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CONSEILLERS EN RESSOURCES HUMAINES AGRÉÉS CANADA

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August 27, 2025

The Hon. François-Philippe Champagne, P.C.
Minister of Finance and National Revenue
Submitted by email to:
yourbudget-votrebudget@fin.gc.ca
francois-philippe.champagne@parl.gc.ca

Subject: CPHR Canada Recommendations for the Next Federal Budget

Dear Minister Champagne,

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

During the recent election campaign, our organization released a position statement outlining actions the Canadian government could take to foster and support:

- an innovative, productive, and prosperous economy;
- a skilled and available workforce;
- healthy, caring, and inclusive workplaces.

Our pre-budget recommendations are based on the actions proposed in that document, as well as the priorities identified by your government. In particular, we address questions on workforce development raised in the consultation questionnaire. **A list of our key recommendations is included in the appendix to this letter.**

AN INNOVATIVE, PRODUCTIVE AND PROSPEROUS ECONOMY

Low labour productivity in Canada is a concerning trend, as Employment and Social Development Canada emphasized at last fall's Workforce Summit. The federal government can do more to address this challenge.

1. Encourage greater productivity by supporting the adoption of new technologies and the development of digital skills

Boosting the productivity of Canadian businesses requires both the adoption of new technologies and the continuous upgrading of skills. While advancing digital transformation, automation, AI, and robotics, the government must also support workers and employers in developing the skills required to leverage these technologies. As the Canadian Chamber of Commerce noted in its pre-budget recommendations, developing tech talent must become a national priority.

2. Strengthen the regulation of artificial intelligence in the workplace by reviving Bill C-27

In 2022, the government introduced Bill C-27, the *Digital Charter Implementation Act, 2022*. The House of Commons Standing Committee on Industry and Technology began its study of the bill but was unable to complete it. We urge the government to relaunch this important legislative work to ensure Canada has robust oversight of AI. By doing so, Canada can position itself as a leader in the digital transformation of workplaces.

A WORKFORCE FOR THE FUTURE: SKILLS AND AVAILABILITY

The number of vacant positions across the country reached nearly 521,000 last May, according to Statistics Canada. Despite an unemployment rate that has remained above 6% since March 2024, recruitment continues to be the main human resources challenge for employers. Outside major urban centers, this challenge is often even more acute. Technical and production roles remain more difficult to fill. An increasing number of employers are also facing issues related to workforce qualifications.

3. Strengthen support for workforce development: strategy and governance

The consultation questionnaire addresses the issue of training and evolving employment opportunities. Canada requires a far more robust strategy to strengthen skills development. In the context of accelerated transformations in the workplace, enhancing workforce skills will be one of the defining challenges of the coming years.

The federal government should not limit its support to unemployed workers. Employees currently in the workforce, as well as employers, must also receive support—whether to carry out a diagnosis or to undertake training activities that will help them enhance their skills and productivity to remain competitive.

CPHR Canada endorses the proposal made last fall by worker and employer representatives, who jointly called for the creation of a national advisory council dedicated to improving the coordination of workforce development and fostering more effective dialogue among stakeholders. In addition to representatives from unions, employer groups, and provinces, this body should also include organizations that, by virtue of their mandate, play a key role in the skills development ecosystem.

4. Facilitate the integration and retention of underrepresented groups, including experienced workers

The government should strengthen integration initiatives for individuals who are distant from the labor market by increasing financial resources dedicated to their training and employment support. This includes, in particular, candidates from First Nations communities, persons with disabilities, and individuals with criminal records. For experienced workers, the government should also ensure that tax policies further encourage career extension.

5. Preserve access to foreign talent by streamlining immigration policies

CPHR Canada has reviewed the 2025–2027 Immigration Levels Plan and the various tightening measures introduced last year. We recognize that immigration targets must take into account Canada's integration capacity (housing, public services, etc.). However, we remain concerned about the consequences, particularly in regions outside major urban centers where labor shortages persist.

Occupations facing labor shortages – Canadian society has changed significantly over the past few decades. For various reasons, many occupations no longer attract Canadian-born workers as they once did. These include jobs in agri-food, manufacturing, restaurants, and tourism accommodation. In many cases, immigrant labor is the only viable solution. Immigration policies and intake targets must reflect this reality and provide employers with predictability.

International students – The recent tightening of rules (reduction in permits issued and reforms to the Post-Graduation Work Permit Program) is not without consequences. These changes could negatively impact labor supply in certain sectors, including human resources management. We encourage the federal government, in collaboration with the provinces, to closely monitor developments and adjust policies to minimize negative effects on in-demand professions and trades.

Skills recognition – Recognition processes for internationally trained professionals are often lengthy, complex, and costly, delaying their integration into the Canadian labor market. The government should work with relevant stakeholders (provinces, professional bodies) to simplify and accelerate these processes, while ensuring the necessary standards of professional qualification are maintained.

6. Contribute to reducing barriers to labor mobility

Trade tensions with the United States should prompt Canada to strengthen its own domestic market by reducing barriers to trade and labor mobility between provinces. Harmonizing professional certifications remains a significant challenge. Differences in provincial requirements make it difficult to recognize qualifications, thereby limiting worker mobility. The federal government can—and must—play a role in fostering greater coordination among provinces. Collectively, through the work of the Committee on Internal Trade or other relevant bodies, we must advance efforts to facilitate this mobility.

HEALTHY, CARING AND INCLUSIVE WORKPLACES

Whether the issue is mental health, workplace violence, or equity, the federal government can provide stronger support to the workforce and employers under federal jurisdiction.

7. Harassment and violence: expand investigative capacity and strengthen support for employers and the workforce

Through its participation in the Task Force on Harassment and Violence in the Federally Regulated Workplace, CPHR Canada observed that the government could enhance its efforts in several ways:

- **Awareness and support** could be improved by expanding the resources available on the government's website and by launching a national campaign targeting both employers and workers.
- **Investigative capacity** remains limited: the number of investigators available to organizations is relatively small and, more importantly, they would benefit from additional training to ensure more consistent interventions across workplaces.
- **Other stakeholders**, particularly parity committees, would also benefit from improved training to better fulfill their responsibilities.

8. Pay transparency: drawing on best practices to implement federal legislation

Pay transparency is based on the principle that workers have the right to know the pay structures and salary scales in place at their workplace. In unionized environments, this transparency is typically embedded in collective agreements and established practices, ensuring both predictability and pay equity for employees. Five Canadian provinces have already initiated or completed legislative processes to integrate pay transparency measures for all employers under their jurisdiction.

At the federal level, several laws indirectly promote a degree of pay transparency (for example, the Pay Equity Act). However, persistent and unjustified pay gaps remain between certain groups. We encourage the government to address this issue and to draw on best practices from Canada and abroad in developing a legislative framework.

9. Employment Equity: revise the Act to address the 2024 consultation and strengthen support for employers

In September 2024, CPHR Canada submitted comments as part of Employment and Social Development Canada's consultation on the report of the Task Force on the Review of the Employment Equity Act. It is essential that the government provide more resources than are currently available to support employers in implementing this legislation. The experience with the implementation of the Pay Equity Act can serve as a model to ensure that information is clear, tools are effective, and training is readily accessible. It will also be important to maintain this support for organizations on an ongoing basis.

10. Psychological health and safety in the workplace: further promote the Mental Health Commission's national standard and provide employers with support for its implementation

Although the National Standard of Canada for Psychological Health and Safety in the Workplace is technically free, and basic tools are provided by the Canadian Centre for Occupational Health and Safety and the Mental Health Commission of Canada, organizations would benefit from the support of health and safety experts in its implementation and maintenance. The government should consider creating and funding a financial assistance program for organizations that wish to adopt the Standard but require professional assistance to implement it properly.

* * *

The proposals we are putting forward would help build a strong economy and support Canadians. We thank you for this opportunity to participate in this consultation, and we look

forward to continuing to share with you and your colleagues the expertise and perspectives of HR professionals.

Cordially,

Anthony Ariganello, C.M., FCPA, FCGA, FCCA, FCPHR, SHRM-SCP, ICD.D
President and Chief Executive Officer
CPHR Canada

Consultations on the next Federal Budget

Summary of CPHR Canada Recommendations

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1. Encourage increased productivity by supporting the adoption of new technologies and the development of digital skills

2. Improve the regulation of artificial intelligence in the workplace by reviving Bill C-27

A WORKFORCE FOR THE FUTURE: SKILLS AND AVAILABILITY

3. Strengthen support for workforce development: strategy and governance

4. Facilitate the integration and retention of the workforce from underrepresented groups, including experienced workers

5. Preserve access to foreign talent by streamlining immigration policies

6. Contribute to reducing barriers to labor mobility

HEALTHY, CARING AND INCLUSIVE WORKPLACES

7. Harassment and violence: increase investigative capacity and improve support for employers and the workforce

8. Pay transparency: drawing on best practices to implement federal legislation

9. Employment Equity: Revise the Act to respond to the 2024 consultation and increase support for employers

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