

Enhancing the Working Holiday Visas is Part of the Solution to Canada's Labour Shortage

Canada faces steep demographic and workforce challenges in the coming years. As an example, in BC alone, more than one million jobs are due to be created in the next decade with only 650,000 workers to fill them. The tourism industry alone is projecting an average rate of employment demand growth of 1.6 per cent from 2011-2020 that translates to more than 100,000 full-year job equivalency openings from 2011-2020 (44,000 due to anticipated growth, 57,000 due to retiring workers), from a base of approximately 250,000 full-year job equivalencies¹.

Immigration will play an enormous role in Canada's ability to address its labour market challenges and secure its economic development success in the next decade. This is because¹:

- Under-represented labour sources e.g. older, disabled, aboriginal and new immigrants will address only a small portion of the anticipated supply shortages.
- Aside from aboriginal youth, the only growth in the labour market will be from immigration.
- Entry-level, front-line and seasonal positions are traditional first jobs of youth, but the declining youth population means existing supply side challenges for these positions will deteriorate significantly.

The IEC Program, formerly known as the Working Holiday Visa Program, manages Canada's youth mobility arrangements and agreements with different countries around the world and offers travel authorization and temporary work permits to young people aged 18-35 for up to one year. In 2007, Canada struck a bilateral agreement with Australia that extended the duration of their respective Working Holiday Visas from one to two years. The Agreement was also amended to enable Canadian and Australian youth to make multiple applications via the program.

Although the IEC Program is available and accessible to a range of sectors, the tourism sector in particular relies heavily on the Program to attract and retain workers.

The tourism sector's reliance on the program is reflected in the results of the most recent Canada West Ski Area Association's annual employer survey². Of most interest is the number and percentage of international workers - both temporary foreign workers and those who work under IEC Program - as a proportion of the workforce:

- The total number of all positions included in the survey was 5,910. Of these positions, 62 per cent were Canadians and 38 per cent were foreign nationals (a 2 per cent increase in foreign nationals over the previous year)
- Of the total number of international workers hired, 89 per cent were acquired through the IEC Program with the remaining 11 per cent sponsored through the Temporary Foreign Worker Program.
- Visas secured under the IEC Program represented 33 per cent of overall counted hires.
- International workers outnumbered Canadians in the Busser/Dishwasher, Housekeeping, and Short Order Cook occupations. Foreign nationals, acquired primarily through the IEC Program, represented 62 per cent of total reported Busser/Dishwasher positions, 64 per cent of total reported Housekeeping positions, and 54% of total reported Rental Attendants positions.

The extension of the Australian Working Holiday Visa has now been in place for five years. In the context of the tourism sector alone, the following observations can be made.

¹ go2 submission to BC Immigration Task Force, February 2012

² Canada West Ski Areas Association, Annual Employer Survey 2012

Although causality has not been proved, and noting that there are many other factors that have contributed to the growth in numbers of visitors from Australia e.g. strong AUD, strong economy, cheaper flights etc, the extension of the Australian Working Holiday Visa may also have contributed to the 18 per cent increase in number of Australian visitors to Canada over the same period³. A stronger relationship with e.g. the UK, would likely have a positive, long-term impact on tourism from that market.

The extension of the Australian Working Holiday Visa has positively impacted employers, employees and our communities in the following ways:

- Employers have access to a pool of highly qualified, often skilled and engaging individuals who settle into the community quickly and who contribute positively to the overall guest experience.
- Employers save time and money by not having to dedicate substantial resources to annual international recruitment process and instead can dedicate time and resources towards provision of staff development and retention throughout the two year period.
- Employees, under a two year visa, have a more comprehensive and fulfilling experience with their Canadian employer and, as a result, can leave with a valuable addition to their resume.
- Some employees who are on a progressive career path and who enjoy the Canadian lifestyle pursue Canadian permanent residency in order to continue their career here, build families and contribute to the community in a variety of ways over the long term.

The extension of the Australian Working Holiday Visa has resulted in multiple benefits as outlined above in the context of only one sector. It needs to be maintained and replicated with other countries in order to help address our provincial and national labour market challenges that extend across a variety of sectors.

Recommendation

That the federal government enhance the IEC Program by:

1. Maintaining the present bilateral agreement provisions with Australia that allows a Working Holiday Visa with duration of a minimum of two years to be issued between the two countries.
2. Modifying the current bilateral agreements with the United Kingdom, Ireland and New Zealand, so that their associated conditions and criteria mirror those of the Canada-Australia agreement.
3. Creating a similar arrangement, modeled on the Canada-Australia agreement, with other countries where capacity exists.

³ *Tourism BC, International Visitor Arrivals, December 2012*