

ENHANCING WORKING HOLIDAY VISAS IS PART OF THE SOLUTION TO BC'S RESORT COMMUNITY LABOUR SHORTAGE (2015)

The issue

Canada faces steep demographic and workforce challenges in the coming years. As an example, in BC, 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% 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. For resort economies in BC, the Working Holiday visa is a key mechanism for employers seeking to fill positions in their business so BC can continue to offer world-class experiences to visiting guests. In just one year, from 2013/14 to 2014/15, the number of unfilled positions on opening day (also known as the "opening day vacancy rate") doubled for the 31 BC ski resorts that participated in go2HR's annual *Winter 2014-15 Staffing Levels Survey* – from 1.3% of all positions to 2.7%.

The opportunity

Immigration will play an enormous role in BC'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. For example, 2013 BC Ministry of Education statistics show a total of 63,435 Grade 12 Students, but only 44,288 Grade 7 students.

The International Experience Canada (IEC) Program

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. As just one helpful example - and to speak to a bilateral agreement that consistently displays excellent reciprocity - in 2007, Canada struck an 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.

Case study: Impact of the IEC Program in the tourism sector

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 10,892. Of these positions, 71% were Canadians and 29% were foreign nationals (similar to survey results the previous year);

- Of the total number of international workers hired, 93% were acquired through the IEC Program with the remaining 7% sponsored through the Temporary Foreign Worker Program;
- Visas secured under the IEC Program represented 27% of overall counted hires.

The Example of Whistler, BC

The community of Whistler serves 2.7 million visitors annually and drives 22.5% of the tourism export revenue for the province of British Columbia and \$428 million in annual tax revenue to the three levels of government³. These impressive numbers would not be possible without the tremendous contribution of Working Holiday Visa holders to the local labour pool. It is worth noting that Whistler's unemployment was measured at 2% in 2013 by the Resort Municipality's Community Life Tracking Survey.

Whistler Blackcomb, the largest employer in town, manages over a third of total workforce. The IEC program is used to augment the mountain workforce and accounts for approximately 27.5% of their total workforce (of note, TFWs accounts for only 2.5% of their total workforce).

Additionally, the Whistler Housing Authority has addressed housing as a possible barrier to workers coming to the resort:

- Whistler currently houses 81% of its employees locally in Whistler and 63% of the resident workforce lives in resident restricted housing;
- Since 2009, Whistler has created 1,750 new resident restricted beds at Fitzsimmons Walk, Cheakamus Crossing, Rainbow and through infill employee housing initiatives. This is a 31% increase in new resident restricted housing built for the workforce in the last 5 years, whereas there has only been a 1% increase, during this same period, in the peak winter workforce.

Measuring the Impact

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

i. Impact on tourism to Canada

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% increase in number of Australian visitors to Canada over the same period⁴. A stronger relationship with e.g. the UK, would likely have a positive, long-term impact on tourism from that market.

ii. Impact on employers, employees and our communities

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.

In summary

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.

Recommendations

That the federal government enhances the IEC Program by:

- 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;
- Returning to the previous standard of 2 year renewals for the Australian-Canadian Working Holiday Visa up to age 30 for applicants;
- 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 bilateral agreement;
- Creating a similar arrangement, modeled on the Canada-Australia bilateral agreement, with other countries where capacity exists and security concerns are addressed and mitigated.

SUBMITTED BY THE WHISTLER CHAMBER OF COMMERCE

¹ go2 submission to BC Immigration Task Force, February 2012

² Canada West Ski Areas Association, Winter 2014-15 Staffing Levels Survey

³ Economic Partnerships Initiative, Resort Municipality of Whistler, October 2013

⁴ Tourism BC, International Visitor Arrivals, December 2012