

# **Proposal 25-MLITSD019 Threatens Ontario's Strategic Advantage in the Innovation Economy**

An analysis of the proposal's impact on talent retention and provincial competitiveness.

A Comment on Proposal 25-MLITSD019 submitted to the Ministry of Labour, Immigration, Training and Skills Development.  
Consultation Period Closes: January 1, 2026.



# The Proposal Weakens Competitiveness; Our Recommendations Strengthen It



## An Unnecessary Strategic Risk

Proposal 25-MLITSD019 eliminates independent immigration pathways for Ontario's Master's and PhD graduates. This policy change will:

- Undermine Ontario's competitiveness in the AI era.
- Increase vulnerability for recent graduates, encouraging "brain waste."
- Damage trust in Ontario as a destination for top-tier international students.



## Key Recommendations

1. **Preserve** a clear, independent pathway for Ontario's graduate talent.
2. **Protect** current students with robust transitional measures (grandfathering).
3. **Refine** new streams to recognize early-stage innovators and entrepreneurs.
4. **Commit** to transparent outcome tracking and a formal review within 2-3 years.



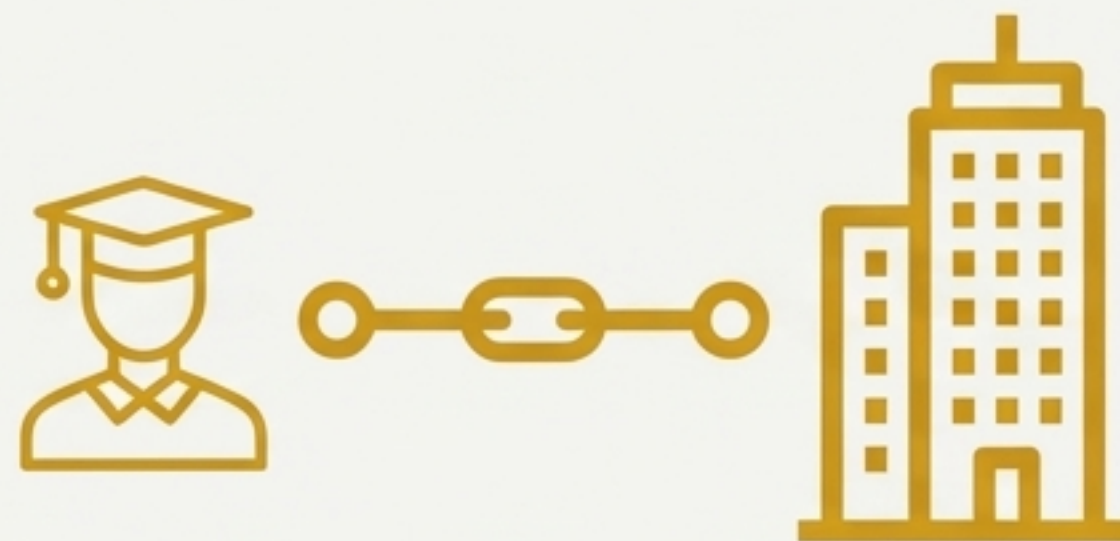
# The Proposal Shifts from Independent Pathways to Employer Dependency

## Current State: Independent Graduate Streams



Master's and PhD graduates can apply for nomination based on their Ontario education, without needing a specific job offer. This allows for flexible contributions to the economy.

## Proposed State: Employer Job Offer Stream



Graduates would be folded into the Employer Job Offer stream, making their path to permanent residence almost entirely dependent on a single employer relationship.



# Ontario's Graduate Students Are a Low-Risk, High-Return Strategic Asset



## Pre-Vetted

Already screened for education, language proficiency, and cultural adaptability through rigorous university admission processes.



## Invested

Have committed significant financial resources, time, and personal sacrifice to pursue higher education in Ontario.



## Integrated

Already contributing to the local economy through projects, internships, and part-time roles with SMEs, sharing skills across communities.



## Globally Sought-After

This is highly mobile talent that other jurisdictions actively recruit. Fair pathways are critical for retention.



# The Proposal Creates Negative Outcomes for All Key Stakeholders



## Province & Taxpayers

Loss of future innovation, productivity, and long-term tax revenue by failing to retain a high-return asset class.



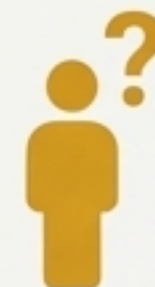
## Employers (SMEs)

Reduced access to flexible, high-skilled talent. Graduates tied to single employers cannot easily share skills with multiple smaller firms through contracts or short projects.



## Universities & Ontario's Reputation

Reputational damage.  
Removing established pathways damages Ontario's brand as a predictable and trustworthy destination for study and career-building.



## International Graduates

Increased vulnerability.  
Tying immigration status to a single employer disincentivizes reporting bad jobs or negotiating fair wages, undermining worker protection goals.



# The Employer-Only Model Fails to Capture How Modern Innovation Happens

The proposal incorrectly assumes a graduate's value is best captured by a single, stable job offer. This ignores the reality of how value is created in early-stage careers, especially in tech and AI:



Contract work with multiple SMEs



Startup projects and prototype development



Research collaborations across institutions



Community teaching and knowledge sharing

*“It does not reflect the reality of how many master’s and PhD graduates actually create value.”*



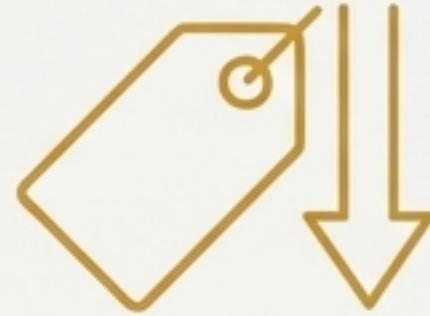
# Low-Wage Provisions Encourage Underemployment and Devalue Graduate Education

The proposal allows recent graduates to qualify with a low-wage offer. This sends a troubling signal and creates clear risks that undermine Ontario's investment in graduate education.



## Encourages "Brain Waste"

Pushes highly skilled Master's and PhD graduates into roles that do not use their advanced training.



## Creates Perverse Incentives

Motivates employers to structure low-wage roles as immigration tickets rather than genuine investments in top talent.



## Increases Vulnerability

Compels graduates to accept and stay in poorly paid or unsuitable roles to secure their nomination.



# The Proposed “Strategic Streams” Are Not a Realistic Replacement for Graduate Talent



## Priority Healthcare Stream

**Focus:** Regulated health professionals.

Rightly focused, but completely excludes non-healthcare graduates in fields like AI, engine, and technology innovation.



## Entrepreneur Stream

**Focus:** Individuals who *\*already operate a business\**.

Excludes most early-stage founders who are still building prototypes, validating ideas, or participating in incubators.



## Exceptional Talent Stream

**Focus:** People with major awards or patents.

Fails to capture the early-stage builders who are contributing to the ecosystem before they become famous.

This leaves most graduates in critical innovation fields with no clear non-employer-based pathway that recognizes their education and local contributions.



# Ontario's Proposal is Directly Misaligned with Federal Policy and National Priorities

## Federal Direction: Prioritizing Graduate Students

Starting January 1, 2026, the federal government is **exempting** master's and doctoral students from the national study permit cap. This signals they are a priority group for Canada's economic growth and innovation.



## Ontario's Direction: De-Prioritizing Graduate Students

At the same time, Proposal 25-MLITSD019 would **remove** the main provincial pathway for this exact group, creating a strategic disconnect and undermining federal efforts to attract and retain top talent.



# Removing Pathways Mid-Stream is a Breach of Trust That Damages Ontario's Reputation

*“This is not simply a request for special treatment. It is a request that Ontario honour the expectations that were reasonably created when students committed to multi-year degrees in this province.”*

- Students chose Ontario based on the reasonable expectation that the Masters Graduate Stream would be an available pathway upon graduation.
- Changing the rules midway through their programs is fundamentally unfair.
- This unpredictability harms Ontario's ability to attract future talent, who will see the province as an unreliable partner.



# Case Study: An M.Eng. Student Building Ontario's AI Ecosystem

## Profile

Hubei Qiao

[hubeiqiao.com](http://hubeiqiao.com)

Master of Engineering, Technology Innovation Management, Carleton University.

## Contributions Unlocked by a Flexible Pathway

Work That Doesn't Fit a Single Job Description



**Built Practical AI Tools:** Real Speaking (AI speaking coach), JoeSlides (AI presentation assistant), Literature Screening Assistant for researchers.



**Shared Knowledge:** Delivered talks at Carleton University and local tech meetups on AI adoption.



**Supported SMEs:** Worked directly with small businesses to help them implement AI tools.

The current Masters Graduate Stream provides the stability to focus on building—exploring startup ideas, working with multiple clients, and teaching others—instead of immediately tying my status to a single employer.



# Recommendation 1: Preserve an Independent Pathway for Graduate Talent

Maintain a clear pathway for Master's and PhD graduates that does not depend entirely on a single employer. This is the most effective way to retain high-value, innovative talent.

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## How to Refine New Streams for Early-Stage Builders

**For the Entrepreneur Stream, recognize:**

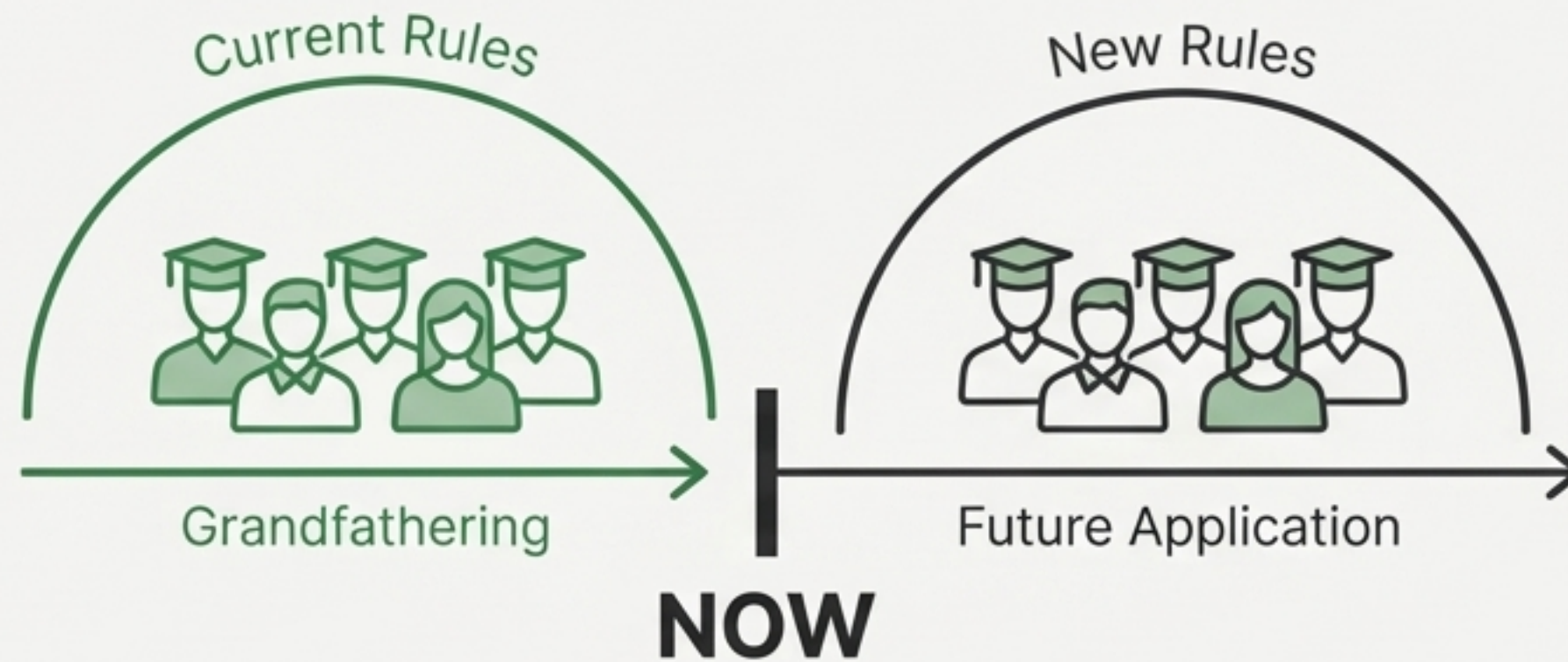
- Participation in recognized incubators/accelerators.
- Evidence of real traction (e.g., pilots with Ontario businesses, early revenue).

**For the Exceptional Talent Stream, recognize:**

- Leadership on meaningful tech/AI projects, even without major awards.
- Demonstrated impact at a local or provincial level (e.g., helping Ontario firms adopt AI).



# Recommendation 2: Implement Robust Transitional Protections for Current Students



To maintain trust and avoid unfairness, any major changes must protect students who enrolled under the current framework.

Specific Actionable Solutions:

- **Grandfathering:** Allow all Master's and PhD students who started their programs before a specified date to remain eligible for the existing graduate streams.
- **Future Application:** Apply any new restrictions only to students who begin their studies after the new rules are clearly communicated and implemented.



# Recommendation 3: Commit to a Transparent, **Data-Driven** Review



Good policy requires good data. We request that the government:

- **Publish a detailed impact analysis** of Proposal 25-MLITSD019 before implementation, assessing the risk to talent retention and the innovation sector.
- **Commit to a formal and transparent review** of the new system's outcomes within 2 to 3 years of implementation. This review should measure the program's success in retaining Master's and PhD graduates in high-skill jobs in Ontario.



# The Choice for Ontario: Align with Federal Priorities and Secure Our Innovation Future



## The Path of Proposal 25-MLITSD019

Creates misalignment with federal policy, damages Ontario's reputation, and risks a "brain drain" of the very talent we need to compete.



## The Recommended Path

Strengthens our talent pipeline, fosters innovation, and aligns provincial goals with the national strategy for economic growth.

***Let us adjust this proposal to retain and support the graduate talent that is already here and already working to build Ontario's future.***