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Wednesday, May 18, 2016

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Chair

Mr. Bryan May

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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• (1645)

[English]

The Chair (Mr. Bryan May (Cambridge, Lib.)): Hello, everybody. We're going to get going really quickly. We're going to have, from what I understand, about 30 minutes of debate, and then there will be about 30 minutes of bells, and I'll be asking for consent to steal about 15 minutes of that, which means we have about 45 minutes before we have to move.

I am recommending that we allow the witnesses who are here to make their presentations first and get through as many as we can. We're going to have to go back to the House for this vote and then come back after the vote and steal about another hour or so and continue with this presentation.

My apologies to all the witnesses, both those here and those joining us via video conference. We obviously would like to spend much more time with you, but as I'm sure you're seeing on CPAC, it's a little bit crazy today. It seems as though Wednesdays are going to be this way for the foreseeable future.

We are missing two members still, but I believe we have a quorum. I am going to suggest we move forward.

I'm going to introduce everybody who is here or coming to us via video conference. Then we're going to get started with presentations. Because of the number of people we have to get through, we should keep those to seven minutes maximum.

Via video conference from British Columbia we have Donald Madsen.

From the Canadian Federation of Independent Business we have Corinne Pohlmann, senior vice-president of national affairs.

From Technicolor we have Didier Huck, vice-president of public affairs and corporate social responsibility at Moving Picture Company; Michelle Grady, head of film at Moving Picture Company; and Émilie Dussault, general manager at Moving Picture Company.

By video conference we have Teta Bayan from Caregivers' Action Centre.

Finally, we have Christopher Smillie, senior advisor, government relations and public affairs with Canada's Building Trades Unions.

Welcome, everyone.

That's a big group. We're going to try to get through as many as we can. With all due respect to those on video conference, we're going to allow the people who are here to speak first, and hopefully, we will have time to get to everybody.

I believe up first, from the Canadian Federation of Independent Business, is Corinne Pohlmann.

Please go ahead for seven minutes. Thank you.

Ms. Corinne Pohlmann (Senior Vice-President, National Affairs, Canadian Federation of Independent Business): Thank you for the opportunity to be here today to share CFIB's perspective on the temporary foreign worker program, or TFWP.

You should have a slide presentation that I'd like to walk you through over the next few minutes.

The CFIB is a not-for profit, non-partisan organization representing more than a 109,000 small and medium-sized businesses across Canada. Our members represent all sectors of the economy, and they're found in every region of the country.

First I want to say thank you for undertaking this review. The many changes that were made to basically gut the TFW program in the last couple of years made a difficult situation even worse for many smaller companies, some of which have struggled ever since to actually keep their business afloat.

To be fair, though, one of the allegations in particular made against the TFW program was true in that some firms were using the TFW program to fill permanent and not necessarily temporary positions simply because they could not find any Canadians to fill those jobs. So we do recommend first and foremost that a pathway to permanent residency be created for temporary foreign workers, including those in lower skilled occupations, but I'll get to more on that in a minute.

First, though, I want to spend a couple of minutes correcting a few misconceptions about how the temporary foreign worker program was used by small and medium-sized companies in the last few years. As you may be aware, CFIB takes its direction from our members through a variety of surveys, and I'll be sharing the results of a survey on the temporary foreign worker program. You will be getting a copy of the report on which that survey was based, which will have a lot more details than I can be able to share with you today.

Some have actually disputed whether there is a labour skills shortage in Canada. I can tell you that it's certainly not the view of Canada's entrepreneurs. They say there is a seriously growing shortage of qualified people in many sectors and certain regions of the country. Chart 3, which hopefully you have in front of you now, is from our most recent business barometer. It shows that between one-third and one-half of our small business members are facing shortage of qualified labour issues right now, whether it is skilled or unskilled labour.

Some also claim that businesses are not doing enough to attract and retain Canadian workers. In fact, the majority are doing a wide range of things because they would much prefer to hire Canadians than go through the fairly lengthy and complicated process of hiring a temporary foreign worker.

As you can see on slide 4, almost three-quarters told us that they had expanded their recruitment efforts beyond their traditional region, and almost as many reported having increased wages. Almost a half mentioned adding flexibility in work hours, or had introduced or expanded employee benefits. Clearly, the smaller businesses are trying to do everything they can to attract Canadians first.

There also seems to be a bit of a misconception over how widely used the TFW program was among small businesses; however, a closer look reveals that the vast majority have not even considered using the temporary foreign worker program, as you can see on slide 5. In fact, only 14% said they have attempted to access the program, and only 10% were actually successful in hiring a temporary foreign worker. While few have used it, for those who do, it's extremely important to their business.

On slide 6, you can see that more than a half said that hiring a temporary foreign worker helped fill the specific skilled or unskilled labour need. Even more importantly, I think, is that almost six in 10 told us that having access to a temporary foreign worker had allowed them to keep their business open and keep Canadian workers in those businesses employed. Almost a half also said it allowed them to actually expand their business.

On slide 7, you can actually read about some of the ways our members themselves say that having a temporary foreign worker has actually benefited their business and their employees. I will leave that to you to read on your own time.

However, while few use it, and those who do see great benefits in it, it's very difficult to access, as you can see on slide 8. When users of the program were asked about its various aspects, the majority rated timeliness of the process and the amount of paperwork needed as poor. Almost a half rated the promptness of the government service as poor.

These three areas—timeliness, paperwork, and promptness of government service—are really where the government can start to look for administrative process improvements as well.

Based on our members' feedback, we propose a number of measures on slide 9 that address some of the more prevalent concerns with the program.

Canada brings in thousands of lower skilled temporary foreign workers each year with no pathway to permanent residency while offering permanent residence to thousands more highly skilled and highly educated workers who have really no guarantee of a job in Canada. CFIB proposes that the immigration system ensure that temporary foreign workers, including those in entry-level positions, have a pathway to become permanent residents, for instance, by expanding the Canadian experience class and/or giving an expanded number of temporary foreign workers access to provincial nominee programs.

We would also, though, suggest potentially replacing the temporary foreign worker program, except in those certain circumstances where truly temporary workers are needed, with what we would call an introduction to Canada visa. Rather than a temporary program, this would be a first step to permanent residency. The foreign worker would agree to work for two years with an employer while integrating into Canadian society. With appropriate limitations, this new facet of the permanent immigration system would create more stability within the workforce for employers and greater opportunities for those eager to come Canada. More details on how this might work are in the report you have in front of you.

• (1650)

We're also supportive of the express entry system; that allows employers to have a greater role in selecting immigrants, but this does not help employers looking for potentially lower skilled employees. CFIB suggests that employers with staffing needs at all skill levels should be permitted to participate in selecting workers through the express entry system.

To help address some of the concerns that TFWs may be more vulnerable in some circumstances than Canadian workers, we also propose a bill of rights for temporary foreign workers that outlines the many responsibilities employers have to agree to when they're using the program. Employers would be responsible to provide a signed document to both the worker and the government, and the government would spot-check to ensure proper compliance. We also have more details in the report about how that would look.

Our members do not condone the misuse or abuse of the program or of foreign workers under any circumstances, so we are overwhelmingly supportive of strong sanctions against those who do. There are already many rules in place, however, and we'd rather not create even more paperwork, and instead would like to see enhanced enforcement of the rules as a better way forward.

With the most recent changes, though, fees have increased dramatically as well. The fee for application is now \$1,000, plus an additional \$100 privilege fee. These application fees are non-refundable as well. At a minimum, any employer who has their TFW application rejected should have all or part of their \$1,000 application fee refunded.

Finally, I just want to mention that governments do need to review all training programs to ensure they encourage rather than inhibit hiring at all skill levels, and also to ensure that the training programs are better tailored to the needs of small and medium-sized businesses.

Thank you for your time. I'm happy to answer any questions.

• (1655)

The Chair: Thank you very much for keeping within the time constraints.

Next up is Technicolor, and Didier, I believe you will be speaking.

[*Translation*]

Mr. Didier Huck (Vice-President Public Affairs and Corporate Social Responsibility, Moving Picture Company, Technicolor): Yes, I am going to speak, and I will alternate with Émilie Dussault and Michelle Grady.

Mr. Chair, ladies and gentlemen members of the committee,

[*English*]

thank you very much for the invitation to appear before you today regarding the temporary foreign worker program. There has been significant discussion about the program over the past two years, and suffice it to say that the program can be improved to the benefit of all Canadians.

Technicolor is one example of a company that has a legitimate need and use for the program, and changes to the program can help Technicolor in bringing growth and jobs to Canada. As such, before I get to the program, I will say a few words about Technicolor.

[*Translation*]

Headquartered in France, Technicolor is a global technology leader in the media and entertainment industry, and has been in Canada since 1986. In Canada, Technicolor delivers visual effects, known as VFX, and animation services under three different brands: MPC, Mr. X and Mikros, with 550 employees in Vancouver, 260 in Toronto and 800 in Montreal, and a total of 1,610 across Canada. We are the largest VFX and animation company in Canada, and the only pan-Canadian company.

Our VFX and animation business is focused on large-budget productions, feature and animation films, and blockbusters, requiring high quality, tight schedules, high-skilled talents, and a very large number of talent per project from 50 up to 350.

Technicolor also provides image and sound post-production and DVD distribution. Altogether, Canada is the second largest country of the group, with more than 2,300 people.

[*English*]

Ms. Émilie Dussault (General Manager, Moving Picture Company, Technicolor): The VFX and animation industry is a fast-growing industry across Canada, with nearly 16% annual growth and nearly 15,000 employees. Canada grows faster than the rest of the world, 6% to 7%, and there is no reason why growth should slow down. VFX and animation employees are highly paid, \$63,000 on average. They are rather young, 29 years old on average, and highly skilled and educated. The industry exports more than 90% of its production, and contributes directly to an equivalent

increase of Canadian GDP of more than \$850 million. Technicolor's ambition is to grow its VFX and animation by 25% to 2,000 employees by the end of 2017.

The industry is facing a huge shortage of both Canadian and permanent resident labour. The problem is both volume and education level. On average, we only find 50% of our labour needs—ranging from 55% for juniors, down to only 33% for the most experienced employees, who are essential to delivering our projects—despite all the initiatives we've launched, and two internal training academies in Vancouver and Montreal, each with 120 seats per year, and strong relationships and support from universities and colleges.

Ironically, the VFX and animation industry in Canada is a victim of its own success. Strong growth will maintain the skills shortage for many years despite efforts made to increase the number of students and to increase the education level. One positive result is that there is no unemployment in this sector, provided that candidates have the required skill level.

[*Translation*]

Mr. Didier Huck: The downside is that the shortage will remain over many years, and we absolutely need temporary foreign workers to match the growth and to keep mandates and production awarded by our customers in Canada.

In 2015, we required 867 work permits across Canada: 512 in Montreal, 310 in Vancouver and 45 in Toronto. The trends are similar in 2016.

• (1700)

[*English*]

Ms. Michelle Grady (Head of Film, Moving Picture Company, Technicolor): Many aspects of the temporary foreign worker program exist to solve problems that are not present in our industry and, even worse, they create real obstacles to steady growth. These aspects include the labour market impact assessment, LMIA, transition plans, the four-year limit on the cumulative duration of work permits, and the restriction on low-wage salaries impacting junior talent.

The LMIA and transition plans generate unpredictable processing delays from two to four months on average but sometimes much longer. They create uncertainties about being able to recruit the talent on time to start production. They're also repetitive and, as previously mentioned, the labour shortage will remain in our industry for the foreseeable future.

The four-year limit on cumulative duration of the work permit is very detrimental to the industry. Four years go by quickly, and many of our experienced talents are forced to leave because they reached their limit, frequently over discontinuous periods.

With regard to the restriction on low-wage temporary foreign workers, when students graduate and are hired as a junior talent, their wage is below the prevailing provincial wage until they reach three years of experience. It's impossible to hire and keep a junior temporary foreign worker except for U.S. juniors, thanks to NAFTA. We need about 30% to 40% juniors in a studio, which means we need about 15% to 18% junior temporary foreign workers. In addition, the 10% low-wage temporary foreign worker head count limit per site comes into force in July. This restriction prevents the growth of the studios that rely on having juniors. For example, with our existing 1,600 seats across Canada, Technicolor needs to recruit 180 graduates per year and employ altogether about 560 juniors. It's not possible to find them in Canada alone.

[Translation]

Mr. Didier Huck: The VFX and animation industry should be an ideal path to transition TFWs to permanent residency and permanent immigration to Canada: the skill level, education, wage, and age are all ideal.

But the industry is project-based and temporary work contracts are the rule. It creates a significant difficulty for talent to accede to permanent residency through the Entry Express Program. Even though there is no unemployment in our industry, a temporary work contract does not grant any eligibility points, compared to 600 points for a permanent contract, of a total of 1,200 qualifying points for the full process. Very little talent is able to qualify, which prevents temporary foreign workers from transitioning to permanent residency.

[English]

Ms. Émilie Dussault: In conclusion, the visual effects and animation industry is a jewel of Canadian industry and an ideal industry for the temporary foreign worker program. However, in order to maintain such high growth rates, the following four changes to the program are needed: one, exemption from the LMIA and transition plan; two, exemption from the four-year cumulative duration limit for work permits; three, exemption from the requirement that salary be above the prevailing provincial wage for junior employees, a three-year work permit for young graduates, and an exemption from the head-count threshold for low-wage temporary foreign workers; four, facilitate the transition to permanent residency in our industry by allocating the same number of points to a temporary work contract as a permanent work contract to provide an equal chance of success.

Thank you very much for your time. We're ready for questions.

The Chair: Thank you. That was great team work.

Now we're going to go, via video conference, to Donalda Madsen, for seven minutes please.

Mrs. Donalda Madsen (As an Individual): Thank you for receiving my concern. I have been in dialogue several times with government MPs regarding my perceived discrepancies within the temporary foreign worker caregiver program.

First, I want to make it clear that our family is not asking for a grant, a hand-out, or exceptions to be made for us. We would simply like the program to be fair for Canadians and the in-home caregivers who are using the program. We do not use the program to make or

maintain a profit, as occurs in other areas of the temporary foreign worker program.

The caregiver arm of the temporary foreign worker program as we knew it was dissolved in 2014 and a new process was incorporated. The caregiver program that existed from the mid-1960s to 2014 allowed families to hire caregivers from another country when a Canadian worker was not available to care for their children, disabled children, adults, and seniors who wanted to remain in their own homes safely and independently, saving the government hundreds of thousands of health care dollars, as well as being a venue for early childhood support.

The original program worked amazingly well for our family and our caregivers for 26 years. Prior to the fall of 2013, an application for an LMO was a process that was not charged for. In 2013 there was a fee of \$275. On December 1, 2014, the fee became \$1,000. We have been using the live-in caregiver program since 1989 with great success, to help us care for our multiply challenged 49-year-old son who is not able to support himself in any of the basic necessities of life.

Families who are attempting to care for their children, disabled adults, and seniors trying to stay in their own homes should not be required to pay the new LMIA, and definitely not again for another LMIA after one year of employment with the same caregiver, so that they can extend their work permit.

In summary, number one, we request the elimination of the LMIA for families.

Number two, we ask for a review of the application program. Make it streamlined and manageable for families. The denial of application is currently very high and the requirements are not consistent. I suggest an upgrade needs to occur for standardization of information required, and it needs to be in plain and simple format. The current application is 30 pages long, requiring the help of an agency to ensure a greater degree of success at being accepted. You add in another \$800 to \$1,600 for this fee. Under the new regulations the costs just keep accumulating for families.

Number three, we ask that you remove the requirements of the unfair hourly wage for the disabled and seniors. The caregiver support requirements did not change when our son turned 19. Why did the hourly rate for the support of a disabled person or a senior change? It is now higher than what the BCGEU regulates for its caregiver employees. We need the hourly rate to remain at the minimum wage, with capacity to incrementally increase the salary with experience in our home.

Increasing the hourly rate, the hourly salary, to \$17.52 an hour, increases the amount paid out by \$2,145 a month. Families cannot pay this amount. Consequently, the aspiring foreign caregivers do not have jobs to come to. With for-profit companies like Tim Hortons, and families with children under 19, the minimum wage is allowed. When a disabled child is 18, the base hourly rate is \$10.50, but when the child turns 19, the rate becomes \$17.50. This is very penalizing. The care needs have not changed. Where did the government get the provincial median wage assessment? Many families are not paying \$17.50 per hour for Canadian workers, yet we have been mandated to pay this amount for the same work done by a temporary foreign worker caregiver.

Number four, every Canadian citizen pays room and board. The maximum previously charged was \$375 a month, which is already below government standards. The shelter allowance alone in B.C. is \$750 per month. Families should have the option to deduct room and board of \$375 or less. This should be a choice and not a determination by the government.

• (1705)

Number five, currently, temporary foreign worker caregiver rules require employer families to pay for a caregiver's medical coverage, airfare, recruitment fee, and health insurance, rising from \$2,000 to \$5,000, even if the relationship doesn't work out. These are all recent changes that have been made without much thought. This is similar to a benefit package that exists with companies that have over 10 employees, not one caregiver.

Number six, an arm of bureaucracy needs to be created that will protect caregivers and give them a safe place to go to when abuse occurs.

Number seven, the fact is that families will no longer be able to afford these changes. They will be placing their seniors and disabled in nursing homes. The current health care system cannot handle this. Half of Canada's population is over 50. Caregivers and in-home workers are at an all-time shortage as it is. Local extended care hospitals and community living agencies are experiencing severe staffing shortages.

Number eight, as predicted, the new regulations have resulted in a limited number of caregivers being available, putting families and seniors at huge risk.

I realize that your main concern is to hire Canadians. In our 27 years of advertising, we have not been able to hire a Canadian worker to work in our home, and we would be very happy to be able to do that. We have successfully worked with 10 or 11 lovely Filipino women who have helped us care for our son. The available caregivers from the Philippines and other countries are also desperate to come to Canada and become permanent residents,

eventually Canadian citizens. These caregivers, who have already immigrated, are a large and supportive part of our country. They, too, are being penalized because the process is so difficult for families that the caregivers cannot get the positions they have been trying to apply for. Remember, very often the men and women who come to Canada through the caregiver program often move into care positions in our nursing homes and hospitals. We need these eager and willing caregivers.

Thank you. I look forward to your questions.

• (1710)

The Chair: Thank you so much. I appreciate your being succinct in your comments.

We are going now to Mr. Christopher Smillie, from Canada's Building Trade Unions, for seven minutes, please.

Just a heads-up that we may have to interrupt you if the bells start to ring, which I imagine they will any moment, to ask for unanimous consent to continue. I apologize in advance.

Mr. Christopher Smillie (Senior Advisor, Government Relations and Public Affairs, Canada's Building Trades Unions): No sweat.

Good afternoon, Chair, members of the committee, and fellow witnesses. I should have brought my entire communications team to help deliver my remarks today. That was pretty cool.

CBTU represents 500,000 skilled trades workers across Canada in virtually all sectors of construction. Today I hope to bring you a "tip of the spear" view of the temporary foreign worker program: challenges, opportunities, and things we need to get right.

In 2013 just under 12,000 TFWs entered Canada in the trades we represent. There are over 1.2 million participants in the construction industry in Canada. Today I'll talk strictly construction and the skilled trades. In our universe, the TFW program is not heavily relied upon by most employers. The program really is a band-aid solution to systemic failures in the training system and workforce mobility measures in our country. We don't have a great way to incent Canadians to be mobile, to go to where the work is in construction. In some cases we experience regional unemployment in our trades, while importing workers from elsewhere to other regional economies in Canada.

To us, this makes little to no sense. This is an enormous opportunity to get this file right. Improved worker mobility would undoubtedly reduce reliance in construction on the temporary foreign worker program.

CBTU sees the TFW program as one possible last response to workforce scarcity issues. While there are times, places, and situations where it may be the most expedient way for a business to meet its workforce needs on an emergency basis, it's not the best solution to Canada's HR problem. The TFW program should not take the place of a proper economic immigration system, nor act as a tool that business can rely on again and again. If we had trained, and continued to train, Canadians in the skilled trades or any sector, the reliance on the program would dwindle across the board. This isn't limited to construction. It's a broader issue linking our education system with industrial demands to make sure our education system is actually pumping out the people the economy needs.

Canada needs to take a long-term view on how we will fill these jobs in the future. A tsunami of retirements is upon us in construction. More than 200,000 workers will retire in our sector over the next five years. Meanwhile, there's a chronically under-employed generation looking for training and job opportunities among Canada's youth. Until Canada addresses the skills and training and apprenticeship issues, emergency workforce solutions like the TFW program will continue to challenge our economy.

The TFW program is not a solution to Canada's aging workforce problem. We need to get a number of things right. We need to remove obstacles to interprovincial travel for temporary work for Canadians, increase the number of graduates from apprenticeship programs, and enhance the way we use the apprenticeship system in Canada. We need to get more employers to participate in skills training programs. Only 19% of Canadian companies actually hire and train an apprentice. We need to change outdated perceptions of careers in construction and promote the industry to new sources of labour, such as women, aboriginals, and new Canadians.

If employers can't entice Canadians to take certain jobs, raise wages. It's the best market solution to skills mismatches and job vacancy issues after we fix the training issue.

If we have to continue to use the TFW program, it should be focused on bringing about the best outcomes for the existing Canadian workforce. This means ensuring that the work environment is safe and functioning to Canadian and provincial standards. On our work sites in construction, we worry about safety. TFWs have to be able to integrate into a Canadian work environment in a way that does not create a hazard or dangerous situation for other workers or for themselves. There are two key safety considerations for construction. The first is language. Crews must be able to communicate with each other in either English or French. The second is certification. We must ensure that all workers meet legal and industrial standards on industrial construction sites.

We think the TFW program can be used to grow training opportunities for Canadians. What if, when a TFW with a journey person's qualification in the skilled trades is permitted to enter Canada, this opens up a mandatory apprenticeship spot for a Canadian? We think companies, as part of the commitment to the Canadian economy, should hire an apprentice as part of this

transaction. If the company cannot—due to scale, size, or logistical challenge—a fee of perhaps \$10,000 could be paid by the company to the receiver general. These funds could then be used for an appropriate labour market information system or placed in the Canada job grant system or a similar training infrastructure fund.

•(1715)

If none of these options is agreed to by the employer, the TFW permit should be denied. This would ensure that the company is committed to training Canadians and it would also facilitate the immediate economic needs of the company. If the company cannot demonstrate a commitment to the Canadian training system, I repeat, the permit should be denied.

The Chair: I beg your pardon, Mr. Smillie. At this point I have to ask for consent. You have only about one minute left.

Do I have consent to continue?

Some hon. members: Agreed.

The Chair: Please continue, sir.

Mr. Christopher Smillie: I repeat, the permit should be denied.

Changes in 2013 already ask employers for a training plan to wean companies off the program in the future. Why not in the skilled trades go the extra step and encourage actual hiring of Canadians during the TFW process?

The Canadian Chamber of Commerce called upon the new government to revoke the changes made to the employer compliance and training plan requirements. The chamber calls the program cumbersome and a threat to the Canadian industry. We reject this assertion strongly. A lack of commitment to training Canadians for the job of the future is the real threat.

We think the changes made by the last government continue to be justified, given the changes for employment opportunities for Canadians and underlying economic activity in certain sectors.

We don't think the program should operate in areas of high unemployment, and in order to protect and preserve jobs for Canadians, the permit should not be granted in areas where the regional rate of unemployment exceeds the national average rate.

The Chair: Thank you very much, sir.

If there were additional notes, please provide them to the clerk and we'll make sure they get translated and distributed as part of the record.

There's one other group I would like to squeeze in, of course if I am given consent. We have one group that has travelled here from Vancouver.

Whether we are coming back is now in a bit of uncertainty. We have 28 minutes. I would like to give them seven minutes. Do I have consent?

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): What about [*Inaudible—Editor*]?

The Chair: If we have the opportunity to come back.... I'm seeing that they are here. They've travelled to be here. Hopefully, we will have the opportunity to come back and get everybody in.

We have three more to go. I can get one in for sure.

Ms. Niki Ashton: Just on a point of clarification, with regard to coming back, I realize, obviously, that we have a vote and I certainly support hearing from the group, but I also think we need to hear from other folks who carved out that time in their lives to—

The Chair: I understand.

We will attempt to get them all in. I'm not 100% confident that we're going to have the time when we come back, and I have a group that's travelled here versus one—

Ms. Niki Ashton: Are we coming back? Is that what you're saying?

The Chair: That's the intention, yes.

Again, my apologies to everybody for this, but it is what it is, as they say.

I'd like to welcome to the table from the Vancouver Economic Commission, Sean Elbe and Kathy Gibson.

Thank you so much for coming and seeing the sort of craziness that goes on here. I would like to give you seven minutes. Go ahead, please.

• (1720)

Mr. Sean Elbe (Sector Development Manager, Technology, Vancouver Economic Commission): Good evening. My name is Sean Elbe, and I'm the sector development manager supporting the technology sectors on behalf of the Vancouver Economic Commission.

We're the economic development agency for the City of Vancouver, and our mandate is to position Vancouver as a global destination for innovative, creative, and sustainable business.

Our focus is on the wealth-generating, high-growth, low-carbon knowledge-based economy. Many of the folks in the room here today aren't familiar with the fact that Vancouver has the highest rate of economic growth of any major Canadian city. According to the Conference Board of Canada, that will continue from now until 2019.

Vancouver has also achieved the lowest unemployment rate in Canada. This points to labour shortages across the greater economy,

but acute labour shortages in the sectors that are leading our economic success, and the ones that we work with most closely, which are the technology sector, the digital entertainment sector, and also companies that operate in the green economy.

I'm certain you've heard from your business constituents about the things that we hear day in and day out, that they're facing challenges finding the right talent to fill the types of positions that they have available. In Vancouver there are 2,000 technology positions available today, and there's a forecast of a labour shortage of 15,500 positions in the technology sectors over the next five years.

Why are we seeing this growth? Well, Vancouver, as many of you know, has a track record for being a liveable city, which is an attractive characteristic for top talent. We have some of the lowest corporate tax rates in the world. We have a significant amount of investment from all three levels of government in our innovative sectors, and we sit in this amazing corridor from San Diego right up to Vancouver that represents the wealthiest, greenest, and most innovative corridors in the entire world. This is what's drawing talent to Vancouver.

Major global technology companies, digital entertainment companies, and clean technology companies are all setting up offices and investing in our city. Another thing that's really exciting is that we have this globally recognized start-up ecosystem. Vancouver is ranked as a top start-up hub, and we just learned recently that Vancouver is the top city in Canada for head-office growth.

With these growing head offices there's increased demand for executive leadership, senior talent, and the global expertise that in many cases we simply don't have in Vancouver.

These industries aren't thinking inside our borders. They're transforming our local communities and reshaping our cities. We have 5.5 million square feet of new commercial office space coming online in Vancouver, and two-thirds of that is being taken up by our technology and digital sectors.

To support these efforts, we've reached out across B.C. and we've reached out across Canada to try to support our companies in filling these roles. These efforts have been recognized by the provincial government which has asked the Vancouver Economic Commission to support their efforts in articulating a technology talent strategy.

It's through these lenses that we recognize the serious and immediate labour shortages in Vancouver, and we are very thankful that you've invited us here to be your partners on the ground in Vancouver to address these issues.

Ms. Kathy Gibson (Senior Consultant, Vancouver Economic Commission):

Thank you so much, Sean, and thank you to the committee members and the chair for the opportunity to present.

My name is Kathy Gibson, and I am here on behalf of VEC. We are privy to quite a lot of information from a lot of different companies within Vancouver and foreign direct investors who are looking at investing in Vancouver. Typically, we hear from folks who are shopping around different cities and determining where they want to set up base for their operations. Talent acquisition and availability are key considerations in where those folks decide to come.

We are very interested today in focusing this conversation around knowledge-based, highly skilled, highly mobile workers. There is an opportunity here. Employers have a legitimate need and use for the program, and changes to the program can help in bringing growth and jobs to Canada. The current program has been designed for low-skilled workers. As a consequence, Canadian businesses are not able to access the much-needed skilled workers they require. It is a different dialogue and a different narrative from discussions of low-skilled workers. A significant and exciting opportunity exists to ensure that we are building policies that are congruent with the needs of the industry. We must ensure that we are building programs and capitalizing on excellence rather than adequacy. Employers need to be enabled to hire the best talent, people with specialized skills who can drive innovation and are highly sought-after.

As you are aware from your constituents, we hear from employers that it is in their interests to maximize domestic Canadian workers first, as it is very costly to run international searches, attract and interview talent, and then look to relocate them. Finally, once they are found, there is a time sensitivity in bringing key personnel into Canada. Of course, the intent to protect vulnerable temporary foreign workers is certainly there. However, technology-based, digital entertainment-based workers are well educated, speak English, are well paid, are head-hunted, and are in high demand internationally.

Including technology workers in this vulnerable category is problematic, inefficient, and an unnecessary drain on government resources. You have the opportunity to design a program that could make Canada more attractive than the U.S.A. and other regions through immigration programs. It should be noted that the brain drain of Canadian talent to the U.S. will always be an issue. Given the global mobility of technology talent, coupled with the sheer tenfold size of the U.S. economy and population, the loss of some talent must be expected. In light of this fact, Canada must reform and improve policy in order to be competitive and retain talent.

• (1725)

The Chair: Ms. Gibson, I hate to cut you off, but we are....

Ms. Kathy Gibson: No problem.

Should you like to ask me about the unintentional consequences, I would be very happy to address those questions and recommendations.

The Chair: Fantastic.

First of all, thank you. Thank you to all the witnesses so far.

We do have to move, but before we do, there are a couple of things.

For the committee members, there is a shuttle bus that will be waiting to take us up there. That's one.

Two, when we come back, we will be hearing first from Ms. Bayan. I apologize for the delay, but I promise you will be first on the list when we come back. We are also hearing from Rory McAlpine from Maple Leaf Foods and Anthony Pollard from the Hotel Association of Canada.

Because questions have not been asked, I would suggest that members submit their questions to the clerk. The clerk could then pass those questions on to the witnesses for answers which we could then distribute to the committee and have in the record. I apologize that we weren't able to ask questions in person, but we will be doing that. When we come back, we won't have time to follow up with questions to those who have spoken already.

Ms. Ashton.

Ms. Niki Ashton: First of all, I find it very troubling that we've had this whole meeting without time for questions.

While it's good to apologize, I can certainly say that I find that very troubling.

The Chair: Okay.

Ms. Niki Ashton: Sorry, Chair.

With the second round, will we have time for Qs and As given that we won't be having the same kind of time constraints?

The Chair: That will depend of course on the time that is allowed to us.

• (1730)

Ms. Niki Ashton: I would encourage the committee, and I hope that you will take that opportunity.

The Chair: Of course. Always. Thank you.

The meeting is suspended.

• (1730)

_____ (Pause) _____

• (1820)

Meeting adjourned.

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