

2027-2029

IMMIGRATION LEVELS-PLAN

CONSULTATION INPUT

The Government of Canada invited stakeholders to provide input on the development of the 2027–2029 Immigration Levels Plan through a public consultation process. As the national voice of Canada's hotel industry, Hotels Canada participated in the consultation to share the sector's perspectives on immigration policy and its importance to addressing persistent workforce challenges.

The consultation was conducted through an online questionnaire. To support transparency and provide stakeholders with access to our recommendations, Hotels Canada is publishing our submission below in the format in which it was provided to the Government of Canada.

Q18 – Last year's Immigration Levels Plan reduced arrival targets for new temporary residents and stabilized targets for permanent resident admissions.

The Government of Canada also introduced additional measures to restore balance and control in the immigration system by better aligning intake with processing capacity, labour market needs, and community infrastructure, while supporting transitions to permanent residence for individuals already in Canada.

HOW HAS THIS APPROACH AFFECTED YOUR COMMUNITY OR SECTOR, AND WHAT IMPACTS – POSITIVE OR NEGATIVE – HAVE YOU OBSERVED SO FAR?

Recent changes to immigration policy, particularly restrictions on the Temporary Foreign Worker Program (TFWP), have had a significant negative impact on Canada's hotel sector.

Restrictions on the TFWP have left many hoteliers unable to meet their workforce needs. According to Hotels Canada's 2026 Workforce Survey, 46% of hoteliers have lost temporary foreign workers in the past year, while 52% expect to lose international workers in the coming year. The loss of international workers is already having serious operational impacts. Hoteliers report limiting room availability, redeploying staff to positions they were not hired to perform, increasing workloads for existing employees, and delaying expansion plans. These challenges ultimately affect business growth, visitor capacity, and opportunities for Canadian workers.

The Government's one-time measure to accelerate the transition of up to 33,000 work permit holders to permanent residence in 2026 and 2027 did not meaningfully benefit the hotel sector, despite its demonstrated labour needs. The criteria announced in Budget 2025 reflected many temporary foreign workers employed in hotels: individuals who have established roots in Canada, pay taxes, and contribute to local economies. However, limiting eligibility to “skilled”

workers excluded many essential hospitality workers from accessing permanent residence pathways.

The reduction in international student levels has also had unintended consequences for the hospitality sector by reducing enrolment in hospitality and tourism programs and limiting a key source of future talent. This is already being felt in hotel employment, where 40% of hoteliers report losing international student workers over the past year, and 38% expect further losses in the coming year.

The impacts of these policy changes are being felt at a time when labour shortages remain severe across the hotel sector. More than half of hoteliers (53%) are currently experiencing workforce shortages, rising to 59% among rural hotels and 70% among resort hotels. Looking ahead, workforce challenges are expected to persist, with 60% of rural hoteliers and 78% of resort hoteliers anticipating continued shortages over the next year.

Industry confidence in current immigration policy is low. Fifty-seven percent of hoteliers expect the Immigration Levels Plan to have a negative impact on their business, while 77% of rural hoteliers do not believe recently announced temporary TFWP measures for rural employers will meaningfully improve labour shortages.

Q19 – Our [immigration commitments](#) are to

- reduce the temporary population to less than 5% of Canada’s total population by the end of 2027
- stabilize permanent resident admissions at less than 1% of Canada’s total population after 2027, and
- increase the Francophone immigration target to 12% of permanent resident admissions by 2029.

WHAT CHANGES, IF ANY, WOULD YOU RECOMMEND TO FUTURE TEMPORARY AND PERMANENT RESIDENT LEVELS, AND WHY?

Both temporary and permanent resident levels should be more responsive to demonstrated labour market needs. Sectors facing persistent labour shortages, including tourism, should receive greater consideration within immigration planning. Employers experiencing chronic workforce shortages require access to immigration pathways that reflect economic realities and support continued growth. Greater emphasis should be placed on retaining workers who are already contributing to Canadian communities, workplaces, and local economies.

Reductions to temporary resident levels are already impacting Canadian hoteliers, with over half reporting that the 2026–2028 Immigration Levels Plan would negatively affect their business, and 66% having lost international workers (TFWs/students) in the past year, while 63% expect further losses. Top workforce challenges facing the industry is a lack of interest from local workers (61%) and difficulty attracting workers due to limited local population (47% in rural areas, 65% in resort areas). In rural and resort communities in particular, immigration levels that do not reflect these labour market realities will not meet the needs of the industry.

Q20 – ARE THERE SPECIFIC REGIONAL PRESSURES, OPPORTUNITIES, OR DEMOGRAPHIC TRENDS THAT IRCC SHOULD CONSIDER WHEN PLANNING FUTURE IMMIGRATION LEVELS?

Rural labour market pressures should be a major consideration in future immigration planning. A uniform national approach does not adequately reflect labour market conditions in rural, remote, and resort communities. In rural areas, almost half of hoteliers (47%) cite limited local population as a hiring barrier. These regions often face unique recruitment challenges and rely heavily on immigration to sustain local businesses, tourism infrastructure, and economic activity. Hotels Canada supports the expansion of the Rural Community Immigration Pilot and similar initiatives that recognize the workforce needs of rural communities and provide pathways for hospitality workers to settle permanently in these regions.

At the same time, aging populations and declining local labour supply are intensifying workforce challenges across many parts of Canada, increasing the importance of immigration as a workforce solution. These demographic trends are particularly acute in rural communities, which have approximately 6% fewer prime working-age adults (25–44) than urban centres (OECD, *Enhancing Rural Innovation in Canada*), resulting in a smaller and aging labour pool that limits local hiring capacity.

Q21 – LOOKING BEYOND 2029, WHAT LONG-TERM CONSIDERATIONS AND PRIORITIES SHOULD GUIDE CANADA’S IMMIGRATION SYSTEM?

Sector-specific workforce needs should play a larger role in immigration planning. While current frameworks tend to emphasize high-skilled classifications, they do not always reflect the operational realities of sectors such as tourism and hospitality, which rely on a mix of skill levels to function effectively. A more balanced approach is

needed—one that recognizes both high-skilled and low-skilled roles as critical to Canada’s economic performance.

Canada's aging population and slowing labour force growth will increase dependence on immigration across key sectors of the economy. As demographic pressures intensify, immigration policy will need to function less as a reactive labour supply tool and more as a structural component of workforce planning.

Canada should also broaden its economic priorities to more fully recognize tourism and other sectors that, while often underrepresented in immigration discussions, play a critical role in supporting economic growth, employment, and communities across the country. The hotel sector alone contributes \$32 billion to the economy and employs 320,000 people nationwide, but its ability to deliver this economic output is directly constrained by workforce availability.

Q22 – WHAT CHALLENGES, BARRIERS, OR CONCERNS EXIST IN THE IMMIGRATION SYSTEM THAT AFFECT PEOPLE’S ABILITY TO COME TO CANADA AND ACHIEVE POSITIVE OUTCOMES?

Limited pathways to permanent residence for workers in TEER 4 and 5 occupations remain a significant concern. In sectors facing ongoing labour shortages, pathways to permanent residence are needed for workers in essential operational roles. These positions are critical to maintaining hotel operations and supporting Canada's tourism economy. Greater emphasis should also be placed on retaining workers who are already integrated into Canadian workplaces and communities and have demonstrated their ability to contribute to the economy. To meet these needs, Canada should adopt the Canadian International Workforce Program proposed in the [Reimagining Immigration](#) paper to establish a stable pathway to permanent residency for Temporary Foreign Workers to fill low-skilled, year-round.

Processing delays and administrative burden within the TFWP continue to create operational challenges. Long processing timelines reduce employers' ability to respond to immediate workforce needs and create uncertainty for both businesses and workers. Hotels Canada recommends the introduction of multi-entry work permits for seasonal industries. Such a measure would enable rural, remote, and resort hotels to rehire experienced temporary foreign workers across multiple seasons while reducing administrative burden.

Despite the announcement of temporary TFWP measures for rural employers, many hoteliers report significant barriers to accessing these programs. Key concerns include

lengthy processing and approval timelines (34%), insufficient guidance and support (49%), application complexity (23%), and restrictive eligibility criteria. Additionally, many employers facing rural labour market conditions do not meet the current definition of a rural employer and are therefore unable to benefit from available measures.