

ESAC Speaking notes for testimony to Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

*Ottawa – Monday, May 16, 2016, 3:31 p.m. to 6:32 p.m.
Room 306, The Valour Building*

Meeting No. 12 – Review of the Temporary Foreign Worker Program

****Check Against Delivery****

Thank you Mr. Chairman and Committee Members,

My name is Jayson Hilchie and I am the President & CEO of the Entertainment Software Association of Canada. ESAC is the voice of the Canadian video game industry. We represent some of the biggest and most innovative companies making interactive digital entertainment in studios from coast to coast. Our members include global companies like Ubisoft, Electronic Arts, Warner Brothers, Glu Mobile and Nintendo but also independent Canadian owned developers such as Newfoundland's Other Ocean Interactive, Nova Scotia's Silverback Games and Vancouver's Roadhouse Interactive.

I'm here today with a very simple message: our industry needs skilled workers today. We're asking you to recommend that the Government establish a foreign worker program that welcomes in demand, highly skilled technology workers to Canada and minimizes the barriers to their entry – which includes exempting them from a labour market assessment process, and allowing our employers to go straight to the Immigration department for a work permit.

The Canadian video game industry produces games that are sold and played all over the world. Canadian studios are responsible for developing some of the world's best games and franchises for consoles, computers, mobile devices and soon, virtual reality. In order to compete with the rest of the world we need the best, brightest and most talented workers who are innovating around the globe to fill key positions in instances where we can't find a Canadian.

We pay our talented workers very well; the average salary in our sector is just over 71 thousand dollars per year and our workforce is young, with an average age of 31.

And our industry is growing. Its contribution to GDP is now 3 billion dollars a year. In the two years between 2013 and 2015, our industry grew by 24% in jobs and now employs well over 20,000 workers, making us one of the largest video game industries in the world. In contrast, the United States, which is the world's largest industry, has 41,000 workers and ten-times the population of Canada.

In some ways, we're victim to our own success and of the continual innovation which underpins video game development. While Canadian colleges and universities are training fantastic future employees for our industry, we need more than just new grads, and we are growing faster than our ability to develop intermediate and senior talent in a balanced way. Because of this, finding experienced talent that can lead teams, impart knowledge and know-how and help us innovate, has become harder and harder.

The capacity to hire, support and train junior employees depends on a solid and experienced core team. Highly skilled, experienced, foreign workers can be hired to fill leadership roles and help continuously "upskill" current Canadian talent through mentoring and by importing best practices on innovation.

Over the past 6 years, as our industry was growing, the inefficiency of the Temporary Foreign Worker program has been a constant hurdle to our competitiveness and our efforts to invest in Canada's digital economy. In the next 12-24 months our industry projects it will need 1,400 intermediate and senior positions. Most of these jobs will be filled by Canadians and permanent residents already in Canada. But in cases where we can't find Canadians we will need to look abroad to fill the gaps.

But when we finally find the right candidate and need to begin the immigration process we hit roadblocks and obstacles that often disrupt the company's day-to-day business and sometimes ultimately derail the hiring the right talent.

Program officers at Service Canada do not consistently apply the rules across offices and applications and do not fully understand the particularities of the new jobs that we create. In some instances, the jobs that we're filling now didn't exist two years ago, and might not exist in two years' time. The National Occupation Codes can't keep up with technology sectors that create new jobs to fill new needs and because of this the government has insufficient labour market information to determine where the actual job shortages are.

The requirement for transition plans – while perhaps useful for some sectors – is not relevant to our industry and likely not relevant for most other technology industries. We hire top talent and innovators that wouldn't necessarily be found domestically. We pay them well and many decide to stay in Canada. To date, 13% of our workforce was hired as temporary foreign workers. We also know that 1/3 of those workers go on to become permanent residents. We believe this could be even higher if the process to move from a temporary worker to a permanent resident was easier and if there was a clearer path to citizenship for those workers who wish to take it.

Let me be clear; there is no inherent advantage to hiring a worker from abroad. It costs more in recruitment, administration, salary, and relocation costs for the worker and their family. And it's a risky endeavour; the delays in processing, requirements for transition plans and other onerous requirements leads to missed opportunities, as desirable candidates get offered

positions at other companies and in other countries where the entrance requirements for economic visas are more efficient.

Countries like the United Kingdom, that offers work visas for occupations that the country deems important or that there is a shortage of, such as video game developers, can process work permits much more efficiently than Canada because these designated occupations do not require a labour market assessment, which is currently the primary issue causing the delays and uncertainty in the Canadian system.

In order to develop a world leading cluster of video game and other innovative technology companies, and to further Canada's position in the digital economy, we need friction-less access to the most talented workers in the world. Otherwise companies that might have invested in Canada will choose jurisdictions where they can access the talent they need to grow.

Consequently, we urge the committee to recommend a return to the Federal IT Workers Program, which was abolished in 2010 and exempted designated technology occupations from labour market assessments, or to create a new stream for temporary foreign workers which is better suited to the needs of technology industries like Canada's video game industry and offers a clearer path to residency and citizenship than the existing system.

Thank You.