified in the same way. Is there any chance the inspections process could be random rather than systematic? How can we speed up the process?

If you're determined to carry out inspections, perhaps you could issue certificates to good employers who've already gone through the process in order to reduce processing times.

How can we reduce processing times to make things less cumbersome than they are now?

[English]

**Mr. Philip Somogyvari:** Thanks for the question.

I think that's in relation to inspections under the temporary foreign worker program. I am not privy to those details particularly, but I can undertake to get a response to the committee, if that's okay.

[Translation]

**Mr. Sébastien Lemire:** Thank you.

**The Chair:** Thank you.

Mr. Masse, you have the floor for two and a half minutes.

[English]

**Mr. Brian Masse:** Thank you, Mr. Chair.

I have two quick questions.

The first is for the Competition Bureau. This committee had a recommendation against the Shaw takeover by Rogers. I'm just

wondering what your thoughts are with regard to your position and how that might affect SMEs with less competition.

I then have a second question, please.

● (1440)

**Mr. Anthony Durocher:** Thank you for the question.

The Competition Bureau, after a thorough review of the transaction, brought forward an application to the Competition Tribunal to block the merger on the basis that it would lead to a substantial lessening or prevention of competition in wireless services. Of course, I think our action speaks for itself, and the matter is now before the courts.

**Mr. Brian Masse:** Thank you.

To go over to IRCC, with regard to individuals coming to Canada and then finding out that their skilled professional education is not qualified or is different, why do we continue to have that as a problem? Why can't we get that fixed?

For me, in my riding here, if I went out and assembled a team from our taxicab drivers and those working at variety stores, I could probably get a group that would rival the Manhattan Project group. I just want to know why people continuously arrive in Canada and find out to their shock that their qualifications and credentials do not count. How do we fix that problem?

Thanks.

**Mr. Philip Somogyvari:** Thanks, Chair.

First off, I'd just acknowledge that, yes, foreign credential recognition is an issue, and it can be a barrier for the integration of newcomers and to having newcomers working in their chosen occupations, especially in regulated occupations that represent roughly 20% of all occupations.

IRCC works really closely with the leads at Employment and Social Development Canada, and, in turn, we work with the provinces and territories—either through them or their devolved regulatory agencies that have primary oversight over regulated occupations. Having said that, Immigration, Refugees and Citizenship Canada has recently taken strides to provide more, I would say, pre-arrival or pre-landing information and pathfinding to newcomers so that they're aware of what the rules are before they come to Canada and, in some cases, are able to start the pathway towards accreditation.

Then, lastly, in budget 2022, there was \$115 million over five years starting in 2022 and 2023, and \$30 million ongoing to expand ESDC's foreign credential recognition program and expand supports, particularly to train health professionals. Again, just to recap, it is an issue, and we're quite aware of it. We're working to resolve it with provincial and territorial partners and ESDC.

**Mr. Brian Masse:** Thank you.

Thank you, Mr. Chair.

[Translation]

**The Chair:** Thank you very much.

[English]

I will now turn to MP Hallan for five minutes.

**Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC):** Thank you, Mr. Chair.

Thank you to all the witnesses for joining us today.

I would like to direct my questions to IRCC. My first question is to follow up on what Mrs. Gray was asking.

Do we have numbers as to what percentage of capacity each processing centre in Canada is at right now with regard to employees who are working inside of those processing centres?

**Ms. Sarah Hayward:** We are working at full capacity when it comes to actual processing. All our employees are working and working hard to reduce our inventories. It doesn't matter whether they are sitting in an office, at a distance or at an overseas office. We have an integrated processing network, and we move our cases around to where we have capacity to process.

**Mr. Jasraj Singh Hallan:** Thank you.

Do we also have the number of employees who were laid off or fired due to the vaccine mandates?

**Ms. Sarah Hayward:** Unfortunately, I'm not privy to those types of statistics.

**Mr. Jasraj Singh Hallan:** Is there anyone from IRCC who can provide that information in writing to the committee?

**Mr. Philip Somogyvari:** We'll undertake to look into it.

**Mr. Jasraj Singh Hallan:** Thank you. If the committee can have the numbers of those IRCC employees who were laid off or fired due to vaccine mandates, that would be helpful.

The reason I bring that up is that we obviously have this historic backlog of 2.4 million. It just keeps going up, and processing is a huge issue right now. What we know is that everywhere else people are getting rid of these mandates. In some cases, like Service Canada, they're not bringing back some of those employees, and training employees takes that much more time, effort and money.

Is anyone on this Zoom meeting right now able to answer how long it typically takes to train a new employee in IRCC?

• (1445)

**Ms. Sarah Hayward:** I can only answer in generalities, but all our decision-makers are appropriately trained on IRPA and processes. As I understand, the vaccine mandate is being lifted on June 20, and I can't speak to how many people were put on leave without pay due to that.

We are working very hard to increase our staff, using the money that was given to us to reduce inventories, and we are in a constant state of hiring and training our staff to better meet our processing demands.

**Mr. Jasraj Singh Hallan:** I have just a quick question. With respect to the vaccine mandates prior to June 20, did those same vaccine mandates apply to processing centres that were not inside of Canada, so the ones that were abroad?

**Mr. Philip Somogyvari:** We don't have that detail. We can undertake to get that to the member.

**Mr. Jasraj Singh Hallan:** Yes, could you please get us those numbers? Also, could you please let us know whether there were vaccine mandates and how long those took.

Also, is there a general figure on how much it costs, per employee, to train them? I'm asking these questions because if it's taking that much more time and more money to train people because of these vaccine mandates, which have obviously been proven now to be unscientific, we could catch up on some of this backlog, in my opinion.

**Ms. Sarah Hayward:** Thank you very much for the question.

Unfortunately, I do not have a specific answer regarding how much it costs to train each employee, but IRCC takes training seriously and makes sure that every employee has the proper tools and training in order to do their job.

**The Chair:** Thank you, MP Hallan. As much as I appreciate your line of questions, we have to move to our last questioner. Your time is up.

We'll move to Mr. Fillmore for five minutes.

**Mr. Andy Fillmore (Halifax, Lib.):** Thank you, Chair.

Thank you to the witnesses for joining us today.

I want to go backwards to touch on a few items that have been raised and go a little bit deeper on them.

The first is the question on the limit of hours per week for foreign students. I guess I was a little disappointed to hear that there doesn't appear to be any ongoing or current discussion at IRCC about changing that 20-hour limit. There are a couple of reasons. I don't think it's the role of government to act like a parent to foreign students to protect their study time when they're largely adults and are asking, very articulately and clearly, to have those hours increased so that they can meet the growing cost of education and the cost of living. Also, in the midst of a labour crisis there are people who really need to be hiring, and hiring those students. There are job vacancies, as we've heard.

I just want to put on the record for our committee that I think it would be very appropriate for a finding of this study to include a recommendation to amend that 20-hour limit or to eliminate it entirely.

I don't know if IRCC wants to add anything to that or if I misheard. Is there currently anything going on to look at that figure?

**Mr. Philip Somogyvari:** I would say in general, given the labour shortage, which we've identified, we are looking as much as possible into facilitation measures that would balance the needs of the Canadian labour market and the ability of students to come here and actually study and to acknowledge the fact that.... One of the requirements for students to be here is that they already have the funds for their studies, but certainly, with respect to those flexibilities, there were multiple ones put into effect during COVID with respect to facilitation of international students and some of the rules around virtual study, post-graduate work eligibility and permit extensions.

With respect to the 20 hours per week that the members have mentioned, certainly such would be considered, among other facilitation measures that may be under discussion at this point, with respect to students but also with respect to other streams, including workers and non-permanent residents.

Thanks.

• (1450)

**Mr. Andy Fillmore:** Thank you very much for that.

I'm going to switch gears now to another thing that was already raised, which is the business of working from home, working remotely.

In many cities in Canada, primarily the provincial capitals, there's a large concentration of public sector employees, including federal employees, who are in part responsible for the health of the SME ecosystem in the downtowns, keeping restaurants busy, galleries open and dry cleaners going. This is evident in Ottawa and evident in my hometown of Halifax. Buildings are sitting empty, and restaurants are sitting half full.

I understand that much of the decision-making on whether or not people are asked to return to work in person is devolved to the regional director level or managerial level, but I want to hear from each of the four offices that are represented today. Is there any centralized program from the top down, not devolved to regional, to get people back—the word on the street is “bums back in seats”—to activate the SMEs?

Maybe I'll just start with IRCC. Is there anything happening centrally?

**Mr. Philip Somogyvari:** With respect to IRCC, as the member has mentioned, as the COVID pandemic has waned, the department is looking at, in some cases, a gradual return to work for some employees, but it's a heterogeneous workforce, so there are different needs depending on the different sectors of IRCC. Also, the department is exploring hybrid work where feasible and where possible, so that there is opportunity for employees to be able to work from home when appropriate.

**Mr. Andy Fillmore:** Okay. Thank you. I'm sorry to cut you off. I want to hear from the other three departments, and there's just a minute left.

**Mr. Philip Somogyvari:** I'm sorry.

**Mr. Andy Fillmore:** That's okay.

To Stats Canada, are there any centralized efforts?

**Mr. Greg Peterson:** Yes. Statistics Canada has operations from across the country, and we've always had a mobile workforce, particularly in terms of interviewers.

We will continue to work in a hybrid fashion, since we have for years. We are monitoring this centrally, and we're working on making sure that we maximize our effectiveness and our ability to deliver service to Canadians.

**Mr. Andy Fillmore:** Okay. Thanks very much for that. Stats Canada is an anchor tenant in the office building where my constituency office is in downtown Halifax, and it's a dark, quiet, empty anchor tenant office there at the moment.

How about you, Mr. van Raalte? Do you have anything to report on?

**Mr. James van Raalte:** Those employment responsibilities are delegated to each and every deputy minister, so they're centralized through the efforts that deputies are making within their departments.

**Mr. Andy Fillmore:** Okay. Did I get everybody? Who am I missing?

**Mr. Anthony Durocher:** The Competition Bureau.

**Mr. Andy Fillmore:** Yes, go ahead.

**Mr. Anthony Durocher:** I'm happy to give a response. The Competition Bureau is an independent agency, but we take guidance in this respect from Innovation, Science and Economic Development, and these policies are being communicated to employees in real time as to what the future of work and the return to the workplace will look like.

**Mr. Andy Fillmore:** Thanks for that. It sounds like the broad answer is that there remains a lot of flexibility, but probably no centralized directives to get people back to work. Thank you.

**The Chair:** Thank you very much, Mr. Fillmore.

We still have about seven to 10 minutes left. I have Mr. Masse, Mr. Lemire, Mr. Dong and Mr. Hallan, so you each get about two minutes. Keep your questions brief and, witnesses, keep your answers brief, please.

Mr. Masse, the floor is yours.

**Mr. Brian Masse:** Thank you, Mr. Chair. I'll be very quick.

I just want to reconfirm with IRCC that we'll get a response back about, especially, the strategies evolving around the closing of infrastructure. In the Windsor area in particular, where I am, we have a battery plant that's been announced and thousands of new jobs in the auto sector that are at risk by not having the skilled labour force. I'm just hoping that I get a response as to whether or not this infrastructure could be reopened for the particular problems that I outlined before.

**Mr. Philip Somogyvari:** Thank you, Chair. The member's request has been noted.

**Mr. Brian Masse:** Thank you very much. I appreciate the work that all your members do. We have really good, hard-working people. It's a difficult one but it's also an opportunity. Thank you again, and thank you, Mr. Chair.

[Translation]

**The Chair:** Thank you.

Mr. Lemire, you have the floor.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

I'd like to make the same heartfelt plea to the Department of Citizenship and Immigration regarding the urgent need to do something about access to services in the regions. In my riding of Abitibi-Témiscamingue, the issue is extremely critical. It's important that Service Canada offices be able to respond to immigration-related requests. This is an essential need for the people who come here and for our businesses.

The Standing Committee on Citizenship and Immigration has called on Immigration and Citizenship Canada to address the many barriers faced by applicants from French-speaking Africa. The refusal rates for study permits, which are issued by Ottawa, have soared in Quebec in recent years. The refusal rate for students from Algeria, the Republic of Congo, Togo, Senegal and Cameroon is as high as 80% or more.

A number of institutions welcome foreign students. This gives them greater financial flexibility and, in some regions, it ensures their survival. In my riding, over 50% of our students come from abroad.

Why are we seeing this high refusal rate? Could visa officers' decisions be biased? According to the report, IRCC employees have had to deal with problems like this.

What can be done about this, practically? The problem isn't that more time is needed to process applications, it's the high number of refusals.

• (1455)

[English]

**Ms. Sarah Hayward:** As my colleague said earlier, we are training all our officers on anti-bias and anti-racism training, and we are working hard to address unconscious bias and to ensure consistency in decision-making across the globe.

[Translation]

**Mr. Sébastien Lemire:** Have you fixed the problems with the Chinook system?

[English]

**Ms. Sarah Hayward:** Chinook is just a processing tool. It does not add any bias to a person's decision-making. It just makes it easier to see all of the information for specific files in front of you.

[Translation]

**The Chair:** Thank you, Mr. Lemire.

Mr. Fillmore, you now have the floor. I'll ask you to be brief.

**Mr. Andy Fillmore:** Thank you, Mr. Chair.

[English]

To go back then to the question of credentials, I'm wondering if Stats Canada has any data on how many people are trained but have not been credentialed in Canada. We've all been in a taxi driven by an engineer. Is there any quantification of that phenomenon that Stats Canada has or could make?

**Mr. Greg Peterson:** I can refer that question to Madam Bégin.

**Ms. Josée Bégin:** Yes, we do have some information on Canadians who were trained outside of Canada and whether or not they are working in the same industry as their credentials.

**Mr. Andy Fillmore:** Could you table that with the committee?

**Ms. Josée Bégin:** Yes, we could.

**Mr. Andy Fillmore:** Thank you very much.

That's it, Mr. Chair.

**The Chair:** Thank you, Mr. Fillmore.

We'll move to MP Hallan.

**Mr. Jasraj Singh Hallan:** Thank you, Mr. Chair.

I just want to follow up on a line of questioning by my colleague from the Bloc.

There was a Pollara report that came out last year about racism at the IRCC that is contributing to a lot of the backlog and the toxic environment in IRCC and may be affecting some of the racialized employees.

We know for a fact that in our immigration committee there has not been a single person reprimanded or fired. It's been two years since the anti-racism task force was struck. We also know that there have been managers who obviously had some of these racist tendencies who have even gotten bonuses. For the witnesses on this Zoom right now, is there anyone who can confirm if any employee has either been reprimanded or fired for racist behaviour since that report came out?

**Mr. Philip Somogyvari:** No, we don't have access to those human resources statistics at hand.

I can say that the department is taking anti-racism efforts very seriously and attempting to sensitize employees, train employees and put very concrete goals with respect to—

**Mr. Jasraj Singh Hallan:** I'm sorry. Respectfully, before I hand over to my colleague Mrs. Gray, I would just like to note that it's been two years since that task force was struck. Not a single person has been reprimanded or fired. There have been bonuses given to those same managers who exhibited racist behaviour.

There must be some type of action taken. We don't see any of that. I don't think the public does either, because it's never been brought forward. I just want to make sure that's on the record.

I'll pass it on to Mrs. Gray.

• (1500)

**Mrs. Tracy Gray:** Thank you, Mr. Chair. It looks like I just have one quick question.

We've heard today from IRCC that their processing times are not meeting their standards and, in many cases, are double what the processing times should be. In your department, do you have people who are officials and senior leaders who have received bonuses, even during this time when standards were not met?

**Mr. Philip Somogyvari:** We wouldn't be privy to the bonuses being provided to others within IRCC.

[*Translation*]

**The Chair:** Thank you.

[*English*]

I want to thank all of the witnesses for making themselves available on this beautiful Friday afternoon.

Beyond that, on behalf of the entire committee, thank you for your service to Canadians.

Thanks to all members and to the analysts.

[*Translation*]

Thank you to the interpreters, the clerks, and the support staff.

I wish you all a great weekend. Take care of yourselves.

The meeting is adjourned.

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