

Immigration

Top immigration issues for 2023

By **Sergio R. Karas**



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(January 3, 2023, 10:47 AM EST) -- Immigration, Refugees and Citizenship Canada (IRCC) plans to welcome close to 1.5 million permanent residents in the next three years with 465,000 in 2023 and an increase to 500,000 by 2025 as announced in the Immigration Level Plans. The increase in the number of applicants entering Canada will have a significant impact on IRCC processing capacity, housing, health and social services, and the labour market as the economy is likely to be in recession soon. Some areas of concern are:

Backlogs and processing times

The COVID-19 pandemic put millions of people out of work and others had to work from home, but many IRCC employees did not work at all and collected their pay for many months, according to a Treasury Board report. The closure of IRCC facilities meant that work permit extensions, permanent resident cards and other lines of business were processed at a very slow pace. Applicants continue to apply for permits and visas resulting in ever-increasing processing times.

There is now a backlog of over 2.2 million applications and IRCC is grappling with how to reduce it. IRCC has hired hundreds of new officers, but the learning curve is steep. IRCC is implementing innovative technologies, including artificial intelligence, but humans are still needed to make final decisions. To deal with the fallout of the pandemic which impacted paper-based applications, IRCC changed the process by moving to mandatory electronic filing for some permanent residency programs. While this allows applicants to submit applications faster, it may also lead to a further backlog.

IRCC fails to provide meaningful communications to applicants regarding their status and expected processing times. It encourages individuals and their representatives to submit inquiries via webform, but fails to provide substantive replies, relying instead on excuses that include the impact of the pandemic and their prioritization of programs responding to global events, such as the crisis in Afghanistan and Ukraine. This is not helpful to applicants.

The housing crisis

The minister of Immigration, Refugees and Citizenship made statements to the media indicating that more immigrants are needed in Canada to create jobs, stabilize the economy and build more housing. Affordability concerns, given the skyrocketing prices during the last few years, have been raised, and increases in mortgage rates and rents are making it nearly impossible for new immigrants to secure housing. The increase in demand coupled with the lack of housing inventory has already created a crisis across Canada. Recent surveys of new immigrants disclose that almost half may be considering leaving Canada due to the high cost of living. Adding hundreds of thousands of new residents will result in further pressure, as demand for housing outstrips supply.

According to the Royal Bank of Canada, Toronto is currently the most expensive market for real estate in Canada, with Vancouver as a close second. Welcoming 500,000 new immigrants annually, plus almost 600,000 foreign students will no doubt continue to add pressure on the housing inventory, especially at the lower end of the spectrum. This exacerbates the problem for newcomers who must spend an ever-increasing portion of their earnings to pay for accommodation and are

forced to compete for scarce affordable rentals. This will exacerbate market distortions.

Express Entry

IRCC is moving forward with a change to the selection criteria in the Express Entry pool that will authorize the minister to issue instructions establishing categories of foreign nationals for the purposes of determining who should receive an invitation for permanent residence. This raises significant fairness concerns. The minister may consult various employer groups, stakeholders and Employment and Social Development Canada to select groups. However, this does not guarantee transparency as it is unclear what data will be used to assess the existence of labour shortages throughout Canada and make the decision to select certain groups. There is significant concern that the selection criteria may become politicized.

The power of the minister to select categories of applicants to be invited to apply for residency smacks of central planning and may be open to heavy lobbying by interest groups. This is not good for free markets.

International students and talent shortages

Current immigration policy and regulations allow foreign students who graduate from Canadian universities and publicly funded colleges to obtain a Post Graduate Work Permit (PGWP) upon graduation. From January to November 2021, IRCC issued more than 126,000 PGWPs. IRCC has been forced to issue a policy extending the PGWPs for 18 months, as most foreign graduates wish to become residents, but IRCC has not processed their applications. The increase in the number of foreign students attending college for minimalistic courses will only result in further talent shortages across Canada. IRCC has made it easier for inexperienced recent graduates from Canadian educational institutions to apply for permanent residency, but there continues to be a significant disconnect between the labour market and the availability of workers in many occupations. The extension of PGWPs coupled with the new permits issued to recent graduates will have a snowball effect on the number of residency applications in the Canadian Experience Class category, and many will be disappointed to learn that they will not be selected.

Statistics Canada in 2021 reported more than 300,000 vacancies in Ontario for in-demand skills. To reduce labour shortages, Ontario announced plans to work with other provinces to reduce labour shortages. For a skilled trade worker to obtain certification, it usually takes more than six months to do so. The province plans to speed up the express entry process to ensure that it will only take up to 30 days or less for workers to obtain certification. This raises concerns about whether the vetting process will be properly completed in that short amount of time to ensure Ontario is bringing in those with relevant and transferrable experience.

IRCC must find a way to tackle the intake of applications by foreign students and develop a systematic order of priority, so applicants have clear expectations and timelines for decision-making. A balance must be struck between the intake of applications and decision-making capacity, utilizing technology without increasing the size of the government. The numbers cannot continue to increase because they are crowding out other immigration streams, creating a housing crisis, and competing for processing resources. Foreign workers with experience are needed by many employers, rather than entry-level workers and foreign students entering Canada only to obtain permanent residency.

The immigration program needs to be rebalanced so processing resources are allocated efficiently to the most in-demand categories. The federal government must not politicize the program and must take into consideration the impact of large numbers on applicants on processing times, housing, social and health services.

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