

What went wrong with the **FAST-TRACK STREAM** of the Temporary Foreign Worker Program?



**A closer look at the
Accelerated Labour-Market
Opinion (ALMO)**

**fast-track
TFW**





Introduction

Widely regarded as a failure of policy and of politics, the Harper government's "fast-track" Temporary Foreign Worker Program stream continues to have an impact on Canadian workers.

The fast-track stream, known as the Accelerated Labour-Market Opinion (ALMO) was launched in April 2012. Its original intent was supposedly to help employers hire temporary foreign workers in high-skill occupations, including skilled trades,¹ but the program went off the rails from the get-go.

We're revisiting this failed fast-track stream now because thousands of low-wage employers accessed this TFW stream designed for high-skilled workers. Worse yet, many of these same employers continue to pay these low-wage workers less than average regional wages. This, in our opinion, borders on fraud.

The Harper government suspended it after one year, but Minister Kenney has hinted that he'd revive it.² Also, the Comprehensive Economic and Trade Agreement (CETA) with the European Union opens the door for European companies to bring their workers with them when they set up shop in Canada.³

We have no confidence in the ability of Minister Kenney or Prime Minister Harper to design a new *fast-track* TFW scheme that will benefit workers, be they Canadian or non-Canadian.

There were major concerns with the ALMO stream; concerns that the Conservative government brushed aside until the public backlash grew too large to ignore. This stream allowed employers to pay foreign workers 15 per cent less than prevailing regional wages. The Alberta Federation of Labour (AFL) and others flagged the -15 per cent wage option as a way for employers to drive down wages.⁴

Rules around recruiting Canadians first were eliminated for this stream, so employers could bypass Canadians for vacant jobs. The government also relaxed advertising rules, so employers would have to advertise vacancies to Canadians for a mere seven days.

Earlier this year the AFL found that half of the employers approved through the *fast-track* TFW stream were low-wage, low-skill businesses, including the likes of McDonalds, Tim Hortons, A & W restaurants and Mac's convenience stores.⁵

And there were thousands of them: about 50 per cent of the 4,839 approvals for this "high-skill" program were for convenience stores, fast-food restaurants, gas stations and other businesses like these.

THIS STREAM
ALLOWED
EMPLOYERS
TO PAY
FOREIGN
WORKERS

15
PER
CENT
LESS
THAN

PREVAILING
REGIONAL WAGES.





Introduction

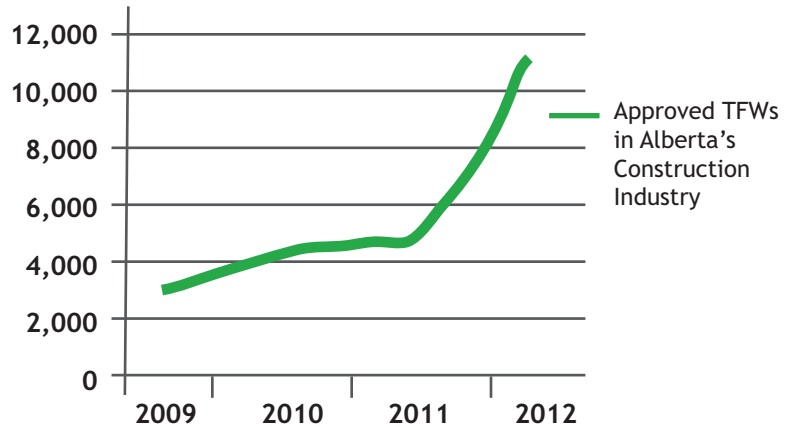
When the Federation released this information, we called on the federal government to investigate each and every one of these employers for wrongdoing. That hasn't happened, or if it has, the government hasn't shown the results. Nor has the Harper government explained to Canadians how thousands of low-skill employers could access foreign workers through a program designed for high-skilled labour.

Instead, the Harper government suspended this *fast-track* stream in what seems to have been an attempt to avoid a proper investigation of employers who used loopholes to exploit the program.

We are renewing our calls for an investigation of employers approved through ALMO stream. Employers who have abused the system should be barred from hiring guest workers. Without an investigation into how so many employers were able to win approval under the ALMO under such suspect circumstances, how can Canadians have confidence that a revived *fast-track* stream will be any better than the discredited first incarnation?

Canadians are being displaced from the labour market by employers' overuse of the Program. For example, our research has shown that even during the last recession, the government approved permits through the TFW Program. In 2010, Alberta's economy lost 8,600 jobs. At the same time, more than 22,900 TFW Program approvals were granted.⁶

Approved TFWs in Alberta's Construction Industry



Source: Human Resources and Skills Development Canada, "Table 4: Number of temporary foreign worker positions on positive labour market opinions (including accelerated labour market opinions), by skill type," http://www.hrsdc.gc.ca/eng/jobs/foreign_workers/lmo_statistics/annual2012.shtml

We remain committed to our position that the Temporary Foreign Worker Program be eliminated and replaced by a responsive and flexible immigration system that meets Canada's labour-market needs.

THE HARPER GOVERNMENT (HAS NOT) EXPLAINED TO CANADIANS HOW THOUSANDS OF LOW-SKILL EMPLOYERS COULD ACCESS FOREIGN WORKERS THROUGH A PROGRAM DESIGNED FOR HIGH-SKILLED LABOUR.

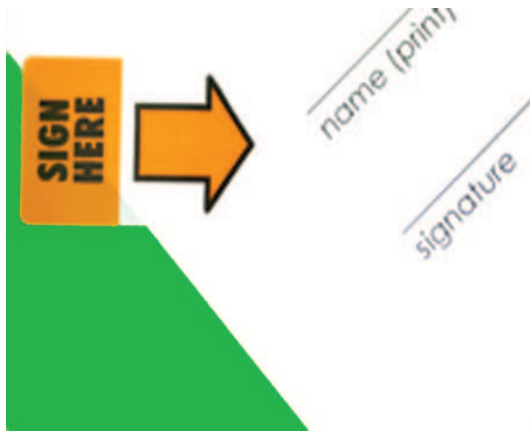
ABOUT THE RESEARCH

We've scratched the surface of the *fast-track* ALMO stream in terms of the research we conducted. We selected only a small sample - eleven employers - out of thousands of low-wage, low-skill employers granted access to this stream and submitted Access to Information (ATIP) requests for their paperwork. It's the responsibility of the federal government to conduct a more thorough inspection of these employers.

Our information requests included a couple of McDonald's restaurants, a gas station, Mr. Sub, Tim Hortons, A & W, and a smattering of other businesses. These are mostly randomly selected Alberta-based businesses, though we also received documents for a McDonald's restaurant in Newfoundland and Labrador owned and operated by Cathy Bennett, a contender for the provincial Liberal Leadership.



LOW-WAGE OPTION USED MORE OFTEN THAN MINISTER KENNEY ADMITS



The ALMO stream of the Temporary Foreign Worker Program allowed employers to pay foreign workers up to 15 per cent less than the average regional wage for a specific occupation, but no lower than other employees' wages in that workplace.

When Employment Minister Kenney cancelled the *fast-track* ALMO stream, he down played this option saying “that it has not been used” and “People cannot come into this country to work on work permits unless they are paid at the prevailing regional wage rate.”⁷

Our research shows otherwise. Of the 11 employers we looked at, four took advantage of this option. If these results are extrapolated to all employers making use of the ALMO stream, this would mean more than 1,700 employers were granted the right to pay foreign workers less than the regional average wage.

This low-wage option affects all workers, not just non-Canadians hired through the TFW Program. The -15 per cent option pulls regional averages lower. Employers can point to these averages as justification for paying lower wages to anyone. Also, the TFW Program increases the supply of labour in the Canadian labour market, increasing downward pressure on everyone's wages.

EVERYONE'S A MANAGER, APPARENTLY

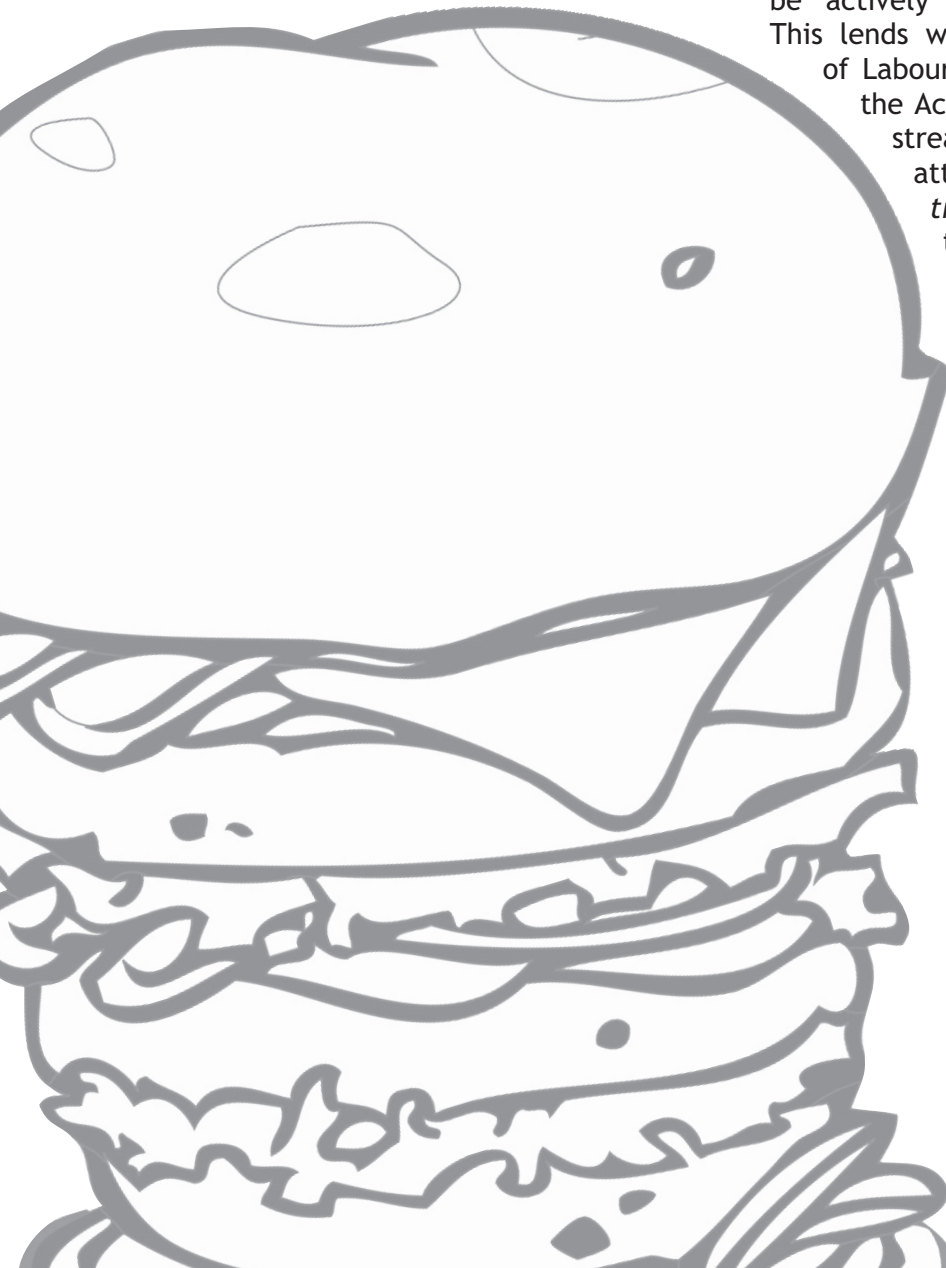
The ALMO stream was designed to allow employers to hire management and high-skilled workers from overseas, as designated through the National Occupational Classification system (NOC) as O, A and B.⁸

The inclusion of management positions in the fast-track ALMO stream was a gift from the Harper government to low-wage, low-skill employers. Owners and operators of fast-food joints, gas stations and convenience stores hired “managers” en masse.

It is not reasonable to suggest that thousands of these low-wage, low-skill employers seeking to bring in managers through the TFW program exhausted all other options, including hiring Canadians first or raising the wages they offered, instead of lowering them.

Some of these employers sought to hire a dozen or more “managers” through this process. One company was approved to hire 20 temporary foreign worker managers for one restaurant.

There are not enough employees at many of these businesses for these “managers” to be actively supervising and training staff. This lends weight to the Alberta Federation of Labour’s call for a full investigation of the Accelerated Labour Market Opinion stream before the Harper government attempts to revive this failed *fast-track* stream. Otherwise, we fear the Harper government will repeat the mistakes it made with this failed *fast-track* stream.



OWNERS AND OPERATORS
OF FAST-FOOD JOINTS, GAS
STATIONS AND CONVENIENCE
STORES HIRED “MANAGERS”
EN MASSE.

OVERVIEW OF *FAST-TRACK* APPLICATIONS

Bennett Restaurants Inc. McDonald's Restaurants St. John's, NFLD

Bennett Restaurants Inc., owner of three McDonald's restaurants in St. John's, applied to hire 12 "Crew Trainer" positions (NOC 6216: technically "Food Service Supervisors") through the *fast-track* TFW stream. The approved wage was \$11.20/hour, less than the prevailing regional wage of \$11.75. Bennett Restaurant Inc.'s CEO is Cathy Bennett, a provincial Liberal Leadership contender.

1023305 Alberta Ltd. McDonald's Restaurant Edmonton, AB

This company was approved to hire 15 "Food Service Supervisors" (NOC 6216) at \$11.75/hour (lower than the regional median wage of \$13/hour) and another five "Food Service Supervisors" at \$13/hour. That's 20 Food Service Supervisors for one location.

S. Malik Investments Ltd. Petro Canada Calgary, AB and "Various Locations"

This employer was approved for 10 "Retail Store Supervisors" (NOC 6211) at \$16/hour, lower than the prevailing media regional wage of \$18 at that time for that occupation. Government staff "flagged" this application because the wages offered were lower than the median regional wage, but approved the application for 10 workers anyway.

1037982 Alberta Ltd. A & W Restaurant Sylvan Lake, AB

This employer was approved to hire three "Food Service Supervisors" (NOC 6216) at \$13.11/hour. This application was not 'flagged' by government staff as the wage offered was slightly above the media regional wage of \$13.00/hour.

1005364 Alberta Ltd. Tim Hortons Lethbridge, AB

Employers at this Tim Hortons were approved to hire seven "Food Service Supervisors" (NOC 6216) at \$13.00/hour.

RJS Investments Inc. Quasar Bottle Depot Edmonton, AB

This business was approved to hire one "Head Shipper" (NOC 1215) at \$22.00/hour - the same as the prevailing median regional wage - and one "Bottle Depot Supervisor" (NOC 9214) at \$28.00/hour, also in-line with the region's wages. Quasar Bottle Depot is an inner-city bottle depot in Edmonton, Alberta.

OVERVIEW OF *FAST-TRACK* APPLICATIONS continued...

1069386 Alberta Ltd. Mac's Convenience Store Calgary, AB

The owner/operator of this Mac's store received approval to hire two "Supervisors" (NOC 6211) through the ALMO stream. The yearly wage offered was \$29,006.25 per year, or \$16.11/hour. This was 'flagged' by federal government staff as being 15 per cent less than the regional wage, but employer included paystubs of current staff in the application indicating that they are being paid the same wage.

1053483 Alberta Ltd. Mr. Sub Edmonton, AB

This Mr. Sub franchise was approved to hire two "Food Service Supervisors" (NOC 6212) through the fast-track TFW stream. Wages were listed at \$13.00/hour, the prevailing median regional wage.

JAG Cleaning Services Medicine Hat, AB

JAG was approved to hire two guest workers as "Cleaning Supervisors" (NOC 6215). The pay listed was \$20.00/hour, on par with the prevailing median regional wage for that occupation. Experience required: 1 to less than 7 months. On an "ALMO Process Review" document, an unnamed government staffer wrote, "Why need for 2 supervisors?"

Piami Enterprises Ltd. Uncle Bill's Corner Store Fort McMurray, AB

Employer was approved to hire two "Retail Store Supervisors" (NOC 6211) at \$16.88/hour for this convenience store in Fort McMurray, AB.

PAL Enterprises Ltd. Econo Airport Parking Nisku, AB

This employer was approved for one "Retail Store Supervisor" (NOC 6211) at a wage of \$17.50/hour, just above the median wage for Alberta of \$17.31. Econo Airport Parking has on same location a convenience store, liquor store, gas station and a take-away chicken restaurant. Same employer approved for one "Food Service Supervisor" (NOC 6212) at \$13.50/hour, higher than the median regional wage of \$13.00.



ENDNOTES

¹ Government of Canada, “Government of Canada announces a more efficient and responsive Temporary Foreign Worker Program,” April 25, 2013

<http://nouvelles.gc.ca/web/article-eng.do?mthd=tp&crtr.page=1&nid=670919&crtr.tp1D=1>

² Tobi Cohen, “Cancelled fast-track program for foreign workers could soon return,” Postmedia News, October 9, 2013

<http://www.canada.com/Cancelled+fast+track+program+foreign+workers+could+soon+return/9017802/story.html>

³ Alberta Federation of Labour, “Canada-European Free Trade Agreement undermines Canadian workers,” October 18, 2013

<http://www.afl.org/index.php/Press-Release/canada-european-free-trade-agreement-undermines-canadian-workers.html>

⁴ Alberta Federation of Labour, “Alberta Workers Protest Kenney’s Paycheck Ripoff,” June 8, 2012

<http://www.afl.org/index.php/Press-Release/alberta-workers-protest-jason-kenneys-paycheque-rip-off.html>

⁵ The Alberta Federation of Labour, “List of ‘accelerated TFW approvals reveals widespread abuse of program,” April 9, 2013

<http://www.afl.org/index.php/Press-Release/list-of-accelerated-tfw-approvals-reveals-widespread-abuse-of-program.html>

⁶ The Alberta Federation of Labour, “From last resort to first choice: how the Temporary Foreign Worker Program is flooding the market, not filling a need,” May 1, 2013

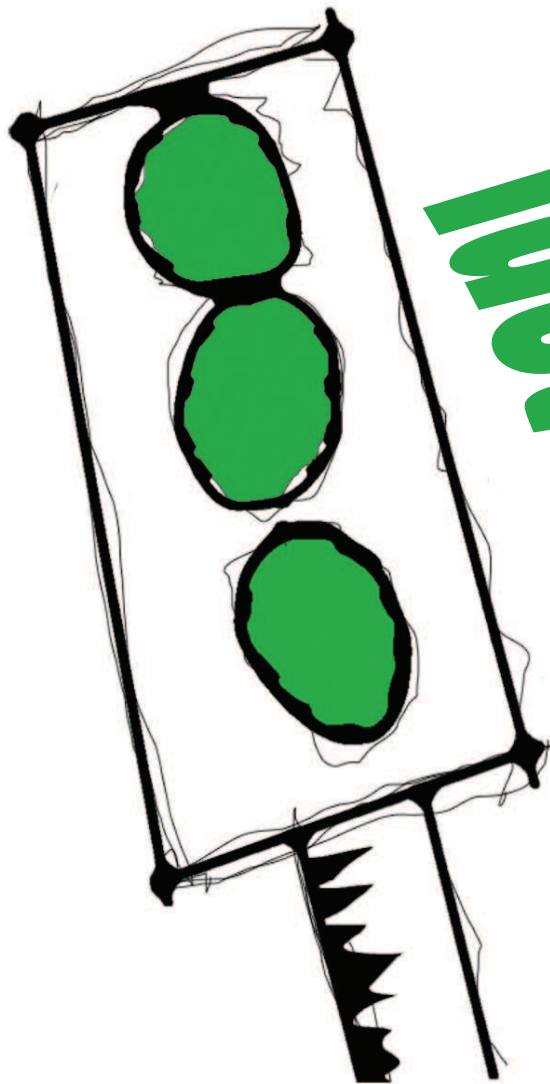
<http://www.afl.org/index.php/Reports/2013-tfwfrom-last-resort-to-first-choice.html>

⁷ Aaron Wherry, “The Commons: Jason Kenney and Thomas Mulcair disagreeably agree,” MacLean’s, April 29, 2013

<http://www2.macleans.ca/2013/04/29/the-commons-jason-kenney-and-thomas-mulcair-disagreeably-agree/>

⁸ Human Resources and Skill Development Canada, “NOC Tutorial”

<http://www30.hrsdc.gc.ca/NOC/English/NOC/2006/Tutorial.aspx>



Fast-Track TFW



Alberta Federation of Labour • 10654 - 101 Street, Edmonton AB T5H 2S1
www.afl.org • Telephone 1-800-661-3995