



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Canadian Heritage**

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CHPC



NUMBER 051



1st SESSION



41st PARLIAMENT

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**EVIDENCE**

**Tuesday, December 11, 2012**



**Chair**

**The Honourable Rob Moore**



## Standing Committee on Canadian Heritage

Tuesday, December 11, 2012

• (1535)

[English]

**The Chair (Hon. Rob Moore (Fundy Royal, CPC)):** I call the meeting to order.

Good afternoon, everybody. Welcome to the Standing Committee on Canadian Heritage.

Pursuant to our study on the Canadian entertainment software industry, we're pleased to have today the Honourable Jason Kenney, Minister of Citizenship, Immigration and Multiculturalism.

Welcome, Minister.

Appearing with him from the Department of Citizenship and Immigration we have David Manicom, director general, immigration branch, and Sharon Chomyn, director general, international region. From the Department of Human Resources and Skills Development we have Steven West, director, temporary foreign worker program.

These witnesses and the minister are scheduled to be here until 4:30, and then we'll go to the final hour of our meeting.

With that, Minister, welcome. I understand you have some opening remarks, so the floor is yours.

**Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism):** Thanks very much, Chairman.

First, let me sincerely apologize to you and members for my absence last Thursday. I believe there was a miscommunication between my office, my department, and your committee. I'm not quite sure where that happened, but I thought I was supposed to be here at 4:30 and it turns out when you were expecting me at 3:30. I was making a presentation at a cabinet committee. It was just a communication error. Please forgive me for my absence.

Thank you for the opportunity to appear before you to discuss one aspect of the study that you have been having on the Canadian entertainment software industry, and particularly the priority placed on certain companies in the industry to obtain rapid access to highly specialized foreign nationals to help them in this large and dynamic industry. Our government recognizes that we need immigrants to fill labour market shortages in many sectors and regions. That's why we've made a number of improvements to our economic immigration program in order to ensure that it can effectively respond to Canada's changing economic needs.

In response to labour shortages that exist right across the country, we've made changes to the temporary foreign worker program so that it better meets labour market demands.

[Translation]

I will go into more details about some of the improvements we've made to the program. Before I do that, I would just like to address the issue of processing times for work permit applications issued to those in the video game industry.

[English]

During the course of this study, industry representatives have suggested that the process to obtain a work permit is far too cumbersome and that it takes too long for employers to get the workers they need.

Let me just add, Chairman, parenthetically, we get a lot of criticism from some quarters for allowing any temporary foreign workers into the country and from others suggesting that the process is far too lax. On the other hand, we hear from employers—not just in this industry, but right across the economic spectrum—that the rules for the temporary foreign worker program are too rigid. We're always trying to find the appropriate balance that ensures that the program operates on the basis of Canadians first but does not deny access to foreign nationals to do critical work when qualified Canadians are not available. We recognize that the application process can seem complicated to some employers. This is something we're trying to improve.

[Translation]

As members of the committee are aware, employers must first apply for an authorization to hire a temporary foreign worker with Human Resources and Skills Development Canada. In other words, employers must first apply for a labour market opinion, an LMO, before they can make a work permit application with Citizenship and Immigration Canada.

[English]

This is to ensure that qualified Canadians have first crack at any available jobs.

For all applications made outside of Canada, our service standard is to finalize 80% of all work permit applications within two months or less. In fact, we're currently surpassing our overseas service standard and processing 80% of work permit applications in less than 46 days. The location at which an application is made—either at a visa office, a point of entry, or from within Canada—can affect the processing time.

Under some circumstances, work permit applications can be made at the point of entry and are issued almost immediately after applicants present themselves to a border officer. For example, foreign nationals coming from visa-exempt countries, say the United States or France, typically do not require a work permit from abroad when they're coming into Canada, and indeed if the job that they are coming to fill is labour market opinion exempt, essentially they can just fly into the airport, go to CBSA immigration secondary, and have the work permit in principle approved at that point, so in certain circumstances this can be a very streamlined process.

For applications made at our visa offices abroad, the length of time it takes to finalize an application varies, as visa offices in different regions and countries face different processing challenges. Some receive many more applications than others and have far fewer resources to process applications. Also, an individual applicant's specific circumstances may impact the processing time.

[*Translation*]

I want to assure members of this committee that I am working with my colleague, the Hon. Diane Finley, Minister of Human Resources and Skills Development, to make the system more efficient. Last fall, we held consultations with employers and stakeholders on how we could improve the TFWP in order to better meet the needs of employers.

I'm pleased to report that we've since made a number of improvements to the program that will address employers' concerns, including some of those raised during the course of this study.

In particular, the government has made significant changes to accelerate the LMO process. This past April, we launched a new, streamlined approach that will speed up the process for hiring temporary foreign workers to fill short-term skilled labour needs.

[*English*]

While employers will continue to demonstrate that they have to have made all reasonable efforts to recruit from among Canadians, returning employers seeking to hire high-skilled workers and those who have previously hired temporary workers will have their applications fast-tracked. Trusted employers with a strong track record will receive an accelerated labour market opinion, an A-LMO, within 10 business days, to hire high-skilled temporary foreign workers.

This new A-LMO has dramatically improved our service to employers in need of workers; it's also greatly reduced the paperwork burden on employers, and they are able to hire skilled temporary foreign workers much more quickly.

In order to ensure this program can better respond to an employer's specific labour needs, I've also worked with provincial counterparts to put in place temporary foreign workers annexes in our federal-provincial immigration agreements. Of course, they're already an element of the Canada-Quebec immigration accord as well. For example, under Alberta's temporary worker annex, the province has the authority to identify workers or groups of workers who may be exempted from the LMO requirement.

I should also mention that our TFW program may serve as a channel to other immigration options, such as the Canadian

Experience Class. In fact, just today I announced that as of January 2, high-skilled temporary foreign workers who have completed 12 months of work in Canada will be able to qualify for permanent residency through the Canadian Experience Class, as opposed to having to complete 24 months, which was the case heretofore.

As a result of this change and our recruiting efforts, next year we plan to accept a record number of permanent residents through the Experience Class. In fact, we plan to accept 10,000 next year.

• (1540)

[*Translation*]

In order to get the high-skilled workers they need, employers in the video game industry might consider recruiting international graduates who are already in Canada. They could then start their career in Canada under a post-graduation work permit program, then apply to stay here under the CEC.

Employers can also make a permanent job offer to a temporary foreign worker who is either already in Canada or abroad, through what is known as an arranged employment offer under the federal skilled worker program. This ensures they receive faster processing than other federal skilled workers.

[*English*]

In addition to federal programs, the Quebec immigration program and the other nine provinces' nominee programs also provide these pathways to permanent residency for people who might be in need in this industry.

In closing, Mr. Chairman, my message is that we're trying to be responsive to the needs of employers like this in cases where there are specialized skills that are just not available in the Canadian labour market, at the same time always trying to ensure that Canadians get the first crack at these jobs and encouraging employers and foreign nationals to consider options for permanent residency.

We don't want to just bring in these bright young people to produce these entertainment products; we'd also like some of them to stay and make Canada their new home on a permanent basis.

Thank you very much. I look forward to your questions.

**The Chair:** Thank you, Minister Kenney.

Now we'll move to our time for questions and answers.

First up is Mr. Gill.

**Mr. Parm Gill (Brampton—Springdale, CPC):** Thank you, Mr. Chair.

I also want to thank the minister for taking the time to be here with us today, and I thank the officials as well.

Minister, we've heard that while the industry experiences some difficulties in accessing foreign workers, accelerated labour market opinion surveys have been helpful to the industry. Can you comment on why accelerated LMOs are so important to hiring temporary foreign workers?

**Hon. Jason Kenney:** Starting a couple of years ago, we observed that a large number of employers had used the temporary foreign worker program without any compliance problems. They were very credible businesses, and when applying for LMOs were getting approved in 95% or 100% of cases. We saw a huge volume of applications coming in that were getting approved for these credible and reliable employers, and we thought it would make more sense from an administrative point of view to streamline the process for those trusted employers. That's why in a sense we've created a separate queue for trusted employers. They can make these applications under the accelerated labour market opinion, and in most cases they're getting an answer in seven days or less.

I should say our officials at HRSDC can operate on the basis that it's likely those applications are sound because of the employer's past track record. In a sense, it's a form of risk triaging: we take the low-risk applications from high-quality employers, we fast-track those ones, and then we can spend more time and care analyzing the LMO applications from employers without a positive track record or with no track record at all. It's something anyone would do in a business. We take a qualitative analysis of workflow and push through more quickly those that are getting almost 100% approval. Although there is a quality assurance there, Service Canada will randomly pull out some of the A-LMO applications and do a rigorous analysis just to be sure they meet the criteria of the program and that Canadians are being offered jobs first.

The bottom line is that this means a lot faster service, it saves us administrative resources, and it allows us to focus on those applications that are probably more problematic.

• (1545)

**Mr. Parm Gill:** That's perfect.

Can you also explain to the committee how removing the federal skilled worker backlog may help companies in the entertainment software industry to access more foreign skilled workers in 2013 and beyond?

**Hon. Jason Kenney:** I think one of the things you've heard from the industry here is the incredible speed at which businesses like that work. When businesses in the IT sector need people with specialized coding skills, they need them now, they don't need them two years from now or seven years from now.

This corresponds to what I've been saying about our fundamental reforms to Canada's immigration system: we need to move from a slow and rigid system in which people were typically waiting for seven or eight years on their applications for permanent residency as economic immigrants to a system that is fast, flexible, and labour market responsive. As much as possible, we want to be able to bring qualified economic immigrants into Canada within a matter of months rather than several years, which was the case in the past. We're now on the cusp of eliminating the huge old backlog in the skilled worker program. A year from now we will have what's called a "working inventory", and thereafter we will be able to bring in

people very quickly. That's already the case for people with pre-arranged employment.

This means we want to encourage employers, as in this industry, not just to look to temporary work permits as a solution to their labour market need, but to think long term a little about perhaps trying to attract those people to stay through permanent residency. Our new and faster immigration system makes that a real possibility, when it wasn't in the past.

**Mr. Parm Gill:** Thank you for that.

Since the entertainment software industry has such a need for temporary foreign workers, I would like to give you the opportunity to provide the committee with more information regarding the Come to Canada Wizard.

Is this tool being used by Canadian industries, and if so, is its use on the increase?

**Hon. Jason Kenney:** We've been doing a huge amount of work at Citizenship and Immigration Canada to massively improve our online services. As usual, government is behind the curve with respect to the private sector on this, but we are catching up to a point where in the future all applications for permanent residency and most applications for temporary residency visas will be made online. Indeed, with our new global IT system in my ministry, they can be processed anywhere at points of service around the world. This will massively improve our efficiency and the speed with which we assess and process visa applications.

The Come to Canada wizard is one element of our new online service through CIC. It's part of our redesigned website as well. It allows either employers or potential visa applicants to go online to fill out a series of questions about where they are, what kind of visa they want, how long they want to stay in Canada, their purpose for visiting, and whether they want to come permanently or temporarily. It directs them to the appropriate programs or the appropriate application forms online. It's hopefully a user-friendly door into the new world of online services through Citizenship and Immigration Canada, and it's been massively popular. If I'm not mistaken, we've had hundreds of thousands of hits and visits to the Come to Canada wizard.

**Mr. Parm Gill:** How much time do we have, Mr. Chair?

**The Chair:** You have 30 seconds, Mr. Gill.

**Mr. Parm Gill:** I think there is another quick question that I can throw in there.

Recognizing that accessing temporary foreign workers can be challenging within some industries, could you tell the committee how your department is planning to retain highly skilled foreign workers who are already living in Canada?

**Hon. Jason Kenney:** In 2009, we created the important new immigration program called the Canadian Experience Class, which invites foreign students who have completed a two-year degree or diploma and one year of work in Canada, or highly skilled temporary foreign workers who have done 24 months of work in Canada, to apply for and obtain permanent residency from within Canada.

In the past, we used to tell them to leave the country to make an application for the skilled worker points program and to get in the back of an eight-year-long line. Now we say, “Great. You’ve done your degree, your diploma, and a year of work in Canada as a student. Please stay.”

As well, I just announced today that as of January 2, we’re lowering the threshold of work period required for high-skilled temporary workers to obtain PR through the Canadian Experience Class from 24 months to 12 months. If one of these companies has hired a brilliant video game producer who has come in from France and has been working in Montreal for 12 months at one of these companies.... That’s not a good example, because it’s in Quebec, which could of course sponsor them, but if they came to Toronto and did this, they could apply for and obtain, in principle, permanent residency through the CEC.

• (1550)

**The Chair:** Thank you, Mr. Gill.

Mr. Nantel is next.

[*Translation*]

**Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP):** Thank you, Mr. Chair.

Good afternoon, Mr. Kenney, Ms. Chomyn, Mr. Manicom and Mr. West. Thank you for meeting with us this afternoon.

It’s important that everyone here understand that the video game industry is one that few people know well and that most of the members from my generation who are 40 or older, don’t know much about these products. So it is understandable that your department is facing new challenges.

But we found it quite appropriate to have you come meet with us today, specifically because the goal of our study is to support an industry that is creating jobs. And these are well-paying jobs, as well. Our first goal remains creating a pool of talent here in Canada that will be able to meet the needs of this industry. There are immigration issues, of course, given that new star players, if I may say so, that specialize in a particular field are coming here. Ultimately, our goal remains training the workforce here, while showing some flexibility at times.

What concerns me is that Service Canada has experienced a lot of cuts that seem to be having an impact on the speed with which we can analyze the effect on the labour market. Don’t you think that the timing is bad, that it’s like making cuts to firefighters when a fire breaks out? We need very specific workers, particularly right now. You’re talking about changes, but they are ones that will happen eventually.

**Hon. Jason Kenney:** Mr. Chair, if I may, Mr. West mentioned the processing times for applications for...

**Mr. Pierre Nantel:** You’re talking about labour market opinion applications.

**Hon. Jason Kenney:** In general, I think that by creating the new accelerated LMO, we have greatly reduced the processing times. We have also found a solution so that the video game industry is exempt from the obligation of obtaining a labour market opinion.

Under the Canada-Quebec Accord on Immigration, Quebec has the authority to eliminate the requirement to advertise to obtain LMOs. It has this power. Other provinces have the same authority. For example, the Government of Alberta wrote to me recently to obtain an exemption for certain occupations, such as welders, so that they can come to Canada and work. It’s to ensure that we can avoid this process.

Mr. West, do you have anything to add on processing times?

**Mr. Steven West (Director, Temporary Foreign Worker Program, Department of Human Resources and Skills Development):** I think the minister provided a good question, but I can add to it. The accelerated labour market opinion, meaning the accelerated process we put in place in April, is very efficient. We can provide employers with LMOs very quickly, especially in this industry where workers are specialized.

The expected standard for this process was to deliver an LMO in 10 days. However, our experience to date has been that we can deliver an LMO in two to three days. That’s very quick...

• (1555)

**Mr. Pierre Nantel:** I’m sorry for interrupting you, Mr. West, but honestly, if we look at the document prepared by the Library of Parliament on the situation, only one witness out of six indicates that this is going well. The four others, which come from people who are not just in Montreal, but also in Toronto, say the opposite. They say it takes an extremely long time. The solution is not to exempt someone from the process. The process is necessary to maintain and protect jobs in Canada. The process must simply be as efficient as possible.

That’s why I would like to put the question directly to Mr. Kenney. Don’t you think that we have a problem with the application? If you have a good tool, because it’s possible that you have a good tool, is it perhaps not applicable because you have made too many cuts at Service Canada?

**Hon. Jason Kenney:** No, this has nothing to do with the budget cuts. As Mr. West said, the accelerated process takes two to three days. I’ve heard this from a lot of employers. We have also worked with the Quebec ministry of immigration and cultural communities, for example, to eliminate the obligation of advertising for several professions in this area.

I don’t understand what the problem is if the accelerated process takes two or three days and if there are exemptions. Perhaps I can ask the officials with Human Resources and Skills Development Canada to contact studio producers to determine what the problem is, concretely. In general, I think we have resolved a lot of the problems in this regard.

**Mr. Pierre Nantel:** On page 2 of the document, you can read the fairly eloquent testimonies. If this is the case, we should agree to ask the Minister of Human Resources and Skills Development, Ms. Finley, to come and follow up on this.

**Hon. Jason Kenney:** When did you start hearing these testimonies? Was it on October 7?

**Mr. Pierre Nantel:** They were in October and November.

**Hon. Jason Kenney:** I find them a little surprising. I would like to respond to their claims. We made sure that changes were made at the political level to respond to the needs of these industries. I'm a little mystified by this problem.

**Mr. Pierre Nantel:** That's an apt word. It is always worrisome, in either language, but we will check. I suggest we consult Ms. Finley on this.

To conclude, I can tell you that people in the industry know what they want. They don't want to bring in people to give master classes; they come to work. But there's a "master class" effect on the people who will do the work behind them. The issue is quite exceptional, but we also need to follow the rules. I hope that we will be able to adjust to the needs of the industry, as you said.

[English]

**The Chair:** Thank you, Mr. Nantel.

Next, for seven minutes, we have Mr. Simms.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-sor, Lib.):** Thank you, Chair.

Thank you, Minister, for coming.

I'm interested in the A-LMO, the labour market opinion that is provided and that you've now accelerated since the spring. There is the opportunity for the company to convert this temporary worker into permanent status—

**Hon. Jason Kenney:** That's if it's a skilled temporary worker.

**Mr. Scott Simms:** Oh, okay. If it's a skilled temporary worker, then they can do that.

**Hon. Jason Kenney:** That's after 12 months.

**Mr. Scott Simms:** Sorry?

**Hon. Jason Kenney:** It's after 12 months.

**Mr. Scott Simms:** They have to serve their 12 months and then they have to go through that process. That certainly isn't ideal for them, but is it easier for people from certain countries as opposed to others, or does it really matter at that point, because they're here?

**Hon. Jason Kenney:** No, because the processing is done in Canada.

The way it works is that a temporary foreign worker comes in on what we call a high-skilled national occupational category, which would be typically certified skilled trades and up through the professions. These people, if they work for 12 months, can then apply online for the Canadian Experience Class, and that is processed here at our Ottawa office. The processing times are longer than I'd like them to be. I think for new applications they're now under 12 months.

By the way, we extend their work permits while that's being processed, so they can maintain their temporary status.

**Mr. Scott Simms:** All right. That's good.

The basis of this is temporary foreign workers, unless there is a Canadian available to do the job. Do you fear that would give an unfair advantage to them, as opposed to other ordinary Canadians? The original job that they filled was of a temporary nature, or maybe

it's something that someone living in Canada already has at another place. Do you understand the scenario?

• (1600)

**Hon. Jason Kenney:** Yes, I think so.

In principle, in hiring the person for the job in the first place, the employer had to demonstrate that no qualified Canadians applied. As I think you've heard from people in this industry, these are very specialized skills, and there just aren't Canadians out there with those skills.

By the way, I have to say I've always been mystified by something, and I've used this as an example around the country, talking about labour shortages. I can't believe, with all these young guys who spend all their time playing video games, that we haven't got an entire army of young Canadian adolescents just lining up for these jobs. I don't understand that.

However, it is a shortage, and they've demonstrated there is an acute shortage. If persons come in on their temporary basis.... We have an immigration program to deal with the broader challenge of an aging society and a shrinking workforce. Our data tell us that immigrants who are landed as permanent residents with a pre-arranged job make twice as much income as those who come without a pre-arranged job, so we're all about lining up the immigrants who get permanent residency with jobs that are available, because they are set for success, as opposed to taking someone in from abroad, as we used to do, and dropping them into the general labour market to sink or swim. Many of them ended up underemployed.

Therefore, I'm quite happy if some young French guy ends up taking that job in Montreal that Canadians are not qualified for. He is making \$100,000 a year. He gets permanent residence and he's paying a lot of taxes and filling a labour shortage. That's how immigration should work.

**Mr. Scott Simms:** I know, but what I'm saying is that if everybody comes in under the premise of.... First of all, you get the labour market opinion, and that person comes in on a temporary basis. They convert that to full-time employment, and there might be somewhat of an advantage there. I know you just—

**Hon. Jason Kenney:** They're full time anyway. It's not about full time versus part time. You're permanent—

**Mr. Scott Simms:** I know that, but there is a time period that is there.

**Hon. Jason Kenney:** I should point out that once they get permanent residency, they have full mobility within the labour market. They're not tied to that employer. They can pull out and they can become a ski bum in Whistler if they want to.

**Mr. Scott Simms:** Not that there is anything wrong with that.

I'll switch topics very quickly. I have only a few minutes left.

A couple of comments came in from some of the witnesses we have had from Ubisoft Entertainment. I'll put this out there and get your opinion on it. The witness said that the issue of processing times at the embassies should be noted; for some countries a visa is required to come to Canada, but we're talking about a wait of two to four months. It could even take up to six months.

That was from Ubisoft. How do you address that?

**Hon. Jason Kenney:** I'm sorry. I've been distracted by a radio over here.

**Mr. Scott Simms:** Yes, someone is gaming.

**Ms. Sharon Chomyn (Director General, International Region, Department of Citizenship and Immigration):** I'll take that question.

It's a reality that in certain locations and certain visa offices there are longer delays—

**Mr. Scott Simms:** I'm sorry; can we break for just a second? Can I stop my time, as it were?

I'm sorry. Go ahead.

**Ms. Sharon Chomyn:** Thank you.

I was just in the process of saying that you're absolutely correct that there are some locations where there are longer waits than others. With regard to the offices that process applicants within the occupational categories that I think the committee is most interested in, the majority of them are processed in our office in New Delhi. For those individuals, the average processing time is 22 days. The second-largest group is processed in Paris, and the processing time there is approximately 40 days. It's true that there are other locations

**Mr. Scott Simms:** Sorry.

Am I correct that it's 40 days in Paris and 22 days in New Delhi, and this is for the gaming industry?

**Ms. Sharon Chomyn:** Yes.

**Mr. Scott Simms:** Okay.

Sorry about that. I didn't mean to interrupt.

The other thing that was said came from a group called TeamSpace. They came in and said they could bring in immigrants to meet the demand, but that over the past few years changes made to guidelines governing temporary foreign workers in the field of information technology had slowed down the process for obtaining a work permit to a point that they felt was unacceptable.

**Hon. Jason Kenney:** I honestly think some of these critiques are a lag from a couple of years ago when I absolutely admit that the system was, according to many employers, grinding to a halt with the two-step LMO work permit process. We've seen big improvements since then.

I'll be honest with you: the reason we brought in the A-LMO is that I met with the video game manufacturers and other companies who were pulling their hair out about the processing delays. That's why we brought in the accelerated labour market opinion. Maybe it takes a while for them to realize that things are moving more quickly.

• (1605)

**Mr. Scott Simms:** I don't know if I got that impression or if that was part of the deal. I think it was part of a more complex issue. Quite frankly, I'm not sufficiently familiar with your department to offer the same critique. I do wish HRDC all the best in the world, because I know they're under a lot of stress right now in other parts of the department for which you cannot answer. I understand that.

However, I think that in this particular case and in many cases, as I think my colleague may have brought up earlier, the strain on the system is stemming from HRDC, and I hope it is overcome.

To you, sir, I throw the last 10 seconds.

**Hon. Jason Kenney:** On this point, I would emphasize that the labour market opinion is free of charge to the employers. I think that's a problem because—correct me if I'm wrong—about 60% of the LMOs that are issued are not used. Guess what? When you offer people free stuff, they take a lot of it. If we put some kind of a modest user fee on the LMO, I know that employers would be happy to pay it. They're keen to bring these people in, right? If we could put a modest user fee on the LMO, we would reduce the number of merely speculative applications that they don't really need; that would reduce the volumes, and we would increase revenues that could be used to improve service.

**The Chair:** Mr. Young is next.

**Mr. Terence Young (Oakville, CPC):** Thank you, Mr. Chair.

Thank you, Minister, for being here today and putting in the time. It's very valuable to this committee.

I'm assuming you've met with Ubisoft at some time. Were they one of the companies you had a chance to meet with in Montreal?

**Hon. Jason Kenney:** I think so.

**Mr. Terence Young:** They're actually an immigrant company. They came here as a small group and started in Montreal. I guess it was over ten years ago. They have now grown to 3,000 employees. They are world leaders. It's amazing. They were here, and we learned a lot.

I'll read you a quote from Luc Duchaine, who is their communications director. He said:

When we talk about immigration, it's good to train newcomers, but at the same time, if we want to remain competitive, we need that critical mass of senior people.

I think we've reached a level right now, and I'll speak for Montreal at least, where it's starting to get difficult. They're not multiplying themselves.

You were commenting on all the young people who play video games. My son, who is 25 now, doesn't play so much anymore, but I watch, and the games are totally engaging. I don't think playing a game is the same skill as creating a game. The programmers are the ones; they have programmers they will try to bring from another country who can come in immediately, and everything revolves around the programmer, including actors, musicians, and everybody else to put together a project. They are the key ones.

A number of other witnesses who came before the committee consistently said that the entertainment software industry needs temporary foreign workers. However, as you know, some of the members of the opposition have suggested that we have no need for this program. Now I'm mystified.

Could you comment on whether this program prioritizes foreign nationals over Canadians and why the opposition would advocate a position that goes against what the industry leaders are telling this committee?



**Hon. Jason Kenney:** I think you raise a legitimate question, Mr. Young, because I get questions in the immigration committee and in the House all the time as to why we have any temporary foreign worker program, but then I get letters every day from members of Parliament from all parties—maybe excepting Ms. May; I can't recall any from her, but certainly all of the recognized parties—asking me to help accelerate work permits to access temporary foreign workers for employers in their constituency. There seems to be a bit of a double message here, and I'm frankly confused.

Here's the reality: I think anyone who is in touch with employers in this or many other sectors of our economy realizes that labour shortages are not fictitious. They are a very serious challenge with the growth of many industries. To give you one example, amazingly, from the Kitchener-Waterloo high-tech IT corridor, I've met with a consortium of major employers in the region who tell me that at any given time they are looking for about 2,000 people. They're short about 2,000 highly skilled IT workers in that one IT corridor alone, and that's even with the layoffs happening at RIM.

When you look at the needs in the video game industry, you see downtown Toronto IT companies desperate for people with specialized skills. This is the reality we're facing: acute labour shortages. Some people, perhaps even some who are in this room now, suggest that we shut down the temporary foreign worker program entirely; we argue that would be massively irresponsible, because it would be fatal to a lot of these companies, which would move abroad.

I'll close with this. I'm sorry to go beyond video games, but it's a broader context. I was talking to the CEO of the second-largest auto parts manufacturing company in Canada the other day, with 17,000 employees. He said they would probably expand to have 20,000 if they could satisfy their labour shortages.

I know it's hard to get our heads around the paradox here: we have 7%-plus unemployment, yet companies are saying they can't find people who are skilled for the work. What we're trying to do—and no one's ever going to hit the balance perfectly—with the temporary worker program is to find the right balance that says to the employers, “Go to Canadians first; train up Canadians and do everything you can to bring them in, but if at the end of the day you can't find qualified Canadians to do work like in this video game industry, we're not going to force you to move abroad because of the problem of the labour shortage.”

• (1610)

**Mr. Terence Young:** We had, for example, Sheridan College in here. They're doing everything they can to train the young people so they can have these skills that the industry needs, but it's an uphill battle, so they're growing, being creative, and doing what they have to do. It's not as if they're sitting on their hands.

**Hon. Jason Kenney:** Can I develop this one other point, Mr. Young, that you've hit on?

There are a lot of people in the labour unions and perhaps even in Parliament who have tried to create a perception of the temporary foreign worker program as basically the organized exploitation of vulnerable, low-skilled temporary foreign workers who are all being massively underpaid, and it's all Dickensian factory drudgery and

everything. This is ridiculous. This is an urban legend that's been cultivated by some interest groups.

The reality is that only 8% of the 190,000 temporary foreign workers given entry to Canada last year were in the conventional low-skilled category. I think another 11% were in the seasonal agricultural worker program, which is absolutely a sine qua non of the agricultural industry now.

The vast majority of temporary foreign workers are either highly skilled, like the people we're talking about here, or people coming on their working holiday programs, like young French and Aussies and Kiwis, who end up working in the service industry and in the tourism sector, etc. Some of them find jobs in sectors like this and stay as permanent residents.

This is an opportunity for me to clarify some of the misconceptions on this issue.

**Mr. Terence Young:** Thank you.

You mentioned that Alberta, under their temporary foreign worker annex, has the authority to identify workers. Does Ontario have that authority? Is there a similar working agreement with Ontario?

**Hon. Jason Kenney:** Yes.

**Mr. Terence Young:** Are the other provinces in the same status or in progress or—

**Hon. Jason Kenney:** I don't have a full list, but it's only Alberta and Ontario at this point, outside of Quebec, I believe, although I've encouraged my provincial counterparts to pursue temporary foreign worker annexes in our federal-provincial agreements so that they'll have this flexible tool.

**Mr. Terence Young:** Thank you.

You talked about the Canadian Experience Class as a path to permanent residency for high-skill workers and international students. Could you please elaborate on how this works, perhaps with an example?

**Hon. Jason Kenney:** Yes. I recently had an event with Mr. Gaurav Gore, who obtained his permanent residency three months ago as the 20,000th permanent resident coming through the Canadian Experience Class. He came to Canada from India and I think did his MBA at the University of Toronto. He immediately got a job with one of our chartered banks and he's making, I think, \$70,000 a year.

He did his master's degree here; then he did a year of work and qualified for permanent residency, and he got it in eight months, which I have to tell you is like light speed by CIC standards in the past. That's the past we're leaving behind. Eight months should be the new norm, and it's great.

Now this guy is here with his lovely young wife, they're making fantastic money, they're doing a job that's in demand, and he's got a Canadian education. He's already integrated. I keep saying that is what I see as the future of immigration in Canada.

**The Chair:** Thank you, Mr. Young.

Now we're into five-minute rounds. First up is Ms. Sims.

**Ms. Jinny Jogindera Sims (Newton—North Delta, NDP):** Thank you very much.

Minister, it's great to see you. We did miss you last week, but I know miscommunications happen.

First of all, I just want to get it on record that at least the official opposition is not opposed to temporary foreign workers. What we do have some concern about is the process, some of the grantings of the LMOs that have occurred, and the categories of people who are coming in. We also have a great deal of concern around the need for training to grow the skill sets here among our youth and among those who are not so young as well.

Today I want to expand a little bit on the problems we are seeing with the temporary foreign workers.

Three years ago, the Auditor General identified some serious problems with this program, and the immigration committee also studied the problems and made a number of recommendations. Despite years given to fixing it, the program still appears to be a mess. Mismanagement of this program has put jobs for Canadian workers at risk on one hand, and in the case of the video game industry it also not responding adequately to the needs of businesses.

In 2009 the Auditor General recommended that CIC and HRSDC implement better mechanisms to ensure the integrity and effectiveness of the temporary foreign worker program. The departments responded in agreement and suggested that such mechanisms were already being implemented. However, recent events in B.C. regarding HD Mining have again called into question the integrity of the program, and a review of the program has been announced.

Minister, do you think it's time to call back the Auditor General to look at how or if the recommendation have been implemented? As well, have you considered asking the AG to conduct an independent review of the temporary foreign worker program?

•(1615)

**Hon. Jason Kenney:** No, I haven't considered that. I don't decide the work plan of the Auditor General. They choose which programs to audit from time to time, and we're always happy to collaborate when they focus on a matter in my purview.

However, I think we just heard the contradiction and the mixed messages I get: on the one hand, you want faster, streamlined processing for the video game industry, but at the same time you want a more rigorous assessment of labour market opinions. You can't have it both ways. Either we push every application and apply rigorous analysis, or we streamline some.

**Ms. Jinny Jogindera Sims:** Minister, could I clarify what I said?

What we are seeing and what the government has admitted is why there is a review about the process that was put into place for the B. C. mining. We've also heard from the video business industry that even under the old rules, it was taking a lot longer than the specified timelines. That's what I'm repeating. There is no contradiction there; that's just an acknowledgement of what exists right now.

**Hon. Jason Kenney:** Well, I think what you're saying is that it's too easy and it's too hard.

I'll tell you frankly that what I hear from employers consistently is that the process is too bureaucratic and too slow-moving. That's why we tried to accelerate low-risk LMO applications, but then I hear from others that we should be radically reducing the number of LMOs that are approved. We're trying to hit the right balance here.

With respect to HD Mines, that was not fast-tracked through the A-LMO process. Those were conventional assessments, and I've actually personally reviewed them. I can tell you that officers at Service Canada spent a great deal of time going over those applications. We've asked that they go back and take a look. Was a third language a requirement that seems odd to us? We want to make sure that the process is being rigorously followed by officials.

However, we are trying to strike the right balance. I hope you see, through this study, that we have to be facilitative for employers as well.

**Ms. Jinny Jogindera Sims:** As you know, the human resources minister has announced a review of the program, and she didn't announce a review of the program because everything was working. She has announced a review because she has heard concern being expressed, but it's very unclear to us what the scope of this review will be. In order to save time, I'm going to ask you our four questions and then maybe you could address them all together.

**The Chair:** Ms. Sims, you have 20 seconds, and that includes the minister's response, so—

**Ms. Jinny Jogindera Sims:** Okay.

Very quickly, then, here's our main concern. Who is in charge of doing the review, who will be consulted, and when will we get the results?

**Hon. Jason Kenney:** You can see my press release, from I think September of last year, answering those questions. This is not a new review.

**Ms. Jinny Jogindera Sims:** Okay. Thank you, Minister.

**Hon. Jason Kenney:** You're welcome.

**The Chair:** Thank you, Ms. Sims.

**Hon. Jason Kenney:** I'm sorry, but that's the best way I could answer it in five seconds.

**Some hon. members:** Oh, oh!

**Ms. Jinny Jogindera Sims:** We'll talk further.

**The Chair:** Okay.

Mr. Armstrong is next.

**Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC):** Thank you.

Thank you, Minister, for being here, and thanks to your officials.

I'd like to focus first on the temporary foreign worker annex, because we've had some discussion on that. You mentioned in answer to Mr. Young that you have agreements with Ontario and Alberta, which are two of the larger provinces.

It seems to be very effective. It seems to be a good answer to a solution that we need to make.... We don't have any in Atlantic Canada. I'm wondering about that. What are your discussions like with the other provinces that have been trying to put this in place?

• (1620)

**Hon. Jason Kenney:** Well, we do have bilateral agreements with all of the Atlantic provinces to coordinate our partnership on immigration matters. As it relates to the temporary foreign worker annex, we have one with Nova Scotia, but they have not used it. They've not asked us to exempt any occupational categories from the LMO requirement, but they have the power to do so, so I want to correct my earlier comment: B.C., Alberta, Ontario, and Nova Scotia do have TFW annexes in their agreements with us.

**Mr. Scott Armstrong:** Now that a province has an agreement set up, what situation has to occur for it to actually apply it and put it into effect?

**Hon. Jason Kenney:** It's really at their discretion, but we would hope that they would only write to us asking for an LMO exemption if and when they see a very acute labour shortage, when there are just clearly not enough Canadians, and when over time employers just cannot get enough Canadians for a particular occupational category.

I'll give you an example.

In northern Alberta, with these huge mining developments, there's a very acute shortage in certain skilled trades, such as welders and boilermakers, so they wrote to us to say that even though they'd increased the number of students being turned out of their vocational institutes and even though the number of apprenticeships was going up, they still had a very acute shortage, and they asked us to please exempt, at least on a pilot basis, six specific skilled trades from the LMO requirement. We were happy to cooperate.

We're watching that closely. If we find that there are integrity problems, we'll shut down the pilot program.

**Mr. Scott Armstrong:** A change in the labour market might also cause that as well, when there's a difference in what happens in northern Alberta or in shipbuilding in Nova Scotia.

**Hon. Jason Kenney:** I suspect that in Nova Scotia, with the big new shipbuilding contracts at the Irving shipyards, you may see an acute shortage in certain trades, and they may want to access this kind of program.

**Mr. Scott Armstrong:** I think it would be expected, though, that Irving would also explore trying to bring back some Atlantic Canadians from out west for these jobs, to bring back some experienced people, because one of their biggest challenges is having people with some experience in this type of job. They may look overseas for that experience, but they could also look out west and at other parts of Canada and try to bring some of the people home.

The next thing is that I really think the gap lies in education. For the most part, it's a provincial responsibility to deliver education, but do you think there's a gap between what we're teaching our young people to do in the school system and vocational system and what the labour market is going to be in the next 10 to 15 years?

**Hon. Jason Kenney:** Yes. I couldn't agree more strongly.

My own view is that for a couple of generations our society has been sending all sorts of cues to young people to do post-secondary academic formation, which is great, but in a way, we've devalued, I would suggest, semi-skilled and skilled labour—working with your hands—to the point where it's almost stigmatized, I think, in some respects, for many young Canadians. This may explain why, even though there are great good-paying jobs available in these areas, there's a paucity of young Canadians going into our vocational institutes.

I think a lot of this was perhaps done unintentionally in our education system, when provincial education departments shut down vocational high schools. I think that's something that provinces should revisit.

**Mr. Scott Armstrong:** Staying on education, I know that when I was going to high school—I'm 46—we had the first computer science courses that were laid out, and the curriculum was focused on programming, so I was taught how to program. I didn't know how to keyboard and I didn't know how to use all these other computer skills that I actually needed when I got out, but I knew how to program a little. They went away from that. They've actually changed the education focus more to how to use computers, how to do keyboarding, and how to have those computer skills.

I think there's almost a need now, with this absolutely great opportunity that we have in educational software, in video-gaming industries, and in other ways, to put some more programming courses back into school, back into vocational schools, because there's definitely going to be a need for these people when they come out.

**Hon. Jason Kenney:** As I've said, not only is there an acute shortage in the video game industry, but there is also a shortage, as I mentioned, across the IT sector in Canada, and that, frankly, blows me away, because I hear from the...

For example, farmers tell me that for jobs that were done at harvest time by young Canadians—perhaps when you and I were in high school or college, when people our age would go out and work on farms in the summer and fall and make decent money—now they cannot get young Canadians to do that work. One orchard farmer in B.C. told me that if the job doesn't involve an air-conditioned office and a computer, forget about trying to get a young Canadian to do it these days.

You would think, then, drawing from that sort of anecdotal assessment, that young Canadians would be rushing to get into these high-paying IT jobs, but they're not. There's a shortage of them, and I can't account for that.

I think there really is need for some fundamental rethinking at the provincial level about how we're preparing young people for the labour markets of the future, and this includes IT.

• (1625)

**The Chair:** Thank you.

Finally, we have Mr. Cash.

**Mr. Andrew Cash (Davenport, NDP):** Thank you, Mr. Chair.

I'm very concerned about some of the things we're hearing today. What we're talking about is the mismanagement of the temporary foreign worker program, and that's the root cause for both the inaccurate assessments of the Canadian labour market's ability to fill employment needs and the inadequate response to the individual needs of industries like this one.

A major focus of this study is the creation of high-value domestic employment. Creating good jobs for Canadians is our primary and ultimate goal here. That's why we're doing this study. We're not here to talk about how we construct a system where we can bring in permanent residents to fill highly skilled jobs in this sector. That's not what we're talking about here.

To be fair, you have said that you're confused. You've said that you don't understand the situation here. You've also said that there must be a lag in terms of the concerns the gaming industry has, but in fact we just heard from witnesses, so there can't be a lag; they're dealing with this situation on the ground right now.

Do you not think that you really need to take a serious look at what's actually going on, sector by sector; that one-size-fits-all doesn't work; that this industry is one that really needs some attention in a different way; that you can't compare welders to senior game management?

Really what we want to do here, and what we need to support, is what the industry has said they want: they want to see a transfer of skills so that Canadians get trained up as quickly as possible, and in the meantime deal with the labour gap. That's what the industry needs.

We're not hearing that understanding here, and I'm really concerned about that. Could you—

**Hon. Jason Kenney:** Perhaps you haven't been listening, then, Mr. Cash.

First of all, when I said I was confused, I was really referring to my confusion, which you've just amplified, about your party's position, demanding on the one hand greater streamlining of the labour market opinion process—

**Mr. Andrew Cash:** No, I'm sorry, Minister; you were saying you were confused about the needs of the industry.

**Hon. Jason Kenney:** —and on the other hand demanding greater rigour and that we shut it down. You can't have it both ways: either you want a program that can respond to labour shortages or you want to shut it down. You can't have it one way when you're talking to a friendly interest group and then another way when you're talking to your labour union friends.

**Mr. Andrew Cash:** Actually, what we're looking for here is some understanding on the part of government for this ever-expanding sector of the arts and culture sector. That's what we're looking for. That's the point of this study.

Given that, I'm going to pass the rest of my time over to my colleague.

**Hon. Jason Kenney:** Well, to respond to your point, there are hundreds of occupational categories. We do respond to them in very targeted ways, as you suggest we ought to.

For example, when there is an acute shortage in a particular occupational category, we are happy to work with provinces to exempt those occupations in certain regions from the LMO requirements.

I wish you would take yes for an answer, but I was shocked when you just said that you disagree with our idea that we should be trying to have people come in and get permanent residency in high-paying jobs.

**Mr. Andrew Cash:** I'm saying that's not what this sector is asking for.

**Hon. Jason Kenney:** Are you opposed to the idea that we should have an immigration program that leads newcomers to get good, high-paying jobs in the Canadian economy?

**Mr. Andrew Cash:** Excuse me, but this not what the sector is talking about. What we're trying to do with this study is understand what their needs are—not talk over their needs, not talk around their needs, but try to listen to their needs. That's why we're here.

I'd like now to—

**Hon. Jason Kenney:** They need talented people, and we're offering to bring them here on a permanent basis. I don't see how they would be opposed to that.

**Mr. Andrew Cash:** Go ahead, Jinny.

**Ms. Jinny Jogindera Sims:** Minister, we actually encourage and support a way to bring people here as permanent residents, but we're also seeing a trend in the service industry specifically, especially in many of the fast-food outlets, where there seems to be a greater granting of LMOs over the last number of years. It's hard for me to fathom that those are skill-oriented shortages leading to the granting of visas in that area.

So—

**The Chair:** Go ahead, Mr. Calandra.

**Mr. Paul Calandra (Oak Ridges—Markham, CPC):** On a point of order, Mr. Chair, I'm not sure how much time she has left, but it would be very helpful if we would just stick to the video game industry and not the fast-food industry—

• (1630)

**The Chair:** Well, on that—

**Ms. Jinny Jogindera Sims:** Well, in the—

**The Chair:** Ms. Sims, if you can wrap up in.... It's 4:30 now, so just pose your question quickly so the minister can get in a quick response, and we'll move to our next panel.

**Ms. Jinny Jogindera Sims:** Thank you. I will.

Minister, I just want to reiterate our support for a temporary foreign workers program that takes into account Canadians first for the jobs, and that has the government investing in growing the Canadian expertise and then making sure Canadians have access to those jobs before we go looking for workers overseas. Are you committed to the same?

**Hon. Jason Kenney:** Yes, absolutely, I'm committed to the same.

I just would point out, since you've asked me repeatedly to provide access to permanent residency for all temporary foreign workers, that your colleague down the table now seems to object to granting pathways to permanent residency for high-tech computer gamers. I—

**Ms. Jinny Jogindera Sims:** I did not hear that, Mr. Minister.

**Hon. Jason Kenney:** You can't have it both ways. Now you're against low-skilled foreign workers coming into the service industry or the hospitality industry when they get a positive LMO, but you also at the same time want to give them permanent residency. I'm just getting more confused by—

**Ms. Jinny Jogindera Sims:** Minister—

**The Chair:** Thank you—

**Ms. Jinny Jogindera Sims:** —I've stipulated the NDP's position.

**The Chair:** Thank you, Ms. Sims.

Thank you, Minister Kenney.

Thank you to the departmental officials for your attendance here.

Thanks for contributing to our study.

We will now take a two-minute recess and move to our next panel.

• (1630) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1635)

**The Chair:** We'll get started. We're scheduled to wrap up here at 5:30. That gives us some time for our next three witnesses.

Welcome to the Standing Committee on Canadian Heritage. I think some of you were here during the testimony from 3:30 to 4:30.

We have with us Silicon Sisters Interactive, with Brenda Gershkovitch, chief executive officer; from Gamercamp, we have Jaime Woo, festival director and co-founder; and from the University of Alberta, we have Sean Gouglas, director and associate professor, interdisciplinary studies, faculty of arts.

Welcome to the three of you. We look forward to your contribution to our committee's work.

We will begin with opening comments, if you have them. We'll start with Ms. Gershkovitch.

**Ms. Brenda Gershkovitch (Chief Executive Officer, Silicon Sisters Interactive):** Thank you very much, Chair.

Thank you very much for having me here today. I'm excited that you're looking thoroughly into the video game industry. It's a very important industry in Canada.

We are the third-largest video game development country in the world, and if you look at that by population, we're number one. It is something we have been doing for a long time, which we do very well.

It's a wonderful, exciting industry to work in, I will share with you, because it's an industry of so much change, and it's an industry that is diverse across our country. The experience of developers in Vancouver, for example, is quite different from the experience of

developers in Montreal and Toronto, two other very strong hubs in the country.

I started in the video game industry in 2005. I came out of health care, believe it or not. I was working at the Canadian Cancer Society and was looking for an entrepreneurial experience and decided to jump into video games. It seems a bit of a stretch. It was, but it was an interesting decision. At that time we were able to build up a small studio called Deep Fried Entertainment into a 45-person studio.

Things were very hot in the sector from 2005 to 2008 at the time that I had that studio, and we did extremely well. The business model at the time was really one of doing work-for-hire projects. The value in video games, I would argue, is largely in the intellectual property, in the creation of characters and story and an identifiable adventure world. If you think about intellectual property, think Star Wars or Assassin's Creed or something in which there are very "relatable" characters that people fall in love with and want to be a part of.

During the 2005-2008 timeframe, most of the intellectual property was held elsewhere, and Canadian companies were doing work for hire. There were still wonderful, high-paying jobs, with lots of opportunity for growth in the sector at the time, but we weren't necessarily owning the value, a situation I have witnessed change since I have had my second studio.

Things shifted about 2008, and those lucrative contracts coming out of California somewhat dried up. We still have a lot of very strong studios in Canada working in the console area, largely concentrated in Montreal. The change in Vancouver was interesting, because our tax credits were somewhat lower than those we saw out east. What happened, in my opinion, as a result was largely that we shifted from being an area focused on work for hire and working with large foreign corporations to one in which a very strong entrepreneurial spirit has developed, and you see a springing up of many small companies doing independent projects.

I personally find this very exciting, because we get to own those intellectual properties. The potential for these small studios to grow into large companies has never been higher, in my opinion. It is a wonderful time to invest in this part of our economy. There is tremendous opportunity for the future.

If I might add one other small note from a personal perspective, for a very long time video games have been the realm of young men, and that has changed and is changing. Video games are for everyone. Video games are used in very many contexts that are different from those we've seen in the past. We can use video games in education and in health. Video games are being used by grandparents to connect with their grandchildren, and we call them leap-frog gamers: they go straight to their iPads and are doing it so they can connect with younger generations.

Please, when you think about video games, don't necessarily think about that stereotypical person in the basement playing, because things have really changed and continue to change by leaps and bounds.

Thank you very much for your attention.

•(1640)

**The Chair:** Thank you.

Next is Mr. Woo.

**Mr. Jaime Woo (Festival Director and Co-Founder, Gamercamp):** Hi. I'm Jaime Woo, and I'm going to talk a little bit about Toronto and the video game scene there and a little bit about the festival I co-founded, called Gamercamp.

We started Gamercamp in November 2009, so it is in its fourth year. In our most recent festival, which happened just a month ago, we had an attendance of 1,280 across all of our events.

What makes us special in Gamercamp is that we have inspirational TED-like talks—

**The Chair:** One quick second. There is a point of order here.

[*Translation*]

**Mr. Pierre Nantel:** I would like to request unanimous consent to distribute Mr. Woo's brochure, which is only in English. It's not a problem for us to read it, even though it's only in English. Do all the committee members agree?

[*English*]

I think it would help out your presentation if we could all see it.

**Mr. Jaime Woo:** That would be fabulous. That's great. We don't have the resources to translate it, unfortunately.

**Mr. Pierre Nantel:** We understand.

**The Chair:** Is there consent among committee members?

**Some hon. members:** Agreed.

**The Chair:** Okay, let's do that.

Thank you, Mr. Nantel.

Go ahead, Mr. Woo.

**Mr. Jaime Woo:** I'm so used to doing everything on my own... Like, I'm ready to get coffee if anyone needs it.

**Voices:** Oh, oh!

**Mr. Jaime Woo:** As I was saying, if you came to Gamercamp, you would hear inspirational TED-like talks from thought leaders in the gamespace who are from around the world. We have hands-on workshops, because some people, depending on their level of expertise in games, have only played games and have wondered, "How do I make these things? I'd love to." We give them workshops for that. We have people who are in mid-career and are wanting to upgrade their skills or just be with new people and share ideas, so we have workshops in addition to talks.

Finally, we have a game showcase. This year we showed 25 games from around the world, but we essentially focused on Canada and Toronto, because we really wanted people to get a chance to play these games. Hundreds and hundreds of games come out every year, and sometimes we don't know where those games come from, so we really wanted to give people a chance to see things that were created in their own backyard.

Gamercamp started as a grassroots thing. It did not start because we were trying to make money. Certainly we haven't lost money over the last four years, but we did it because it was a passion project. We knew that it was the right idea. It was the right place to be, Toronto, at the right time, in 2009, and it was the right sector for video games, because that was a time when video games were becoming more distributed, when anyone who could put up a game on the Apple iTunes store or the App Store could get it distributed to millions of people, to potential audiences around the world.

We were just very lucky to start during that time. Also, Toronto had never had a big triple-A studio to come to the support of the game developers who were there, so it was very exciting for the Toronto developers, who were in small teams, to be able to release small games that could have a much wider audience than they were used to, and you didn't need physical media anymore—you didn't need to put a disc into an Xbox or whatnot—to get your game played.

What we've tried to do with Gamercamp, then, considering, just as Brenda said, that the audience is getting broader, is try to be something like TIFF for games. As you know, if you want to see TIFF, you don't have to be part of the industry. You don't have to be a film buff. You don't need to have watched  $x$  number of hours of film a week. As long as you find anything interesting, you can go to TIFF. It's the same with Luminato and Nuit Blanche: you don't have to be someone who's an artist or have a very deep interest in art. As long as you're interested, you can go.

But for a lot of game events right now, you either have to be part of the industry or you have to be labelled a gamer. You have to self-identify as someone who plays a lot of games, and then you feel comfortable going. We want to change that, because games are broadening. As long as you have an interest in games, we want you to come to Gamercamp just the way that people do with TIFF or Nuit Blanche.

We are unlike anything that's out there right now because we do try to reach such a broad audience. That's mainly because nothing existed in Toronto, so we got to start from a blank slate, which is kind of a neat thing about Toronto. Because we had nothing in Toronto, we actually built everything from the ground up, and it meant that new ideas were happening there.

I want to talk a little bit about the ecosystem of what we have in Toronto, because I think it can be amplified on a national level. We have something called the Toronto Video Game Jam. The seventh one just happened. This year, 400 aspiring game developers, professional game developers, and hobbyists—people who just love games—crammed themselves into George Brown campus and, for 72 hours, they worked to make games. I usually go for a little bit, because by day three, people haven't showered, they're kind of tired, and they're all on caffeine, and I try not to be there at that point, but to see the games that come out is pretty amazing, because in 72 hours you can really get a sense of what people can do. Even though those games aren't sellable themselves, what happens is that those ideas can be the germ for sellable products in the future.

I'll give you an example from a studio in Toronto called CAPY. Actually, their game is in the magazine: it's called Super TIME Force. What they want to do is play with the idea of time: can you reverse time in a game? In video games, we're very used to the idea of having many lives. When you play Mario, you have 15 lives to get through it. They wanted to play with the idea of what would happen if you had to live all those lives at once, so while you're playing the game, every time you die, you rewind to the beginning of the level, and you play beside a version of yourself playing that level. Each time you die, the game actually becomes a bit easier, because you have many ghost versions of yourself fighting with you. It's kind of like an army of yourselves fighting this level...

I thought it was a really cool idea. The germ of it started at the Toronto Video Game Jam, and recently the game got picked up by Microsoft for the XBLA award at GDC, which is the largest event and one of the pivotal game events in the game world.

That's something that started out of Toronto just because 400 people decided to get into a room and work for 72 hours. It's really demonstrative of Toronto pulling itself up by its bootstraps and creating something that will have international impact. When you look at the global video game press, you see that with Super TIME Force they're, like, waiting with bated breath. They're drooling at every little thing that comes out of it. Who would have thought that this would have come out of this small thing, that this chain of impact could happen?

• (1645)

To echo the point that Brenda was making, it's small and medium enterprises that are driving Canadian-owned IP. Every dollar from Super TIME Force goes back into Canada. The previous game, *Sword & Sworcery*, which has been downloaded a million times, is Canadian IP, and that goes right back into Canada.

Even though a rich ecosystem, on a national level, requires both triple-A studios and smaller studios, we see that the money, if you invest in these small studios, goes right back to hiring more Canadians and having everything just... I'm sorry, I don't even know the right words for it. You know, it's just Canada all the way through.

We're also getting this Canadian-built innovation, which is creating value for Canada. I think that's a really good thing.

The market right now is ready for Canadian games. Games are really being successful. I'll name some of them off for you. Although they might not mean anything to you, if you ever get a chance, if you have 15 minutes, download them. Give them a shot.

There's *Sword & Sworcery*, which is a very cool pixel-art game. It's very arty. That's been downloaded a million-plus times.

You can hear about the story of N+ in the magazine. They created it, and it sold hundreds of thousands of copies on the Xbox platform. It was started by two people. Really, people say that this was the game that proved that downloadable small games could be profitable. That came out of Toronto. Most people don't even know that.

A game called *Sound Shapes* recently came out. It's one of the top sellers for the PlayStation Vita. Sony is very happy with that.

There is a game called *Dyad*, which started from Toronto. One person made it over four years' time. It's done extremely well.

I really wish I could just give you all the games to play. Sometimes you need to play them to really know what's so awesome about them. It's been nice doing this festival in Toronto for four years and to have this list of games to talk about. It does make me proud that this industry that I want to be in has all of this Canadian product coming from it.

In terms of support, it's good that games are out there, but we don't know that this trend will last forever. There can be a time when something is new and the city can hit, but if there isn't that sustained support, it won't grow and we might get out-competed by other cities. We are doing a great job in Toronto right now, but I would like to make sure that we don't get out-competed.

What does that mean? That means we need funding. We need funding for these studios so that they can hire more people and continue to grow at a pace that might be comparable to the States. They need leverage so that they can continue to build products. I know each studio has three or four games they're working on; the faster we can get those games out, the more competitive ground they can take up.

I think funding will also provide an infrastructure. As these companies grow, we need to find spaces for them to attach to so that they have somewhere to fit in.

The thing I see right now is that there are lots of small companies, but there's no cohesive vision among all of them. That's a little bit problematic, because that means if anything bad happens in the industry, they could fall apart from one another, and that would be very bad for the Canadian video game industry.

In terms of making this a national frame, we need to have a conversation about how to do this nationally. Toronto, Vancouver, Montreal, Winnipeg, Halifax—how do they all come together to talk about where games need to go?

On a personal level, in terms of Gamercamp, it would be great to have funding so that we could compete against similar festivals in the U.S., such as IndieCade and PAX, and British festivals like GameCity, known as thought leaders. These are thought spaces where people are excited to see what happens next. We're building very hard at Gamercamp to be that, but you know, I've done that just by knocking on doors, asking for sponsors, and trying to get as many attendees to come as possible. Having that extra funding would make it better so that we could grow faster.

This year we cut into our profits so that we could fly in speakers from Austin, San Francisco, Vancouver, Montreal, and Prague because we knew those were the steps we had to take. Having some funding would allow us to grow faster and do even more of that so that if people knew the great stuff that was happening in Canada and got to meet all the Canadian developers, we were really hoping that having come to Toronto, they would go back to their own cities and talk about how exciting it is in Canada to be able to make games and have the ideas that are happening there.

Lastly, I just hope we get a chance to talk more about the cultural role of video games. We have the National Film Board and we talk a lot about the national conversation on where we want music or literature to go. I'm so glad this is happening, because it's forward thinking in terms of where we're going to have this national discussion for video games.

• (1650)

In 10 to 15 years, people will treat video games as a given, the way they treat music or film. No one says, "Oh, are you a televisioner? Oh, you really like those television shows. Oh, you're a booker?" No one says, "I'm a reader. I read 15 hours a day." People aren't going to do that anymore with games. The hope is that gaming becomes an intrinsic part of our lives so that we don't have to do that, but you need a national framework so that people can talk about it that way without feeling that it goes into that stereotype of the teenage boy being the only one who's playing games.

I'm going to end with my favourite anecdote. My mom had never played video games before. She always told me that I was wasting my time. For Christmas, I bought her the Kinect system, and we had Dance Central, which is a game that has a motion sensor. There's an avatar in front of you, a computer character, and you dance along with it.

You could see her slowly move from the kitchen to our foyer to the couch, watching us, and soon she and my aunt had pushed us out of the way so that she could dance to Lady Gaga's "Poker Face". Then after we said we wanted to play again, she went to the mirror to just practise the moves by herself, and I thought, "Holy crap, this is amazing." We're branching out beyond what anyone would have thought. She'll never call herself a gamer, but that's where this is going, so I'm very happy.

I hope talking about my experiences was helpful. I'm so glad to be here.

Thanks.

**The Chair:** Thank you, Mr. Woo.

Finally, we'll hear from Mr. Gouglas.

**Professor Sean Gouglas (Director, Associate Professor, Interdisciplinary Studies, Faculty of Arts, University of Alberta):** Thank you very much.

I'm reminded of watching my partner's in-laws do Wii bowling as a similar sort of event.

I'm very grateful for a chance to come and speak to you. Thank you very much. It's an amazing industry, and it's wonderful to be part of it, and it's wonderful to study. Universities are trying to keep up with the technology and the skills that are needed to produce a skilled labour force to participate in this economy.

I'd like to talk to you briefly about a report that I wrote with some leading researchers and the universities and members of the Independent Game Developers Association, particularly Jason Della Rocca, on how universities can be promoting innovation in the video game industry.

I want to start with the basic premise that the most important technology transfer that universities produce in gaming technology is

the students who graduate from our programs, not necessarily the research that goes on there. That is a separate issue that I'd be happy to talk about at length, if you like.

I want to start with that basic premise, that technology transfer in the gaming industry begins with the students who graduate. That can be addressed in four particular areas.

The first is curriculum. I understand you had the fellow from Sheridan come and talk as well. It's a great university and a fabulous program. What I think Sheridan does well and what we're trying to do at a bunch of universities, including the University of Alberta, is to create students who are skilled and who can move into this workforce, and that begins with a deep domain expertise in areas that are relevant to the computer gaming industry but not necessarily wrapped consistently in a gaming envelope, meaning that they need to know how to program well, if they're programmers, across a variety of areas, not just in one particular technology.

The reason for that is you don't want to tie your students to one technology, because if a student starts in first year, that technology will change by the time they graduate in fourth year. If they're stuck to that technology, that's a problem, so they need deep domain expertise matched with strong interdisciplinary collaboration across disciplines that brings those deep domains together. As well, they need team-based constructivist projects that will allow students to speak to each other in these disciplines.

The importance of computer programming in video game industries is often commented on. The statistic I'm going to throw at you is more true the larger the company becomes: the percentage of people who are computer programmers in a large computing gaming company is about 20 to 25. The rest are in the—forgive me—softer and squishier sides: the creative artists, the writers, the managers, the game developers, the level designers. All those sorts of people may have a computing science background, but what's important to remember is that computer games are complex interdisciplinary products that require expertise across a variety of disciplines and not just in the computer sciences. What universities need to do better is to get students speaking to each other across these disciplines.

There's an old anecdote that says we all had a great kindergarten report card that said "Works well with others", and then for the rest of our life up to university, we were told to never do that again, because we're all focused on individual education.

We need to change that, and that's where universities need to do a better job: we need deep domain expertise coupled with strong interdisciplinary collaboration that can be wrapped in a gaming envelope that gets students producing complete games in a portfolio they can then present to an employer when they graduate.

In addition, we should also expose students to all of these sorts of social, cultural, historical, and business issues that would be important to them or valuable to them when they enter the computer gaming industry.



Second, universities need to reimagine intellectual property with respect to their relationship with game companies. You must know universities are under immense pressure to raise funds in any way they can, sometimes.... In Alberta, we're fortunate. We don't have funding cuts to the university right now. In other places, that's not necessarily true.

Research services offices in universities are under immense pressure to try to get commercialization and licensing agreements in order to generate revenue, but IP in the computer gaming industry and in computer gaming research doesn't function the same way it does in pharmaceutical companies. Universities need to let go of this notion that computer gaming research is going to generate money for them, and they need to engage in a quick process of developing IP. I would argue, and our team argues, that really what they should do is just release it into the wild so that Canadian companies can take advantage of it.

There are exceptions, but the problem is that too many times everyone thinks they're the exception. You have to be careful, and again it's a complicated and complex issue.

• (1655)

If universities are going to do that, what can they get in exchange for it?

That brings me to the third point, which is that in exchange for the above, and at least running in parallel to that, universities should establish long-term—slow at first, but building later—relationships with large studios in order to generate collaborative projects. This can be in terms of co-ops, internships, technology training, or even sabbaticals whereby professors go and do research within a gaming company, and surprisingly, vice versa, whereby after a long push of developing a particular product, game company researchers go into universities and work in those labs. That can be complex, but essentially we're arguing for a long-term relationship.

At U of A we've been very fortunate to have a long-term relationship with BioWare, which is one of the very largest studios. It was originally a Canadian IP, and then it was bought by Electronic Arts, a fabulous success story for Canada. We have had that great relationship because of the trust that's been built up between our two institutions over the long haul.

Finally, I think there's one last thing that we need to do, and this builds on the excellent point made by Jaime. Universities, and perhaps government, need to do a much better job promoting the development of Canadian IP in the gaming sector by promoting the independent gaming community, which in turn will promote innovation and equity. What do I mean by that? Well, universities have a lot to offer the independent gaming community. For example, they have immense amounts of space and hardware that are significantly underutilized at nights and on weekends. That is space and technology that can be used by the independent gaming community to try to create relationships, or at least to try to foster innovation and Canadian IP.

With all due respect to the large studios—which I love and are vital components of a strong ecosystem of developing high-wage labour and skilled labour, and all that sort of stuff—the creative IP that is being developed by the large studios depends on sequels and

series. FIFA and Assassin's Creed are great, but they are not developing new, Canadian-owned IP. If we can promote the independent gaming communities, as was said earlier, we can perhaps start generating some small and medium-sized enterprises that can do that. Universities can be a meaningful partner in all of that by hosting hackfests, gamer camps, or a Canadian version of IndieCade. I think universities can and should be part of that sort of thing.

I want to make just one last point here about why this is also important. For those of us who study the gaming industry or who are in it, the dirty little secret about video games is starting to become well known: with respect to a comment made by Brenda, in my opinion and the opinion of others, the computer game industry, the people who play it, and the development of those games can be openly hostile to women.

I'm sure some disagree. That said, if you look at the statistics, 45% of the people who play games are women and 10% to 15% of the people employed in computer game development companies are women. That is a significant discrepancy.

We need to find a way to promote Canadian IP. In doing that, we will promote equity by funding gaming activities for women by ensuring that this sort of new intellectual property that's produced is not tied in to the sequels and series that the large studios do, which continue the tradition of what those games look like. In doing that, I think we will help create a vibrant Canadian economy in what is essentially a fantastic industry.

• (1700)

**The Chair:** Thank you.

Thanks to all of you for your opening remarks. Now we'll move to a time for questions and answers.

First up is Mr. Brown.

**Mr. Gordon Brown (Leeds—Grenville, CPC):** Thank you very much, Mr. Chairman. Thank you to our witnesses today.

I sense a lot of enthusiasm for the industry, especially from Mr. Woo. My experience with entertainment software goes back to the Ms. Pacman days. I'm dating myself, but I have seen such an evolution of this industry. I have a 12-year-old son, and he's always excited about the new game coming out. I see how this can make such an impact on our economy and create a lot of jobs going forward, which of course is the reason we're having this study.

I want to talk a little bit about Gamercamp. This sounds like something that could help the industry very much.

Mr. Woo, could you give us a little more background on how you think this can benefit the Canadian entertainment software industry?

**Mr. Jaime Woo:** I think there are different ways that Gamercamp can be a vessel for that. One of the main things is getting the games in front of the public. So many games are released that it can be quite difficult for people to get a chance to play all of them.

One thing we've seen that we've been trying to push is the more games that we can have people try, which is always the part they're most excited about, the more chance they'll buy it. Right now the main vehicles for people to learn about a game are word of mouth through their friends, and usually that comes back from traditional games media sites like IGN or Destructoid. Those tend to be primarily slanted toward American games because they're American sites. I think it can end up being problematic if we don't get enough Canadian games seen that way.

We also try to work hard to help the industry by being a space where people can come together and share their ideas. Certainly some informal mentoring and some cross-pollination of ideas happen. We always have some university academic speakers come in, and we have industry people come, and people who are doing grassroots things. I think having those people all in one space is really important, because they can share their ideas with one another. That's really important in helping the industry grow. Everyone knows each other, so they can help each other out.

One of the games I mentioned, Sound Shapes, had almost every major studio in Toronto helping out together on that game to get it to completion. I don't know in how many industries you'd have other companies essentially come on board and collaborate so that this game could be out, period. They're not competitive. I think that's a pretty good example of how everyone is working together for the greater benefit of the broader industry.

● (1705)

**Mr. Gordon Brown:** You have a unique event. How does it compare with or how is it different from some of the other similar events that go on around North America?

**Mr. Jaime Woo:** I think one of the things we're trying to encourage is the idea of games literacy. When I was a kid and I played a game, it was a black box to me. I didn't know how games were created. I knew if I pressed right—Mario is right—and hit A, Mario jumped, but it was in this box and I had no idea how it was made. I never thought that I could make that game myself. That just seemed too difficult.

Therefore, one of the things we're trying to do is teach people how games work, how you can make a game yourself, how to demand better games, how to have a vernacular for discussing games. Part of the reason TIFF works is that people who love film have a vernacular that allows them to talk to each other about cinematography or pacing. Games are still a bit young, and we're working on that, but we hope to be that space where people can generate enough ideas and thinking that it solidifies into something that moves it out of the basement.

**Mr. Gordon Brown:** Okay. Thank you very much.

I'll move on to Ms. Gershkovitch.

What other support measures do you think the government can do to help the industry? Would it be things like start-up grants, loan guarantees, tax incentives, those types of things? Maybe you could give us a little more background on what you think we should be doing to help grow the industry.

**Ms. Brenda Gershkovitch:** Thank you for that question. The three examples you gave were all excellent examples.

I think anything that fosters the entrepreneurial environment that's growing in Canada is fantastic. Startup Canada, which recently took place, was a wonderful success. A very interesting study was announced last week in Tech5 that looked at the top 20 entrepreneurial cities in the world, and three were in Canada. That's quite impressive. They looked across a number of different areas that they measured, and Vancouver was fourth in talent in the world in terms of entrepreneurial opportunities, when specifically looking at tech.

Where we really fall down, though, is in investment opportunity, so any measures that help instill a culture of investment in Canada would be very helpful to us.

The tax incentive war is a challenge. Many of us in the industry wish there was an opportunity for a federal program that provided a level playing field across provinces. That's been quite a harmful thing in the industry in Vancouver, while other sectors have benefited from it.

To give you an example of my experience in the two different worlds of gaming, we used to have a joke in my first company about how many times you would be recruited by another studio if you were out for coffee. These were our programmers. At the time it was so tight to get top-level programmer talent that we had this running joke, but sometimes it was five times, and the record was seven. People were really after top-level programmers.

Today I know a number of unemployed programmers in Vancouver—it's a very different scenario—because they don't necessarily want to move to other places. Many people have moved to Montreal, Toronto, and San Francisco as well, so we do have a challenge in that regard, and it does need some attention.

Again, I think opportunities for loans for start-ups are very helpful. Supporting a number of the fantastic incubator programs that are going on in our province and others is also a great way to go.

**Mr. Gordon Brown:** Earlier we had the Minister of Immigration here, and you heard a little about what the government is doing to streamline the program to have temporary foreign workers.

In terms of recruiting foreign workers for your company, have you had issues in that area?

**Ms. Brenda Gershkovitch:** My first company, Deep Fried Entertainment, which we grew to a mid-sized studio, did—absolutely. The type of program that he was describing did in fact benefit us, and the tighter timelines we're hearing about would be an additional benefit. We did use that program to bring in Chinese nationals, very experienced programmers with Ph.D.s, to help us in the specific area of a physics engine we were designing, and it was very beneficial to the studio.

In the current climate in Vancouver it's a bit different, because we have more talent than we do opportunities for them to work. It's shifted a little in that particular city.

● (1710)

**Mr. Gordon Brown:** I'm out of time.

Thank you very much.

**The Chair:** Go ahead, Ms. Sitsabaiesan.

**Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP):** Thank you, Mr. Chairman.

Thank you to all of our witnesses for appearing today.

As Mr. Brown said, there's a high level of passion that we can clearly glean from all of you. This industry really does showcase Canadian creative productions. I think we need to celebrate, promote, and foster the growth that's booming within this very exciting sector of gaming within the entertainment industry in general.

Being the only female on this committee, and a young female within an environment that is not so female-oriented, I'm going to focus much of my time on you, Ms. Gershkovitch.

Thank you, first of all, for your courage to do the work you do in a not-so-female-dominated industry and for focusing on developing games for young women and girls.

Why did you feel the need to create a company focusing specifically on the designs for a female audience?

**Ms. Brenda Gershkovitch:** That's a great question. Thank you.

In my previous studio, I had the opportunity to work on mainstream products. We built racing games, and I built three major league baseball games. I did that, and it was a wonderful experience to learn the industry. It was profitable and interesting, but it wasn't my passion.

Most people I know in the video game industry do it because they really love it and they're building games they want to play. I remember sitting at a wonderful conference and listening to one of the leaders in the industry say that games are about fantasy. That's the wonderful thing about this industry: you get to play your fantasy. You can have the touchdown at the Super Bowl. You can defeat Hitler in World War II. You can do UFC and all this stuff. I was sitting there, and as often is the case, the only woman in the room, thinking, "That doesn't sound so interesting to me. Where's my fantasy?" The fact that we hadn't addressed that—bing—was my eureka moment: there's an opportunity here.

I'm driven in two ways. One, I think it's a very smart play in terms of the opportunity to build high-quality properties for this market, which is dramatically underserved and hungry for property. We're seeing the market grow despite the fact that there isn't very high-quality product being offered to them. As an entrepreneur it's very appealing to me in that regard.

Second, I'm a mother of a very talented young woman and two great sons. The boys have played games their whole lives, and my daughter has been bored to death. She's the math person in the room. She has this great head for math. She's in an accelerated program in math and sciences, yet, really, we just don't do what we could do to draw girls into programming.

We have a saying in our studio: "Program or be programmed; if you don't like what's out there, build something different." We're really interested in that. We want to not only create high-quality property for girls to play, but to also draw girls into the industry. There's no good reason for us not to be here. There are a lot of terrific jobs.

**Ms. Rathika Sitsabaiesan:** Absolutely. I think that goes for all industries and non-traditional workplaces. Thank you for that.

I know your games also have very positive messaging for young women to build social skills and whatnot. Do you view the video games that your company is developing to fulfill that fantasy also as educational tools?

**Ms. Brenda Gershkovitch:** We are focused less on education, although education does come in to some of our games.

To give you a couple of examples of properties we're currently working on, our first series is called School 26, and it's built for what we saw was the largest gap in the market in terms of quality products for girls between the ages of 10 and 16 years old. School 26 is the story of a young character named Kate, who has unfortunately been to 25 high schools in total already in her young career, and in her last year of high school has made a deal with her parents for them to please stay put long enough for her to graduate. The deal is if she can get to know the kids in her school and make herself part of the community, then she can stay there and graduate. It's a tough school, though, and these kids have issues, so she's challenged to help them a bit.

Is it an educational game? Not necessarily. What we did was spend a lot of time looking at what young girls spend their time doing, and we're in each other's business, because we're social engineers. This is the stuff that drives us: "Did you hear about so and so? Did you know this is going on? I can't believe she doesn't have this. How can we help with that?"

These are great skills. When I went to do my MBA and they talked about emotional intelligence, I almost laughed. Really, this is a thing you teach? Girls have been doing this in high school forever, right? We do emotional intelligence nonstop. How do you build that into a video game so that girls are learning those skills and figuring out how to use them positively? The primary mechanic in that game is empathy. It's a little bit different.

In the second version of that game, which is called School 26: Summer of Secrets, the tool in that game.... In most games, if you're gathering something—for example, gathering coins—you might level up and buy a better sword. In our game you're gathering secrets, and you can use them for good or for evil, so it really teaches you the power of information and how to be a good friend.

• (1715)

**Ms. Rathika Sitsabaiesan:** Empathy is one of the key pillars of high emotional intelligence. It's really good that you are building empathy within our young players. Let's call them players; not all of them are gamers. I'm just going to say participants.

How welcome are female gamers in the gamer community in general at events like Gamercamp or at a competition? Is discrimination still a factor for young women and girls in the industry?

If there's time, Mr. Woo, you can answer your answer afterward.

**Ms. Brenda Gershkovitch:** I'm sorry that I can't speak to Gamercamp, having not yet attended, but I can tell you that in my experience from 2005 to now, it's changed dramatically. My biggest measurement is that when I first went to E3, which is one of our biggest events in the industry worldwide, I didn't have to stand in a lineup for a washroom, and the men's lineup was down the hall. Last year when I went, I had a good 20-minute wait, so I was glad to hear it.

It is changing somewhat, and we're doing something similar to Gamercamp, although not quite at the same scale. We've had girls' programming camps happening in Vancouver. It's something our studio is interested in doing as well, having more people come in and learn to code.

I agree that there's a tremendous need for video game literacy, as Mr. Woo described it, and particularly targeting that towards audiences that we've neglected in the past. Whether it be women, whether it be people from gay and lesbian backgrounds, whether it be people of colour, there is lots of opportunity for expansion.

**Mr. Jaime Woo:** It's actually quite important that we have a lot of inclusivity. As Brenda was listing off that thing, she was saying gay and lesbians; yes, I'm gay and I'm a person of colour, so this inclusivity matters to me because I want games to be for everyone. I don't want to be looking on from the outside in, especially since as a young child my memories of playing games were with my cousins and my family friends of both genders. It wasn't something that was seen as exclusively for boys. I think this is because it was more about whimsy when we were younger, and now it's more about male wish fulfillment, which has been a big change, and I think that's what's made certain populations feel excluded.

At Gamercamp we have about 20% to 25% female attendance, which isn't as high as the 45% of gamers out there, but it's certainly higher than at most events, and it's because we carefully make sure that we are putting out the right signals there. We do not use imagery that is male dominated or male coded. We use inclusive language. We go out there and try to program in a diversified way. If you put out the signal that your audience is everyone, more people will respond to that. I think this has been what's problematic: it's that a lot of times, without even realizing it, people code their language to make certain people feel not welcome.

**Ms. Rathika Sitsabaiesan:** That's fantastic.

Thank you.

**The Chair:** Thank you, Ms. Sitsabaiesan.

We'll go to Mr. Simms for seven minutes.

**Mr. Scott Simms:** Thank you for joining us.

I just want to get into one concept here. I'm not that familiar with the concept, but it's something I read about a short time ago. My assistant has helped me out with it as well, because he has more experience.

Mr. Gouglas, I think this goes to you first. Then I'll ask others to comment on it as well.

You talked about getting together as an industry. It seems that any contact we're having with the industry is from within Canada to the outside world, so it's a global conversation. We don't necessarily

reach out to our own in Canada first. It seems that we could be more inclusive in this country—not to the exclusion of others, but I think you get what I mean—through the conventions, through the schooling, and that sort of thing. That's more of a comment than it is a question.

The question part deals with the interests of sharing IP, and I'm talking about open-sourcing here. Is there much more that can be done when it comes to open-sourcing, including old or unused IP, for that matter? I know you do a lot of work on certain games and that sort of thing, but a lot of it gets forgotten because it seems to be driven by the private sector.

In other words, are we not facilitating information for the sake of fostering new talent?

• (1720)

**Prof. Sean Gouglas:** We actually asked that question explicitly when we did the project funded by the Social Sciences and Humanities Research Council—namely, is there not a way we could create greater innovation through the release of companies' older IP to universities, for example, in order to let students see what they could do with it? The answer, universally, was that there was no such thing as old IP.

Look at the way in which game companies have rehabilitated all their old intellectual property. Atari, for example, has just launched an iPad version of their entire gaming collection. There really isn't any notion of old IP that can just be released. It's always something valuable that they can rehabilitate. Characters that were produced 20 years ago will get a new version. XCOM, for example, a game that was extremely popular years ago, has just come out.

**Mr. Scott Simms:** So Pitfall Harry's coming back, right?

**Prof. Sean Gouglas:** You can be absolutely sure he's coming back.

What I will say, though, if I can maybe speculate on another aspect, is that one thing the universities and industry don't do very well is build longer-term relationships. Many times relationships are formed on individuals; when people change companies or people change universities, that's lost, but if that relationship can be built over time, there can be in-kind contributions from gaming companies to universities in such areas as sharing of art assets or sharing of game engines. With Unreal, for example, there are relationships between companies and universities over the development of it.

It's a very complex problem. I would say that gaming companies tend to be extraordinarily protective of their IP, because it's not like it's a mine. The IP is everything, in many ways. Yes, the talent is of course important, but the development of the IP is essential, so it's a very finicky area when you're trying to understand how it can be used in a way that can be open source.

There are clearly open-source game engines and open-source tools that people use, and those are great, and in the modding community a company like Bethesda might release Skyrim, which allows open modding of that particular program. That's another issue—

**Mr. Scott Simms:** Right, because with all the social sites and that sort of thing, open-sourcing is it, right? That's what rules that area, and gaming is getting into that area as well, in addition to what I can buy in the store.

**Prof. Sean Gouglas:** Do you mean crowd-sourcing or open-sourcing?

**Mr. Scott Simms:** I mean open-sourcing. The protection of IP in this industry is very tight, I gather: yes or no?

**Prof. Sean Gouglas:** Yes.

**Mr. Scott Simms:** Okay. Because of that, don't you think that sharing more of that intellectual property with institutions like yours would help make a better institution for you, or make for better learning for those people who want to get into gaming?

It seems to me that you have to get a job in the gaming industry, as opposed to going to a particular school, in order to advance yourself as a top programmer.

**Prof. Sean Gouglas:** Not to mince words or anything, I think that's backwards. I think it's the other way that universities have to go.

The type of IP that's produced at universities can be useful to gaming companies, but it's particular. It tends to be very focused or require an immense amount of horsepower or something.

Game companies move too quickly and too iteratively to try to use it meaningfully if there are going to be complex licensing agreements with it. Universities need to open themselves up and give away that IP if they want to be partners in this industry. In exchange, they will get, hopefully, if trust is built up between industry and the university, access to some of the things you're talking about—the art assets, the game engines—that will allow their students to become high-tech, highly skilled workers.

**Mr. Scott Simms:** And that's more beneficial to the learning institution, as opposed to a particular company.

**Prof. Sean Gouglas:** I agree with that, and you would much more likely find that on a one-to-one relationship than you would in a national program, because trust is so important. The IP of gaming companies is held very closely.

**Mr. Scott Simms:** Rather than change that, you cater to that institutional—

**Prof. Sean Gouglas:** I would argue that's the best way for universities to move forward if they want to wrap their curriculum and research in a gaming envelope.

**Mr. Scott Simms:** So when you look at trying to further Canada's case as being the place to be for investing in gaming, you do more things like what Mr. Woo was talking about—more conventions, more open events, having a TIFF for the video-gaming industry, which I think is an incredibly good point—because it seems that you're looking at a world that can be accessed by so many young people, and it's not turning itself inside out in order to attract the right qualified people into this industry. Would I be correct in saying that?

• (1725)

**Mr. Jaime Woo:** I'm sorry; can you rephrase that question for me?

**Mr. Scott Simms:** You create what I would consider to be a greater tool for enticing people into this industry, people who normally wouldn't look at this area. You would have to have a convention—

**The Chair:** This is your second shot at the question, but it's been seven minutes.

**Mr. Scott Simms:** Would you like to try it for me?

**The Chair:** I think we have to move on, because we only have four minutes left in the meeting.

Go ahead, Mr. Hillyer, for three minutes.

**Mr. Jim Hillyer (Lethbridge, CPC):** With three minutes, I'll have a question that probably can't be answered that quickly.

If top programmers are such a hot commodity that they get recruited five times while going to coffee—and when I was involved in the education industry, it seemed like everyone in the world wanted to be in the gaming industry, and not just in the industry, but among those 20% to 25% of staff who are in programming—then why in the world aren't people banging on the door saying, “Let me work for you”? If they're getting paid so much, why do you have trouble filling these positions, and what can we do to help solve that problem?

**Ms. Brenda Gershkovitch:** I'm not currently having difficulty filling those positions in Vancouver because we've seen such a downturn with our largest companies leaving. We've had a number of major studios depart from the city and move to places with higher tax incentives. When some of those employees haven't wanted to make that change and have wanted to stay in the city, they've become available to work in a studio such as mine, so my experience currently is different from that. Prior to 2008, it was the five times per coffee. I can tell you that in many parts of the country, in Montreal in particular, where those larger studios are doing extremely well, it's very difficult to find people.

Part of the problem is this. I personally work very closely with a number of different universities, and I teach at the Vancouver Film School as well as the Centre for Digital Media, which had the first master's program in digital media studies in Canada. We bring internships and students all the time into our studio, and I personally am very devoted to that, but that's not the same thing as having high-level people. It's very different.

We work, as many studios do, on mentoring the students who are coming into our studio by pairing them with experienced people, but there is competition for those really experienced people. They're very hard to find, and they get scooped up.

I'll give you an example. You cannot find a Flash programmer in Vancouver—can't find them—because San Francisco has hired them all. San Francisco had this huge boom, the Facebook boom. Zynga and Facebook were both hiring like crazy, and all of a sudden there was no one to be found in Vancouver.

The difficulty—and the challenge, I think, for you as legislators—is that it moves so darn quickly. If you had asked this question two years ago, my answer would have been different, and that poses quite a significant challenge, I think.

**The Chair:** Thank you, Mr. Hillyer.

That brings our committee meeting to a close. Thank you to all of our witnesses for very informative presentations. We appreciate your input.

This is our last meeting before we break, so merry Christmas, everybody, and we'll see you back in January. Happy New Year, as well.

The meeting is adjourned.

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