



Strengthening Canada’s Economy Through Language Training and Talent Pathways

TESL Ontario Submission for Federal Pre-Budget Consultations 2026

Recommendations:

1. **Restore Federal Funding for Language Training up to CLB 7**

Reinstate funding for intermediate and advanced language training to support employment readiness, professional integration, and the full economic contribution of skilled newcomers.

2. **Invest in Employment-Focused Language Pathways**

Support integrated language-to-employment programs that bridge newcomers from intermediate language levels into the workforce through occupation-specific training and sector partnerships.

3. **Increase Funding for International Student Programs**

Establish predictable, well-coordinated funding and policy frameworks to protect Canada’s global competitiveness and sustain a strong pipeline of future skilled workers.

TESL Ontario is the professional association for teachers of English as a Second Language in Ontario, representing more than 4,500 members, including educators, administrators, and service providers. Our members work across publicly funded and private programs—including LINC, post-secondary institutions, school boards, and community-based organizations—supporting thousands of newcomers each year.

TESL Ontario is also a recognized voice for the English language teaching community across Ontario and Canada, bringing forward data-informed insights drawn from member surveys and sector feedback to inform policy on language training and newcomer integration.

As Canada works to attract top talent while returning immigration levels to more sustainable levels, the **focus must increasingly shift from intake to outcomes**. Canada’s economic success depends not only on who arrives, but on how effectively newcomers are supported to enter the workforce and contribute to the economy.

However, current policy changes are creating growing gaps between these objectives and on-the-ground realities. Reductions in settlement funding, the elimination of higher-level language training, and instability in international student pathways are limiting access to the supports that enable economic integration.

These changes are already producing tangible impacts across the sector, including program closures, reduced training capacity, layoffs, and increasing barriers to employment pathways for newcomers. At the same time, millions of newcomers *in* Canada continue to require support to reach employment-ready language levels and fully participate in the labour market.

This context highlights a critical policy alignment challenge: efforts to reduce and stabilize immigration levels must be matched by investments that **maximize outcomes** for those already here and those yet to arrive.

This submission advances three focused recommendations aligned with this objective:

- Maximize the potential of all newcomers
- Ensure that manageable immigration levels are matched with adequate integration supports

1. Restore Federal Funding for Language Training up to CLB 7 (Levels 5–7)

Rationale

Language training beyond basic levels is essential for employment readiness, credential recognition, and long-term economic integration. While foundational language skills support initial settlement, it is intermediate and advanced training that enables newcomers to participate fully in the workforce and contribute meaningfully to Canada’s economy.

As Canada seeks to attract and retain top global talent, access to advanced language training is a key component of a competitive and effective immigration system. Restoring funding for CLB 5–7 is critical to maximizing the economic contribution of newcomers by enabling them to fully utilize their skills, access appropriate employment, and advance in their professions.

Without access to these levels, skilled newcomers face persistent barriers to workforce participation, resulting in underemployment and lost economic potential. At a time when the federal government is seeking to reduce immigration levels while improving economic outcomes, limiting access to Stage 2 and 3 language training risks undermining the very outcomes these policies aim to achieve.

Impacts of Current Policy Changes

Federal policy changes will end funding for English classes beyond CLB 4 by September 2026, eliminating access to intermediate and advanced language training. This shift is already having cascading impacts across the sector:

- Newcomers at intermediate and advanced levels are experiencing uncertainty and stalled progress as access to continued training diminishes.
- Learners are being cut off mid-progression, unable to reach employment-ready language proficiency.
- Service Provider Organizations (SPOs) are reducing capacity and, in some cases, closing language training sites.
- Higher-level language training is among the areas most affected, creating barriers to employment and income stability.
- Waitlists and service gaps are increasing as remaining programs lose capacity and struggle to absorb displaced learners.
- Many newcomers rely on advanced language training to access bridging programs and job opportunities; without it, they are more likely to remain in low-skill employment.

Despite reductions in immigration targets, demand remains high due to the large number of newcomers already in Canada.

Economic Implications

Without access to CLB 5–7, newcomers face significant barriers to entering and advancing in the labour market, limiting their ability to fully utilize their skills and contribute to Canada’s economy:

- Skilled newcomers cannot transition into regulated professions or higher-skilled employment.
- Underemployment persists, reducing tax contributions and slowing economic productivity.
- Labour shortages persist in key sectors, even as many newcomers face barriers to workforce entry and remain underemployed.

Higher-level language training is not a discretionary service—it is a **core economic integration tool**.

Recommendation

The federal government should:

- **Restore funding for language training up to a minimum of CLB 7.**
- Maintain consistent access to a minimum of Stage 2 language programming nationwide.
- Ensure funding models reflect **existing population needs**—not only projected new arrivals—and account for the persistent demand reflected in long waitlists for language training programs.

Investing in higher-level language training is a cost-effective strategy that accelerates labour market participation and reduces long-term dependency on settlement supports.

2. Invest in Employment-Focused Language Pathways

Rationale

As Canada shifts toward more sustainable immigration levels, greater emphasis must be placed on ensuring the success of newcomers already in Canada. Stage 2 language learners (CLB 4–6) often face a gap between basic language acquisition and employment readiness.

Employment-focused language pathways—combining language training with occupation-specific skills—are critical to bridging this gap. Without these supports, many newcomers are unable to translate their skills into meaningful employment, limiting their economic contribution at a time when Canada must maximize outcomes for each newcomer.

Current Gaps and Pressures

Employment-oriented programs are among those most affected by current funding reductions:

- Employment-focused language initiatives, including Enhanced English Skills for Employment, are being reduced or eliminated, forcing organizations to lay off staff and turn away learners.
- These programs play a critical role in helping newcomers transition from survival jobs to professional employment through workplace communication and sector-specific language training.
- Demand remains high, with waiting lists for language and employment programs persisting across regions.
- Reduced access to employment supports is limiting newcomers' ability to achieve economic independence.

These trends point to a growing disconnect between Canada's economic needs and the supports available to help newcomers meet them.

System Gap

The current system creates a disconnect that limits the effectiveness of Canada’s immigration and workforce strategies. While basic language training (CLB 1–4) is funded, advanced and employment-focused programming is being reduced, leaving no consistent pathway for learners to progress into the workforce.

As a result, many newcomers experience prolonged underemployment and increased reliance on precarious work. The system remains focused on initial settlement rather than workforce participation.

Economic Opportunity

To remain competitive in attracting global talent while maintaining sustainable immigration levels, Canada must focus on enabling newcomers to succeed economically—not simply on managing intake.

Employment-focused language pathways directly support:

- Faster labour market integration
- Filling of skills shortages in key sectors (healthcare, trades, technology)
- Increased tax revenues and reduced social service dependency

Targeted investments in employment-focused language pathways ensure that each newcomer can contribute to their potential, strengthening both individual outcomes and Canada’s broader economy.

Recommendation

The federal government should:

- **Invest in integrated language-to-employment pathways**, targeting CLB 4–7 learners.
- Expand sector-specific language programs (e.g., healthcare, skilled trades, IT).
- Fund partnerships between language providers, employers, and bridging programs.
- Ensure programming includes job search support, workplace communication, and credential navigation.

This approach supports stronger labour market outcomes and ensures that reduced immigration levels are matched by improved economic integration.

3. Increase Funding to Better Support International Student Workforce Integration

Rationale

Recent changes to Canada's international student program have introduced significant reductions and regulatory shifts in a short period. While these measures have been deemed necessary to rebalance the system, their scale and pace are creating unintended consequences across the education sector and affecting Canada's talent pipeline.

Recent data indicates that these changes have exceeded intended targets, with study permit approvals declining by approximately 45% in 2024—well beyond the planned 35% reduction. This suggests an overcorrection driven by policy design, implementation challenges, and unclear communication, rather than a controlled transition to sustainable levels. An increase in funding is required to help support the international student program and ensure postsecondary institutions have the resources to stabilize operations, sustain critical programs and student services, manage the financial impacts of abrupt enrollment declines, and support the integration of newcomers into the Canadian labour market.

Current Impacts and System Pressures

Rapid and overlapping policy changes—including caps, eligibility restrictions, and work permit reforms—are creating system-wide disruption:

- Confusion and uncertainty among prospective students and institutions, driven by shifting rules and unclear policy direction
- Growing uncertainty about Canada as a study destination, including in sectors not directly targeted by caps
- Significant financial strain on post-secondary institutions, leading to program closures, layoffs, and reductions in student services
- The lack of stability and predictability in policy undermining Canada's attractiveness in an increasingly competitive global market

These impacts extend beyond individual institutions, affecting the broader education system, local economies, and Canada's long-term capacity to develop and retain talent.

Implications for Canada's Talent Pipeline

International students play a critical role in Canada's talent pipeline, often transitioning to permanent residency and contributing to key sectors of the economy. Current instability is creating several risks:

- **Talent pipeline disruption:** A 53% drop in international student and temporary worker admissions signals a significant reduction in future skilled labour supply
- **Labour market impacts:** Employers rely on international graduates to fill gaps in sectors such as healthcare, technology, and skilled trades

- **Loss of institutional capacity:** Program closures and staffing reductions risk long-term damage to Canada’s education system, undermining its ability to train both domestic and international talent.
- **Reduced global competitiveness:** Policy unpredictability undermines Canada’s reputation as a stable and welcoming destination for top talent
- **System misalignment:** Reductions in student intake, combined with cuts to settlement and integration supports, weaken Canada’s ability to support successful economic integration

At the same time, Canada’s immigration system increasingly relies on pathways that enable temporary residents to transition to permanent residency. This reinforces the need for **clear, stable, and coordinated pathways**.

Policy Considerations

Efforts to rebalance international student intake must be carefully calibrated. Recent measures, however, have gone beyond stabilization, resulting in reductions that are disrupting institutions, limiting access, and weakening Canada’s ability to attract and retain talent.

A sustainable approach requires:

- Predictable, multi-year policy and funding frameworks
- Clear and consistent communication
- Alignment between intake levels, labour market needs, and integration capacity

Without these elements, policy changes and reduced funding risk undermining both system stability and long-term economic outcomes.

Recommendation

The federal government should:

- Establish a clear, multi-year international student policy framework with predictable funding, targets and timelines
- Improve coordination with provinces, post-secondary institutions, and settlement sector partners
- Align student intake policies with labour market needs and long-term immigration pathways
- Ensure transparent communication and adequate transition periods for policy changes

Stability in international student policy is essential to maintaining Canada’s global competitiveness, protecting a critical talent pipeline, and ensuring that immigration policies support long-term economic growth.

Canada is at a critical moment in shaping its immigration and workforce development strategy. As the country moves toward more sustainable immigration levels, the focus must shift from how many newcomers are admitted to how effectively they are supported to succeed.

Restoring access to higher-level language training, investing in employment-focused pathways, and stabilizing international student policy are essential to achieving this goal. Together, these measures strengthen workforce participation, support institutions, and ensure that newcomers can contribute to Canada's economy.

TESL Ontario urges the federal government to align its funding of immigration and education to maximize the contributions of current **and** future newcomers, ensuring strong economic outcomes while maintaining Canada's position as a global destination for talent.

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