

March 10, 2025

The Hon. Dominic LeBlanc, P.C.  
Minister of Finance and Intergovernmental Affairs

Submitted by email to:

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**Subject: CPHR Canada recommendations for the 2025-2026 Federal Budget**

Dear Minister LeBlanc,

Representing 31,000 human resources professionals in nine provinces and three territories of Canada, CPHR Canada is the national voice of the country's HR profession. We advocate for policies that strike a healthy balance between organizational success and employee well-being.

The current trade tensions between Canada and the United States and the productivity challenges facing the Canadian economy are creating a great deal of uncertainty and turbulence in the world of work. Because their activities and jobs are potentially at risk, many Canadian workers, as well as their managers, are currently experiencing high levels of stress and anxiety at work.

To address these issues, CPHR Canada is drawing on the expertise of HR professionals and submitting around ten recommendations for the next federal budget. The Canadian government must be agile in supporting the world of work in response to the current economic uncertainty, contribute to the availability of a qualified workforce, and promote mental health, equity and inclusion within our organizations.

### **1. Support in Times of Economic Uncertainty**

CPHR Canada welcomes the government's decision to adjust the Employment Insurance Work-Sharing Program, following the joint request made earlier this year by the Employment Insurance Commissioner for Employers and her counterpart for workers. The adjustments announced will reduce the number of layoffs and the cost of regular Employment Insurance benefits. That said, CPHR Canada would like to make a few additional recommendations in connection with the economic uncertainty we are currently experiencing.

#### **Recommendation 1**

##### **Further encourage upskilling and reskilling during economic slowdowns**

For the unemployed, funding requalification efforts through the Employment Insurance Program is just as important as ever. However, members of the profession suggest that the government not limit its support to the unemployed. Employed workers, as well as employers, should also be

supported in terms of skills development, whether this means carrying out diagnostics or offering training activities that will allow them to improve their skills and productivity and remain competitive.

### **Recommendation 2**

#### **Support technological change and digital skills development to increase productivity**

To increase the productivity of our businesses, new technologies need to be adopted and skills improved. While supporting the digital transition, automation, AI and robotization, the government must also support workers and employers in developing the skills required to exploit these technologies.

### **Recommendation 3**

#### **Reduce barriers to labour mobility**

The trade tensions with the United States should prompt Canada to improve the functioning of its own national market by reducing barriers to trade and labour mobility between provinces. Harmonizing professional certifications poses a major challenge. Disparities between provincial requirements make it difficult to recognize qualifications, which hinders workers from being able to practice their profession in other regions. The federal government can and must play a role in encouraging better coordination between the provinces. Collectively, through the work of the Internal Trade Committee or other competent bodies, we must facilitate this mobility and optimize the use of skills available throughout Canada. This is also the reason why CPHR Canada was created: The provincial entities conceived this organization to be a unifying force and ensure consistency in professional HR supervision and recognition of the designation from coast to coast.

## **2. Availability of Skilled Labour**

According to Statistics Canada, the number of vacant positions across the country stood at 546,100 in the third quarter of 2024. Despite an unemployment rate that has remained above 6% since March 2024, recruitment continues to be the main human resources challenge for employers. Technical and production positions are still difficult to fill. More employers are experiencing workforce qualification issues. Given the accelerated transformations in the world of work – whether these transformations are linked to technological changes or our evolving trade policies – workers' skills development will be one of the major challenges of the coming years. Canada needs a more robust strategy to improve skills development. This issue requires more sustained attention from the federal government.

### **Recommendation 4**

#### **Governance of the Canadian workforce development ecosystem: Create and support a national advisory body**

Last fall, at the Workforce Summit organized by Employment and Social Development Canada, [worker and employer representatives joined forces to call for the establishment of an effective and institutionalized dialogue to improve coordination of workforce development in Canada.](#) CPHR Canada supports this proposal to create an advisory council where such a dialogue could take place. In addition to representatives of unions, employer groups and provinces, this body should also include the participation of other organizations whose mission and expertise enable them to play a key role in the skills development ecosystem.

## Recommendation 5

### **Immigration: Preserve access to talent from abroad**

CPHR Canada has taken note of the 2025-2027 Immigration Levels Plan and the various tightening measures implemented last year by the Department of Immigration, Refugees and Citizenship. We understand that immigration targets must take into account the integration capacity of Canadian society. However, we share some concerns about the consequences that are already being felt.

- **Foreign students** – The tighter rules for foreign students who wish to pursue their studies in Canadian post-secondary institutions (significant reduction in the number of permits issued, reform of the post-graduation work permit program) are not without consequences. These changes could negatively affect the supply of labour in certain sectors of activity, including human resources management. We invite the federal government, in collaboration with the provinces, to monitor developments in the situation very closely and adjust its rules to minimize the impact on in-demand professions in the job market.
- **Temporary foreign workers** – CPHR Canada is taking advantage of this consultation to highlight its concern about the tightening measures that affect temporary foreign workers. These resources are valuable to several sectors of economic activity and such a sudden turnaround has significant consequences for both the economy (the organizations that employ them) and human lives (the temporary foreign workers concerned). The federal government and the provinces should monitor the situation very closely and ensure that their policies do not jeopardize the competitiveness and viability of the sectors of activity that rely on this workforce.
- **Skills recognition** – The processes for recognizing the skills of people trained abroad are often too long, too complex and too costly. This delays their entry into the Canadian labour market. Governments must work together with the relevant authorities (e.g. professional orders) to simplify and accelerate these processes.

## Recommendation 6

### **Further facilitate access and openness to remote labour pools**

The government should strengthen its integration initiatives for people who are far from the labour market by increasing financial resources for their training and support towards employment. We are referring, for example, to candidates from First Nations, those living with a disability or who have a criminal record. Regarding experienced workers, the government should ensure that its tax policies encourage career extension.

## Recommendation 7

### **Prioritize and support the modernization of the Employment Insurance Program**

The program needs to be significantly updated so that it continues to provide workers with a safety net but also added incentive to return to work. CPHR Canada made recommendations in this regard during the consultations held in 2021. We hope that the current Minister of Employment and Workforce Development will be given the mandate and the resources to put this modernization back on track.

### 3. Psychological health of workers and managers

A survey conducted by Mercer human resources consulting firm concluded that:

- more than one-third of disability benefit claims in 2022 were attributable to mental health reasons;
- less than two-thirds of organizations (63%) deal effectively with this risk.

Such data is worrying. All stakeholders must do more to support worker health and reduce the growing costs organizations incur due to absenteeism, presenteeism, lost productivity, etc. Here are two concrete proposals that will allow the federal government to better support the psychological health of workers.

#### Recommendation 8

##### **Workplace harassment and violence: Provide further support to the Department of Employment and Social Development**

CPHR Canada previously commended the current government for introducing the significant requirement for employers to prevent and address harassment and violence in federally regulated workplaces. That said, by participating in the work of the Federal Task Force on Harassment and Violence, CPHR Canada was able to observe that several avenues could be considered to improve government action in this sector:

- Awareness and support could be improved by increasing the content available on the government website and by rolling out a national campaign for employers and workers;
- Investigators identified as potential resources for organizations are relatively few in number and, above all, could benefit from training to achieve more consistent interventions in the various work environments;
- Other stakeholders, such as parity committees, would benefit from better training so that they fulfill their role more effectively.

Such actions would require additional financial resources for the Department of Employment and Social Development.

#### Recommendation 9

##### **Psychological Health and Safety in the Workplace: Create and fund a program to support the deployment of a National Standard**

Although this voluntary standard is technically free and basic tools are provided by the Canadian Center for Occupational Health and Safety and the Mental Health Commission of Canada, organizations would benefit from receiving support from occupational health and safety experts for its implementation and maintenance. Employers, especially smaller ones, need help identifying best practices that have a tangible positive effect. The government should consider creating and funding a financial assistance program for organizations that want to adopt the standard but need professional assistance to implement it properly.

### 4. Diversity and Inclusion in the Workplace

Strongly committed to diversity and inclusion, CPHR Canada conducted [a large pan-Canadian survey of HR professionals in 2023](#). Since then, we have continued to monitor and support the development of these practices, which are sometimes the subject of heated debate. Recognized for its multiculturalism, Canada should maintain its leadership role in this area and ensure that

inclusion and diversity policies remain at the heart of organizational practices, and that these rely on practices that truly have a positive impact. Here are two recommendations regarding the role of the federal government.

#### **Recommendation 10**

##### **Employment Equity Act: Ensure quality support**

Last September, [CPHR Canada submitted comments](#) as part of the consultation that Employment and Social Development Canada held to follow up on the report of the working group that reviewed the Act. The Act aims to achieve and support equality in the workplace through effective implementation by employers. In this regard, it will be essential for the government to provide significant resources to support organizations, beyond what has been done since the Act came into force. An example can be taken from the implementation of the Pay Equity Act, which can serve as a guide to ensure that the information is clear, the tools are effective, and the training is easily accessible. This ongoing support for organizations will be even more essential as equity and inclusion practices continue to evolve and expertise is developed across the country.

#### **Recommendation 11**

##### **Increase support for the 50-30 Challenge**

The 50-30 Challenge is a federal government initiative that deserves more attention. The program encourages gender parity and a significant percentage of members of other equity-seeking groups on boards of directors and/or management teams. As of February 10, 2,831 organizations had participated across the country. This number could rise if the program was promoted more intensively. Tax incentives could also be put in place to stimulate the adoption of diversity and inclusion practices by organizations.

\* \* \*

Thank you for the opportunity to participate in this consultation.

We look forward to continuing to share the expertise and perspective of HR professionals with you and your colleagues.

Cordially,



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President and Chief Executive Officer  
CPHR Canada

# Consultations on the 2025-2026 Federal Budget

## Summary of CPHR Canada Recommendations

### 1. Support in Times of Economic Uncertainty

#### Recommendation 1

Further encourage upskilling and reskilling in times of slowdown

#### Recommendation 2

Support technological change and digital skills development to increase productivity

#### Recommendation 3

Reduce barriers to labour mobility

### 2. Availability of Skilled Labour

#### Recommendation 4

Governance of the Canadian workforce development ecosystem: Create and support a national advisory body

#### Recommendation 5

Immigration: Preserve access to talent from abroad (foreign students, temporary foreign workers, skills recognition).

#### Recommendation 6

Further facilitate access and openness to remote labour pools

#### Recommendation 7

Prioritize and support the modernization of the Employment Insurance Program

### 3. Psychological Health of Workers and Managers

#### Recommendation 8

Workplace harassment and violence: Further support the Department of Employment and Social Development

#### Recommendation 9

Psychological Health and Safety in the Workplace: Create and fund a program to support the deployment of a National Standard

### 4. Diversity and Inclusion in the Workplace

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