

MEDIA RELEASE

Embargoed until 12:01 a.m., April 7, 2016

Ontario's Skills Gaps Worsening: Windsor-Essex Regional Chamber Report Points to Immigration Reform as Part of the Solution

Windsor, ON – The Windsor-Essex Regional Chamber of Commerce (WERCC) in partnership with the Ontario Chamber of Commerce (OCC) released a report entitled, *Passport to Prosperity: Ontario's Priorities for Immigration Reform*, which presents a series of recommendations designed to reduce Ontario's costly skills gap and improve the labour outcomes of immigrants in the province.

According to a 2016 OCC membership survey, the skills gap in Ontario is worsening. In fact, the survey found that 39 percent of employers experienced difficulty filling a job opening over the last 12 to 18 months because they could not find someone with the right qualifications. This represents a 9 percent increase from 2014 survey data on the same question.

"Addressing the skills gap has been a key priority of our membership over the past number of years," said Matt Marchand, President & CEO, WERCC. "We recognize that there is a good opportunity for employers and government to work together to ensure that our province's employers have access to the best and the brightest talent in the world and, similarly, that new market entrants in Ontario have access to opportunities that align with their unique skillsets."

The Conference Board of Canada estimates that the skills gap costs the Ontario economy up to \$24.3 billion in foregone GDP, or approximately \$600 million in the Windsor-Essex region, and \$3.7 billion in provincial tax revenues annually. Demographic trends suggest that over the next 25 years, immigration will be a main source of future labour market growth. It is critical that Ontario continues to attract and retain highly-skilled immigrants to meet our labour market needs.

At the same time, the evidence suggests that Ontario can do a better job of leveraging the skills and global connections of new Ontarians. Immigrants to Ontario experience poor labour market outcomes relative to their Canadian-born peers. Only 57 percent of recently arrived, post-secondary educated immigrants to Ontario are actually working in high-skill jobs.

The evidence suggests, however, that Ontario is attracting fewer and fewer economic immigrants positioned to address the skills gap. The number of economic immigrants to Ontario declined by 46 percent from 95,091 in 2001 to 50,948 in 2014 (IRCC, 2015).

Multiple employers that were consulted indicated that certain features of the Express Entry system are compromising their ability to recruit international talent. In addition,

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many employers illustrated a lack of awareness about the Express Entry system as a whole.

These findings were supported by recent survey data collected by the OCC which reveals that less than seven percent of SMEs in Ontario had used the immigration system for hiring purposes.

Additionally, 70 percent of major Canadian companies surveyed by the Canadian Employee Relocation Council said that changes to the Labour Market Impact Assessment (LMIA) process have had a negative impact on their ability to recruit skilled workers through the economic immigration system.

To improve the labour market outcomes of immigrants and to ensure that Ontario businesses are able to effectively leverage the talents and global connections of its workforce, the WERCC recommends that the Government of Canada take action in accordance to the following three priority areas:

1. Remove the Labour Market Impact Assessment (LMIA) requirement from the Express Entry system and increase awareness of the Express Entry system
2. Prioritize the attraction and retention of international students; and
3. Improve the coordination of labour market integration and settlement services.

The OCC will continue to engage the provincial and federal governments on behalf of the Ontario business community to ensure the future prosperity of our population.

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