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**House of Commons
Standing Committee on Citizenship & Immigration**

Witnesses

**Mr. Larry Law
Founder & CEO
Living Water Resorts**

**Mr. Donald Buckle
Vice President Resort Operations & General Manager
Living Water Resorts**

May 4, 2021

Opening Statement

By

Mr. Larry Law

Founder & CEO

Living Water Resorts

Madame Chair, Co-Chairs and Members of the Standing Committee.

Thank you for the invitation to share our concerns with the new restrictive LMIA criteria that prevent our hiring Temporary Foreign Workers.

Joining me is Mr. Donald Buckle, Vice President of Resort Operations.

I am the owner of Living Water Resorts located in Collingwood, Ontario.

I have owned the resort for 29 years and have invested significantly to expand the resort and create employment for Canadians.

Today, we offer our guests 445 rooms in two resort hotels, a golf course, a spa, award-winning restaurants and a marina.

Our labour force has grown from 20 to more than 500 in peak season. We are Collingwood's biggest employer.

Our resort practices serving with a caring heart with our guests, our team members and our local community.

In 2019, the resort received Tourism Canada's Distinguished HR Service Award for our caring support of temporary workers who were the victims of human trafficking. More recently, I was awarded the Order of Collingwood reflecting ongoing contributions to our community.

This brings me to the heart of our issue, my resort's reliance on Temporary Foreign Workers.

Our preference is to hire local Canadians: our cost to hire 20 Temporary Foreign Workers is approximately \$68,000.

But, we know that Canadians avoid working at entry-level jobs in the hospitality industry.

We have offered higher wages, benefits and other incentives without success.

We have used Indeed, social media and referral programs without success.

We have no alternative but to hire TFW's to perform the essential roles that Canadians will not.

In this respect, the resort industry has the same reliance on Temporary Foreign Workers as the Agriculture industry which is exempt from these LMIA restrictions.

You might ask, what prevents our resort from hiring TFW's?

LMIA Ministerial Instructions prevent hiring Temporary Foreign Workers for low paying positions in the Accommodation and Food Services sectors when unemployment exceeds 6% in a region.

This is intended, in the words of Minister Qualtrough, to ensure that [quote] *"Canadians and permanent residents are considered first by employers"* by restricting the hiring of TFW's. [end quote]

The rationale rests upon the flawed certainty that [quote] *"...In places where the unemployment rate is high, it is expected that employers will have less difficulty in filling these positions ..."* with local Canadian workers. [end quote]

Contrary to Ministerial expectation, Canadians do not want these jobs.

The instructions state that if the region's unemployment rate exceeds 6%, [quote] *"We [the LMIA review] will refuse to process your LMIA application"*. [end quote]

Collingwood has a 7.5% unemployment rate.

As a result, contrary to Ministerial expectation, we now have more difficulty filling entry-level positions than before.

For the Committee's knowledge, at this same time in early 2020, Employment and Social Development Canada introduced legislation [quote] *"prioritizing and waiving minimum recruitment requirements"*[end quote] for farmworker and field labour TFW's exempting them from LMIA restrictions.

What is the impact of this policy change?

The unintended consequence will certainly be a loss job losses for Canadians.

For our busy 2021 summer season, we need to hire 20 new TFW's.

Without these workers, we will be forced to close 80+ rooms causing:

- First, a \$5.8 million annual revenue loss
- Second, the direct layoff of 100+ resort team members

And, brutal repercussions for our local economy:

- A \$43.8 million loss of retail and dining spending by fewer tourists
- An increased dependence upon Government financial subsidization

On a related note, we recently completed a \$50 million addition of 86 suites in our waterfront hotel. Operating this addition requires 25 additional room attendants. If these restrictive Ministerial Instructions were in place before breaking ground, we certainly would not have made this investment.

What is the solution to this looming LMIA pandemic?

We propose a simple amendment in the 2020 Ministerial Instructions for entry-level Accommodation and Food Services sector jobs.

This proposed solution would parallel the priority exemption the Government provides to the Agriculture Industry but include the specificity of regional application.

We propose adding an exception from the current Ministerial Instructions for Accommodation and Food Service sectors in specific tourism regions (including Collingwood, the Blue Mountains, Niagara ...etc) where resorts prove they are unable to hire local Canadians.

Our proposed solution is endorsed by the Resorts of Ontario and the Ontario Restaurant Hotel and Motel Association (ORHMA).

This Proposed Solution will:

- **Re-open a window of opportunity for Temporary Foreign Workers that the Ministerial Instructions has closed**

- **Thereby, ensure preserving jobs for Canadians**

Minister Qualtrough wrote to me that [quote] “The Department will consider policy adjustment as the situation evolves and the evidence warrants.”[end quote]

To use Minister Qualtrough’s words, the situation has evolved and the evidence does warrant a change in LMIA restrictions for the resort industry.

Madame Chair and Members of the Committee, we ask for your support and recommendation to undo the unintended and punitive consequences caused by the LMIA Ministerial Instructions that have proven to rest upon a flawed rationale.

Thank you for your consideration.