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**Canadian
Franchise
Association®**

Growing Together

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Hon. Randy Boissonnault
Minister of Employment, Workforce Development and Official Languages
140 Promenade du Portage
Gatineau, Quebec
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Temporary Foreign Worker Program Changes

Dear Minister,

I am writing to you concerning your recent announcement of new measures to address fraud within Canada's Temporary Foreign Worker Program (TFWP). The Canadian Franchise Association (CFA) supports your efforts to weed out bad actors who misuse or commit fraud within the system. The TFWP is a legitimate tool that provides small businesses across the country the ability to seek temporary labour internationally when their efforts to fill positions domestically have been unsuccessful.

Coming out of the COVID-19 pandemic, many small businesses have still not fully recovered to pre-pandemic revenue levels. The ongoing labour shortages, inflationary pressure, cost of borrowing, and the additional cost of goods and services continue to increase the financial strain on these businesses. Accessing a stable supply of labour is not simply a hurdle but a critical need for franchised small businesses across Canada as they attempt to fully reopen their doors. The TFWP is the last resort for these small business owners to gain the labour they need to fully run their businesses. Otherwise, these businesses would continue to struggle to under the increasingly suffocating cost of operations.

For context, in 2023 the Government of Canada issued 183,820 temporary foreign worker permits. This represents only 0.9% of the total labour force in Canada, yet it plays a significant role in supporting the Canadian economy. In the same period, your department conducted over 2,000 investigations, finding that 94% of the applications complied with the program's rules. The CFA supports your efforts to reduce potential misuse of the TFWP; however, this must be done without penalizing the tens of thousands of small businesses that use the program as it was designed. There is a legitimate purpose for the program, and the government must support who are abiding by the regulations.

Additionally, the CFA is concerned about the August 20 news that your department has approved the request from the province of Quebec to temporarily freeze approval of low-income stream permits from the Montreal economic region beginning September 3, 2024. This decision is a dangerous precedent that must not be expanded elsewhere in Canada. Once again, this decision only serves to potentially hurt small business owners who cannot access the labour they need to operate their businesses fully.

With more than 600 corporate members representing over 78,000 franchise small business owners of more than 66,000 franchise establishments, the CFA is proud to be the voice of franchising in Canada. As your department continues its discussions on future changes to the TFWP, the CFA is ready and willing to engage with you to address potential misuse of the TFWP without penalizing those small businesses abiding by the rules of the program.

Sincerely,



Derek Robertson
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Director of Policy

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Background on the CFA

The Canadian Franchise Association (CFA) is the national, not-for-profit association of more than 600 corporate members representing over 40,000 franchise small business owners of more than 66,000 franchise establishments.

The CFA is the voice of the franchise community and the recognized authority on franchising in Canada. The CFA speaks for an industry that touches the lives of every Canadian in every community across the country.

Canadian franchises contribute more than \$120 billion per year to the Canadian economy and create jobs for nearly 2 million Canadians. They enable 78,000 Canadians to be their own boss as the owner of their own small business franchise location, serving their neighbours in communities from coast to coast to coast. These enterprises contribute over \$15.9 billion in federal taxation revenue and pay nearly \$62 billion in wages each year.

CFA members represent a diverse cross-section of businesses and over 60 sectors in Canada. Our members range from very large, established franchise systems, to smaller or emerging franchise brands. Members share the conviction that their commitment to excellence improves franchising for everyone involved, including franchisors, franchisees, suppliers, and customers.