



**Commission de l'assurance-emploi du Canada**  
Commissaire (employeurs)

**Canada Employment Insurance Commission**  
Commissioner (Employers)

The Honourable Steven MacKinnon  
Minister of Employment, Workforce Development and Labour  
House of Commons  
Ottawa, Ontario,  
Canada  
K1A 0A6

January 27, 2025

Dear Minister,

As the Commissioner for Employers, I am an independent representative for employers within ESDC programming and policies. I am writing to you today to highlight key concerns for employers who utilize the Temporary Foreign Worker (TFW) Program: The Labour Market Impact Assessment (LMIA) fee and process. The fee is currently under review by the Department, and I want to ensure that you are aware of its discouraging impact on employers.

The LMIA fee poses a significant financial barrier for small businesses looking to utilize the Temporary Foreign Worker Program when they cannot find Canadian workers to fill vacant positions. If the Government is considering raising this fee, they must consider the small business lens. Additionally, employers are already frustrated with long processing times. Should the fee be increased, service standards should be raised for processing LMIAs. The Trust and Transparency Strategy outlines the Government of Canada's commitment to building and maintaining public trust. In line with this strategy, employers are entitled to and have requested a detailed breakdown of the costs involved in processing an LMIA. **Until this information is shared, the LMIA fee should be frozen at its current rate.**

The Temporary Foreign Worker Program is of great importance to the Canadian economy. The working-age population has been declining since the 1990s, and future projections expect the trend to continue. Combined with Canada's aging demographics, falling birth rates, rising urbanization, many employers in rural and remote parts of this country are left with few options to address their labour needs.

Employers who pursue the TFW program do so as a last resort, an act of desperation as they have struggled for months, sometimes years, to find Canadian workers. The TFW Program provides protections to foreign workers as they enter Canada with a bona fide job, from a bona fide employer. The TFW Program complements Canadian workers, in fact one of the nine the labour market factors considered by the TFW Program's LMIA, is that employers should demonstrate whether the position being filled requires a foreign national with specific skills and knowledge that will result in direct job creation or job retention for Canadian citizens or permanent residents; and whether the employment of the foreign national will or is likely to result in the development or transfer of skills and knowledge for the benefit of Canadian citizens or permanent residents.



## Cost Concerns

Employers face significant financial barriers accessing the TFW Program. The TFW Program requires employers to “pay \$1,000 for each position requested to cover the cost of processing your Labour Market Impact Assessment (LMIA) application.” Employers report spending between \$7,000 - \$15,000 to recruit a Temporary Foreign Worker. In addition to the LMIA, these costs include airfare and other transportation, housing, and private health insurance (prior to accessing provincial or territorial healthcare).

There is also concern amongst employers about introducing regional or sectoral work permits. We need to recognize the commitment of the employer to hire the individual they recruit and their time and expenditure to do so. A regional or sectoral work permit could result in the worker disappearing, going underground, or taking a job from a Canadian. An increase in the LMIA fee, coupled with sectoral and or regional work permits, will force many employers to abandon the TFW program all together, which will have negative impacts on the Canadians employed in these enterprises.

From a small business perspective, it is important to recognize that most employers in this country are small businesses without the fiscal capacity to afford this fee. I note that TFW administrative policies, in particular the consequences for an employer’s unjustified noncompliance with TFW Program, specifically considers the size of the business when determining penalties. In addition, the Cabinet’s directive on the development of regulations and policies includes a small business lens to ensure that regulators are sensitive to the needs of small businesses when they design regulations. When designing regulations, regulators now must demonstrate to Ministers that they have done what they can to minimize the impact on small business. In addition, regulators must consider flexible regulatory options that reduce costs to small businesses without compromising the health, environment, safety and security of Canadians.

Several employers who use the program are applying for multiple positions under a single LMIA. In Q3 2024, of the 20,131 employers with a positive LMIA in the high and low-wage streams, 1,861 had been approved for 3 or more workers under one LMIA. This represents nearly 10% of all employers using the high and low wage streams during that time. Despite there being only one LMIA to review, employers are paying \$1,000 per position approved. There must be efficiencies and economies of scale in processing these types of applications, which should translate into cost savings for the employers.

The cost concerns with respect to the LMIA fee are significant and warrant the following recommendations for your consideration:

## Recommendations

1. **Freeze the LMIA fee at \$1,000**
2. **Introduce a progressive fee schedule based on the size of the business**
3. **Prorate fees for applications with multiple positions approved under 1 LMIA**
4. **No regional or sectoral work permits**

## Service Standards and Transparency

Employers are already frustrated with slow processing times. The average processing time for the low-wage stream is 67 days and 64 days for high-wage stream. This is up from 57 days in the Fall of 2024. These processing times have negative consequences for employers who cannot operate regular hours or bid on contracts. This also impacts their Canadian employees who may be subjected to increased overtime or lose out on work because the employer could not bid or secure new contracts. Service standards must be established that are aligned with the needs and expectations of employers.

The government should be transparent about revenues collected from the LMIA fee and how they are used by publishing annual public reports. All employers who pay an LMIA fee should be reimbursed for the costs associated with the administration and enforcement of the compliance inspection, should a work permit never be issued (e.g., LMIA declined, work permit application of worker rejected, on no work permit application submitted and approved before the LMIA expires). This is already the case for the employer compliance fee under the International Mobility Program (IMP).

## Recommendations

5. **Enhance service standards for LMIA processing to 30 business days for high and low wage streams.**
6. **Reimburse for the costs associated with the administration and enforcement of the compliance inspection, should a work permit never be issued**

The LMIA fee can be a deterrent to employers trying to sustain their businesses and keep their Canadian workers employed. In your review of the LMIA fee, Government must consider the impact this fee already has on employers in Canada – particularly those that are small businesses; as well the LMIA processing standards and how these can be made more efficient and transparent. I welcome the opportunity to discuss these concerns and my recommendations with you in the near future.

Sincerely,



Nancy Healey  
Commissioner for Employers

cc. Paul Thompson, Deputy Minister