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STARTING ON SOLID GROUND: THE MUNICIPAL ROLE IN IMMIGRANT SETTLEMENT



Credit: City of Toronto

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Letter from the President

Getting immigration policy right has never been more crucial. Canada's future hinges on our ability to successfully attract and integrate new immigrants. As more of today's workers retire, we need newcomers to keep our economy growing. Skilled immigrants are essential to building our businesses and driving innovation, but we are not doing all we can to help immigrants settle successfully in our communities.

New immigrants are struggling to find adequate housing and get the jobs that match their skills. They are falling further behind other Canadians and taking longer to catch up.

The roots of today's challenges span decades. For many years, federal immigration strategies were disconnected from immigrants' on-the-ground challenges. Federal policies and programs ignored the importance of strong, healthy communities in supporting new immigrants.

Municipalities — the front-line, first-responders for many immigrant needs — were given no formal role in developing federal policies and programs. Municipalities big and small are looking for new ways to attract, retain and integrate newcomers, but they lack the revenue tools necessary to pay the growing costs associated with this important job.

This report sheds light on some of the challenges facing municipal governments as they seek to attract and retain immigrants. Local government involvement in settlement services varies across the country, but all municipalities contribute whether through the provision of temporary shelter to refugees, grants to community-based organizations or program enhancements at local libraries or community centres — just to name a few.

Access to housing is key to a newcomer's sense of stability, providing the base for enrolling children in schools, beginning a job search and connecting to the community. Housing choices of newcomers and refugees are constrained by affordability and sometimes discrimination.

Public transportation is also one of the critical municipal services demanded by newcomers. Statistics Canada reports that recent immigrants are much more likely than Canadian-born residents to use public transit to commute to work.

Finally, the federal government should recognize cities and communities as key partners. Municipalities are new immigrants' first line of support, and they are finding innovative ways to welcome and assist newcomers. The federal government must engage municipalities to tailor solutions to local needs.

Without a decent place to live, an affordable and a reliable way to get to and from work and communities that embrace what new immigrants have to offer, newcomers will continue to fall behind, and Canada will fail to achieve its full potential.

This report shows we need a new approach to immigration policy and settlement. The solution is as much about improving government coordination and cooperation as it is about money.

Every immigrant's arrival is an investment in the future. Effective, efficient immigrant settlement is essential to filling gaps in our workforce and ensuring that Canada remains a destination of choice for skilled workers around the world. The sooner newcomers can establish themselves in our communities and contribute their skills to our economy, the better it will be for us all.

Berry Vrbanovic
President, Federation of Canadian Municipalities

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EXECUTIVE SUMMARY

Getting immigration policy right has never been more crucial to the success of Canadians, Canada and the communities we live in. With a quickly aging population and low birth rates, 100% of our new labour growth will come from new immigrants within the next five years.¹

Canada's economic future is tied directly to our ability to successfully attract, integrate, and retain new immigrants. Successive federal governments have identified immigration policy as part of their overall economic development strategies, most recently by tying Canada's 2010 immigration plan to the country's economic recovery plan.²

A failing system?

Still, new immigrants face significant barriers to success and are falling behind their non-immigrant counterparts. Newcomers are earning less and taking longer to find affordable housing and jobs that match their skills and education levels. In 2008, two-thirds of university-educated newcomers were underemployed, working in occupations that required at most a college education, compared to 40% of their Canadian counterparts,³ and the number of newcomers earning less than \$10 an hour in 2008 was 1.8 times higher than for Canadian-born workers.⁴ Immigrants in larger cities are more likely to be on social assistance than their counterparts in smaller cities. Experience shows that the settlement period takes much longer than the three years for which the federal and provincial governments generally fund settlement services.

Citizenship and Immigration Canada is reforming the rules and procedures for admitting new immigrants and recognizing their employment credentials. The Government of Canada must build on these gains by developing a more comprehensive, cross-departmental, intergovernmental strategy that measures and supports immigrant's access to the basic infrastructure and services they need to succeed.

Federal and provincial settlement programs have not caught up with changing immigrant settlement patterns, including a growing shift to suburban communities. A handful of provincial and municipal programs that are successfully attracting immigrants to non-traditional settlement areas are exceptions that prove the rule.

What is becoming evident is that a much broader range of services, beyond those provided by federally or provincially supported services like orientation, language training and employment, is needed to support immigrants in their first five to ten years in Canada to ensure successful settlement and integration, both in near and long terms.

The Municipal Role

Municipal governments play a key role in helping newcomers settle into Canadian life. In many respects, municipal governments are the nation's frontline, first responders when it comes to immigrant settlement.

Whether the responsibility is *explicit* and *mandated* (such as providing housing in Ontario) or *implicit* (such as supporting community organizations), local governments across Canada are active in attracting, integrating and retaining immigrants. Local governments know that immigrants are central to local economic development strategies. They also know that in a world where talented workers are highly

mobile, they must ensure a high quality of life and welcoming environment for newcomers.

Surveys of newcomers consistently show that proximity to family and friends, the chance to own a home and establish communities, along with employment prospects, and affordable, efficient transportation options are top priorities, placing municipally based services at the forefront of immigrants' needs. Further, when immigrants don't succeed, local services like shelters and food banks figure prominently in meeting their needs. The Toronto Board of Trade estimates that it costs Canada \$2.25 billion in lost economic activity when we fail to better integrate immigrants into the economy.

Municipalities Must Be part of a National Solution

Although front-line service providers are key players in the successful settlement, attraction and retention of immigrants, municipalities have been left on the sidelines of immigration policy and funding decisions. Municipalities are neither mandated nor funded to provide immigrant support services, but out of necessity and in recognition of the value new immigrants bring to communities, municipalities are integrating immigrant needs into their budgets and service plans.

Already at their limits after years of taking on increasing responsibilities for services previously funded by other orders of government, shouldering the burden of the municipal infrastructure deficit, and relying on an out-of-date and regressive property tax system, municipalities now have to dig deeper to meet the growing demand of services essential to the effective integration of immigrants. These include affordable housing, public transit, child care and library services. Top arrival destinations like Metro Vancouver are reporting the need for 65,000⁵ additional

residential rental units per year to meet local housing demands, while lost productivity due to gridlock and lengthy commute times in Toronto is costing the region an estimated \$3.3 billion per year.⁶ Meanwhile, Canada's cities and communities are welcoming record numbers of permanent and temporary residents — 558,000 in 2010. Municipalities are left to manage and often fund the provision of adequate housing and reliable transit to support 558,000 additional people, while being kept on the periphery of the immigration debate.

Where the participation of municipalities is formally recognized, the intergovernmental partnerships are paying off. Recognizing Toronto's expertise in meeting the community-based needs of newcomers, Canada signed a trilateral immigration agreement with Ontario and the City of Toronto in 2005, laying the groundwork for a protocol for consultation and information sharing between all orders of government.

This trend of working with cities and communities must continue in order to improve settlement outcomes. The federal focus on jobs and language training is needed, but without a decent place to live, an affordable and reliable way to get to and from work, and communities that embrace what new immigrants have to offer, newcomers will continue to fall behind, and Canada will not achieve its full economic potential.

Next steps

Change is needed. The federal government must lead this change, with its provincial and territorial partners, but it must also bring municipal governments to the table. As important, our immigration system needs clear objectives and targets and regular public reporting to drive this change. Real

targets and regular reporting will drive political accountability and ensure that adequate resources are allocated to immigrant settlement.

Getting immigration policy right has never been more crucial to the success of Canadians, Canada and the communities we live in. We have to start today.

On July 12, 2011, the Minister responsible for Citizenship, Immigration and Multiculturalism launched public consultations on Canada's immigration policies. At the heart of this new national dialogue is a single question: How can Canada most effectively and affordably attract and integrate future immigrants?

The Government of Canada has already introduced some important reforms. It has taken steps to reduce backlogs and waiting times and improve the system's responsiveness to specific labour market needs. The government is also working with provinces and territories to better support skilled workers and provide fair, timely recognition of foreign qualifications. This will help Canadian employers fill vacant positions more quickly and enable newcomers to fully contribute their skills and experience to Canada's economy.

Citizenship and Immigration Canada is reforming the rules and procedures for admitting new immigrants and recognizing their employment credentials. The Government of Canada must build on these gains by developing a more comprehensive, cross-departmental, intergovernmental strategy that measures and supports immigrant's access to the basic infrastructure and services they need to succeed.

Recommendations in Brief

1. PUT SETTLEMENT SERVICES ON A LONGER-TERM, EXPANDED TRACK

The federal government should expand the current package of settlement services to meet a broader range of key needs including adequate and affordable housing and reliable public transit. Federal, provincial and territorial governments must ensure that their immigrant settlement programs and funding are put on a longer-term track to match five- to ten-year settlement time frames for newcomers. The Government of Canada must show Canadians' progress by improving data collection and information sharing about immigrant flow, settlement and integration; ensuring adequate settlement services are being provided and enabling cities and communities to tailor solutions to local needs.

2. SET CLEAR TARGETS FOR SUCCESSFUL IMMIGRANT SETTLEMENT

Canada's current indicator for successful settlement is the employment rate among new immigrants, yet this masks the reality for newcomers who can't find work to match their skills and those who are paying more than 30% of their income on housing, much of which is inadequate, or spending hours a day travelling to and from distant jobs. To better measure successful integration, the federal government must work with all orders of government and relevant stakeholders to develop a range of indicators that better measure the outcomes for new immigrants, including access to adequate housing, transit and other identified quality of life measures.

3. RECOGNIZE MUNICIPALITIES AS KEY PARTNERS

Municipalities are new immigrants' first line of support, and they are finding innovative ways to welcome and assist newcomers. The federal government should build on its successful relationships with Toronto and other Ontario municipalities. It should also find ways to engage municipalities in immigration policy development to tailor solutions to local needs and recognize the work municipalities are currently doing to support successful immigrant settlement.

4. FIX THE HOLES IN THE HOUSING MARKET

Housing affordability and availability present a growing challenge across regions and across income levels. Canada must consider tax and other incentives to increase the supply of rental housing; renew expiring federal housing programs and subsidies; and design policies and programs to support provincial, territorial and municipal 10-year housing and homelessness strategies.

5. CUT COMMUTE TIMES AND IMPROVE PUBLIC TRANSIT

Rising commute times are costing the country every second of the day. New immigrants are twice as likely to commute by public transit as Canadian born workers. The federal government must renew dedicated funding for public transit; set targets to stop rising commute times; and implement transit-supportive tax policies, including a tax-deductible, employer-provided public transit pass.

A Methodological Note On Data Used

This report relies on information and studies that use the most recent census data of 2006. The census is taken every five years and collects information about every household in Canada. The census provides the most detailed national information about the circumstances of populations across Canada such as income and education levels.



I IMMIGRATION AND SETTLE- MENT TRENDS IN CANADA

In 2010, Canada admitted **558,957 new residents under Citizenship and Immigration Canada's (CIC) two immigration streams: permanent residents, those authorized to live and work in Canada including individuals in the humanitarian population (mostly refugee claimants); and temporary residents, including foreign workers and foreign students. Permanent residents apply to enter Canada as either economic class immigrants, family class immigrants or protected persons.**

Of the total, 280,681 were permanent residents, the highest number since the 1950s. Of these newcomers, nearly two-thirds (67%) entered as economic class immigrants, 21% as family-class immigrants and about 12% as refugees and others admitted on humanitarian and compassionate grounds.

Citizenship and Immigration "Immigrant Classes"

Economic Class: immigrants selected for their skills and ability to contribute to Canada's economy, including skilled workers, business immigrants, provincial and territorial nominees and live-in caregivers and their immediate family members.

Family Class: immigrants sponsored by close relatives or family members in Canada. This includes spouses and partners, dependent children, parents and grandparents.

Refugees: people given protection in Canada who fear returning to their home country. This includes government-assisted refugees, privately sponsored refugees, refugees landed in Canada and dependents of refugees landed in Canada who live abroad.

Temporary Residents: includes foreign workers, foreign students and individuals in the humanitarian population (mostly refugee claimants).

Canadian Experience Class (2009): new in 2009, this category includes qualified temporary workers and foreign students.

Source: Citizenship and Immigration Canada, *Facts and Figures 2008: Immigration Overview Permanent and Temporary Residents*, catalogue number Ci1-8/2008E-PDF (Ottawa: Citizenship and Immigration Canada, 2009).

Canadian experience has shown the critical period of settlement and integration can last as long as 10 years. Three federal departments — Statistics Canada, Citizenship and Immigration Canada and Human Resource and Skills Development Canada — have all used the term “recent immigrant” to refer to immigrants arriving in Canada in the past five to 10 years. For the most part, this report is concerned with recent immigrants, or “newcomers” — those immigrants who have arrived in Canada within the past five to 10 years.

Welcoming Immigrants to Canada

What draws immigrants to a particular place? Canadian-based studies consistently identify “family or friends” as the top reason for a newcomer’s choice of city, with “job or job prospects” typically identified next. However, the unique attributes of certain places yield interesting variations across the country. For instance, 32% of newcomers to Vancouver named “climate or lifestyle” as a reason for their choice, way ahead of “job prospects” (6%); in Montréal, 19% of respondents identified “language,” compared with 16% who named “job prospects.”⁷ Even though the presence of family or friends was the overwhelming first consideration in Toronto, this was, nonetheless, the only city where the presence of an established ethnic community was named as one of the top five reasons for locational choice.

In 2010, two-thirds of all newcomers, both permanent and temporary residents, landed in one of the three largest metropolitan areas — Toronto, Montréal or Vancouver. During the past 10 years, the “TMV” triumvirate has consistently attracted the vast majority of newcomers, including refugees. Table 1 shows landings for top metropolitan destinations.

TABLE 1

Permanent Residents Immigrating to Canada: Top CMA Destinations

	2001 newcomers	% Total newcomers	2010	% Total
Toronto	125,175	49.9	92,184	32
Montréal	32,714	13.1	46,460	17
Vancouver	34,331	13.7	37,366	14
Calgary	10,183	4.1	16,103	5.7
Winnipeg	3,755	1.5	12,342	4.3
Edmonton	4,583	1.8	11,006	4.0
Ottawa– Gatineau	8,484	3.4	7,127	2.5
Hamilton	2,824	1.1	4,003	1.4
Kitchener	2,034	0.8	3,059	1.0
London	2,008	0.8	2,938	1.0
Windsor	2,994	1.2	1,836	0.7
Québec City	1,851	0.7	2,629	0.9
Canada	250,639	100.0	280,681	100.0

Source: Citizenship and Immigration Canada, RDM, Facts and Figures 2010

Changing Settlement Trends: Suburbs and Rural Canada

The figures presented in Table 1 for census metropolitan areas (CMAs) mask the increasing suburbanization of the immigrant population. The movement of immigrants away from the central city has been observed within most major metropolitan areas. The greatest shift in immigrant settlement patterns occurred in the suburbs surrounding the cities of Vancouver, Saskatoon, Toronto, the former City of Montréal and the former City of Halifax.⁸

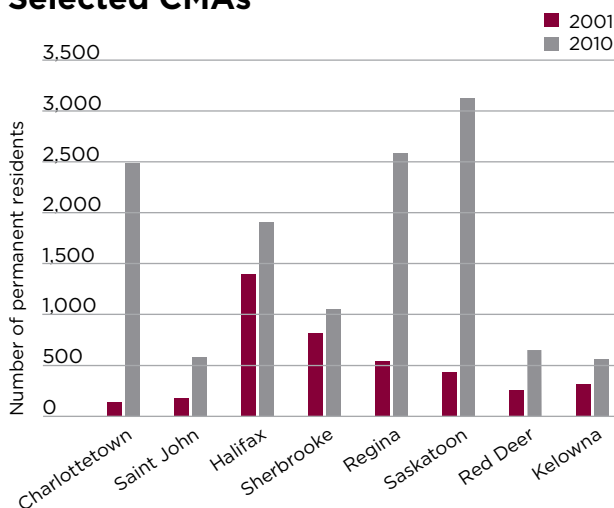
Several explanations have been offered for this trend. On the one hand, immigrants are being squeezed out of pricey urban neighbourhoods, finding themselves pushed further and further

out in search of more affordable locations. On the other hand, wealthier immigrants, often in pursuit of the North American dream, seek bigger houses on larger lots in the suburbs.

Looking at new permanent residents across the country, every province outside Ontario has increased or maintained its share of newcomers since 2001. Ontario accounted for nearly 60% of all new permanent residents in 2001, a peak year for the province; however, by 2009, Ontario's share was down to 45%. Some provinces, such as Manitoba, New Brunswick and Saskatchewan, more than doubled their share during the same period. This pattern was most apparent in some key CMAs. Some stunning growth in immigration has occurred in places outside Ontario. The chart below shows that Charlottetown, for example, experienced a ten-fold increase in the number of new permanent residents between 2001 and 2010, while Regina and Saskatoon more than tripled their intake. In a handful of western cities, the number of permanent newcomers in 2010 more than doubled the 2001 number.

CHART 1

Arrival of Permanent Residents, Selected CMAs



Although increases in Halifax were not as dramatic, the significant factor was that the downward trend between 1998 and 2004 was reversed.

Immigrants in the Suburbs

The trend toward suburbanization has been occurring for some time in parts of the country. For example, Mississauga, just west of Toronto, has welcomed successive waves of newcomers for more than two decades. By 2006, just over half of the city's population was foreign born, increasing from 47% five years earlier. Mississauga's proportion of foreign-born residents was the third highest among all Canadian municipalities. In fact, five cities in Canada can boast larger proportions of foreign-born residents than the City of Toronto, and seven beat the City of Vancouver:

Five cities in Canada have larger proportions of foreign-born residents than the City of Toronto, and seven have higher proportions than the City of Vancouver or Montréal

#1 Richmond, B.C.	57.4%
#2 Markham, Ont.	56.5%
#3 Mississauga, Ont.	51.6%
#4 Richmond Hill, Ont.	51.5%
#5 Burnaby, B.C.	50.8%
#6 Toronto, Ont.	50.0%
#7 Brampton, Ont.	47.8%
#8 Montréal, QC	45.6%
#8 Vancouver, B.C.	45.6%

Source: Statistics Canada, Census of Canada, 2006 (Ottawa: Statistics Canada). <http://www.statcan.gc.ca/pub/11-008-x/2008001/article/10556-eng.pdf>

In some parts of the country, newcomers are showing up — atypically — in rural and small towns. The authors of a 2007 Statistics Canada report note the success of two rural regions in attracting immigrants. Using a benchmark of annual immigrant arrivals per 100 residents, Steinbach, Manitoba, (at 1.58 annual immigrants/100) and Winkler/Morden/Altona, Manitoba, (at 1.16/100) ranked fourth and sixth in Canada in 2003–05, bookending Vancouver at 1.48/100.⁹ First-ranked Toronto welcomed an average of 2.34 immigrants per 100 residents annually during this time period.

Immigrants face a critical challenge, that of finding their “place” in cities with static rental stocks and a rapidly rising demand due to large-scale immigration. And they must do so with incomes that are generally well below average. (The Housing Situation and Needs of Recent Immigrants in the Montréal, Toronto, and Vancouver CMAs: an Overview, 2006, p.11)

How We Welcome and Settle New Canadians

In many communities, immigrants comprise the only source of population growth; in others, they are critical to filling local labour shortages. Citizenship and Immigration Canada (CIC) has explicitly stated that “[w]elcoming immigrants with the skills we need is essential to build Canada’s future labour force.”¹⁰ Immigrants are further valued for the diversity they bring to Canadian communities, whether in Canada’s largest multicultural centres, such as Toronto or Montréal, or in growing communities such as Saskatoon.

Achieving positive economic and social outcomes will depend not just on attracting newcomers but also on the retention and successful settlement and integration of new Canadians and permanent residents. Federal, provincial and municipal governments, with the help of community partners in business and social services, are spending money to create innovative programs to attract and retain newcomers and support their ability to positively contribute to Canada’s economic and social development.

CIC introduced a modernized approach to settlement programming in 2008–09 moving from multiple programs to one single Settlement Program. The new Program assists in delivering services that contribute to one or more of the following five expected results:

- > Orientation — Newcomers make informed decisions about their settlement and understand life in Canada
- > Language/Skills — Newcomers have language/skills needed to function in Canada
- > Labour Market Access — Newcomers obtain the required assistance to find employment commensurate with their skills and education
- > Welcoming Communities — Newcomers receive help to establish social and professional networks so they are engaged and feel welcome in their communities
- > Policy and Program Development — Newcomers receive effective service delivery and achieve comparable settlement outcomes across Canada

Newcomers settling into life in Canada are, first and foremost, settling into life in a community, where local people, services and organizations can make a real difference in creating a welcoming environment. Immigrants face their greatest challenges integrating into Canadian life in their first five years with the recognized period of settlement and integration lasting up to 10 years.

Funding Settlement

The Government of Canada provides blocks of funding for immigrant and settlement services for permanent residents, generally for the first three years after arrival, in order to help newcomers settle in Canada and participate fully in all aspects of Canadian society.

The current federal settlement budget of just over \$600 million annually primarily flows through the provinces and territories. British Columbia, Manitoba and Quebec assume direct responsibility for the design, administration and delivery of settlement programs and services to newcomers who settle in these provinces, but are expected to achieve outcomes comparable to those of CIC programs¹¹.

The allocations for basic settlement funding reflect a funding formula based on the number and class of newcomers. Additional weighting is given to refugees to account for their unique settlement needs. The formula also includes a capacity-building amount for each province and territory, recognizing that some jurisdictions are at different stages in terms of providing settlement help.

In 2007, the Government of Canada announced new funding to enhance immigrant attraction and retention services related to online information, outreach and consultation. Such funds are available through special contribution agreements on a province-by-province basis, or in the case of Manitoba and B.C., through existing federal-

Temporary Foreign Workers and Foreign Students

In addition to welcoming on average 250,000–265,000 new permanent residents each year, cities and communities support an additional 250,000 temporary foreign workers and foreign students. Temporary foreign workers and foreign student class immigrants do not receive settlement services funding. Often filling labour shortages in the hospitality, agriculture, child care and service industries, the much-needed influx of temporary workers significantly impact local services including public transit systems, housing, libraries and recreation facilities. Foreign students have a similar impact on services provided by municipalities. Yet municipalities are — as in other areas of immigration — left out of the decision-making process of where and how many temporary workers are admitted to Canada.

provincial immigration agreements. And, as noted below, Québec and Ontario each have unique agreements. However, in CIC's 2010 report to Parliament, the department revealed that as a result of a management review, it was decided that the overall settlement funding envelope for all provinces except Quebec, which has a separate funding agreement, would be decreased by approximately 8 per cent.

Table 2 shows the most recent distribution for all provinces and territories, except Québec and Ontario, and includes the allocations of funding for enhanced language training, portal and anti-racism initiatives.

In addition, the federal government enters into agreements with associations and philanthropic institutions to carry out much-needed assistance programs.

Foreign credential recognition plays a significant role in allowing newcomers to fully use their work skills and in turn impacts their settlement and integration into Canada. While the federal government is not directly involved in assessing credentials, it does play a role and in 2009, the Government of Canada and all provincial/territorial governments agreed on a new framework to improve the integration of immigrants into the Canadian labour market. The *Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications* states that governments across Canada will work toward

- > better pre-arrival service;
- > assessments that are fair, transparent, consistent and timely across Canada; and
- > improved workforce participation services for newcomers.

The Government's 2009 Economic Action Plan committed \$50 million to work with the provinces and territories to address barriers to credential recognition in Canada.

TABLE 2

Federal Settlement Funding Allocations to Provinces and Territories (Outside Ontario and Quebecⁱ)

Province or territory	Net allocation total funding 2009-10	Net allocation total funding 2010-11	% Increase
Newfoundland and Labrador	\$1,880,669	\$1,907,370	1.5%
P.E.I.	\$1,915,475	\$2,765,375	44%
Nova Scotia	\$6,767,461	\$7,097,327	5%
New Brunswick	\$4,219,820	\$4,715,257	12%
Manitoba	\$27,941,126	\$29,429,097	5%
Saskatchewan	\$8,030,275	\$10,127,313	26%
Alberta	\$58,536,986	\$60,048,771	3%
B.C.	\$120,729,982	\$114,079,030	-5%
Northwest Territories	\$612,413	\$633,079	3%
Nunavut	\$434,030	\$459,975	6%
Yukon	\$571,080	\$597,624	4.5%

Source: Citizenship and Immigration Canada, Settlement funding allocations for 2010-11, backgrounder (Ottawa: Citizenship and Immigration Canada, December 7, 2010), <http://www.cic.gc.ca/english/department/media/backgrounders/2008/2010-12-07.asp>; and Citizenship and Immigration Canada, Funding agreements with provinces and territories, backgrounder (Ottawa: Citizenship and Immigration Canada, 2009), <http://www.cic.gc.ca/english/department/media/backgrounders/2008/2008-09-02b.asp>.

ⁱ In the case of Québec, funding comes as an unconditional grant calculated according to an agreed-upon formula set out in the 1991 Canada-Québec Accord. The 2009-10 allocation is \$234.2 million. Within Québec, the Province is responsible for all settlement and integration services. For Ontario, funding is provided through the 2005 Canada-Ontario Immigration Agreement, generating a five-year allocation of \$920 million. This covers basic settlement services, enhanced language training, web portal and administration costs.



II BARRIERS TO SUCCESSFUL SETTLEMENT

“One needs to make integration services work better with programs delivered by provincial and municipal governments. Integration services cannot be delivered in silos. They will be much more effective if we take advantage of the whole range of government programs in areas as diverse as sport and recreation, early childhood education, family counseling, housing, employment and community mental health.”

– Matthew Mendelsohn, Former Deputy Minister of Intergovernmental Affairs in the Government of Ontario, and founding director of the Mowat Centre for Policy Innovation

Unlike previous generations of immigrants, newcomers to Canada are not catching up to their Canadian-born counterparts within the first ten years of arrival. The failure to recognize foreign credentials remains acute. In Toronto, recent immigrants with university degrees earned just half the income of their Canadian-born colleagues in 2001. Montréal and Vancouver fared little better, where newcomers earned less than 60% of the income earned by Canadian-born university-educated workers.¹² Statistics Canada’s 2009 report on newcomers’ work experience shows an 8.6% unemployment rate among newcomers with university degrees compared to 3.5% among Canadian-born university graduates.

Clichéd as it may seem, the simple truth is that immigrants are looking for the same things as other Canadians: a nice place to live with solid economic prospects and a high quality of life. As a result, Canada’s cities and communities are central to the success of newcomers’ experiences. Municipal governments play a crucial role in ensuring our immigration system generates the outcomes federal and provincial governments and newcomers want.

Cities, Communities, and the Global Economy

As the global race for talent, investment and jobs intensifies, Canada will need cities and communities with a high quality of life, modern transportation networks, and decent housing that new workers can afford.

In the last few years the federal government has helped municipalities repair some of the damage done to our communities by many years of underinvestment and downloading. However Canada's tax system continues taking too much out of our communities and putting too little back in.

Canadian municipalities, unlike many of their international counterparts, rely overwhelmingly on the slow-growing and regressive property tax. Without access to revenues that grow with the economy, and without sufficient long-term investments by other governments, municipalities face a structural gap between their growing responsibilities and the resources they have to meet them. Among the consequences is a \$123 Billion municipal infrastructure deficit, chronic homelessness, and growing traffic gridlock.

To meet these challenges, we must reform municipalities' funding tools and their relationship with the other orders of government.

Recent immigrants living in Canada's largest cities face serious challenges during their first five to ten years and, while their situations may improve, it is becoming less likely they will ever catch up to those born in Canada.

This is one of the principal findings of the fifth themed report in the Federation of Canadian Municipalities (FCM) Quality of Life series, *Immigration and Diversity in Canadian Cities and Communities* released in March 2009. The report compares social and economic conditions for immigrants and non-immigrants between 2001 and 2006 in the urban communities making up the Quality of Life Reporting System (QOLRS).

Generally, newcomers' needs centre on housing, employment, language barriers and access to services, including public transit. In communities with fewer established immigrant groups, newcomers expressed feelings of isolation. Among the immigrant classes, refugees tend to need

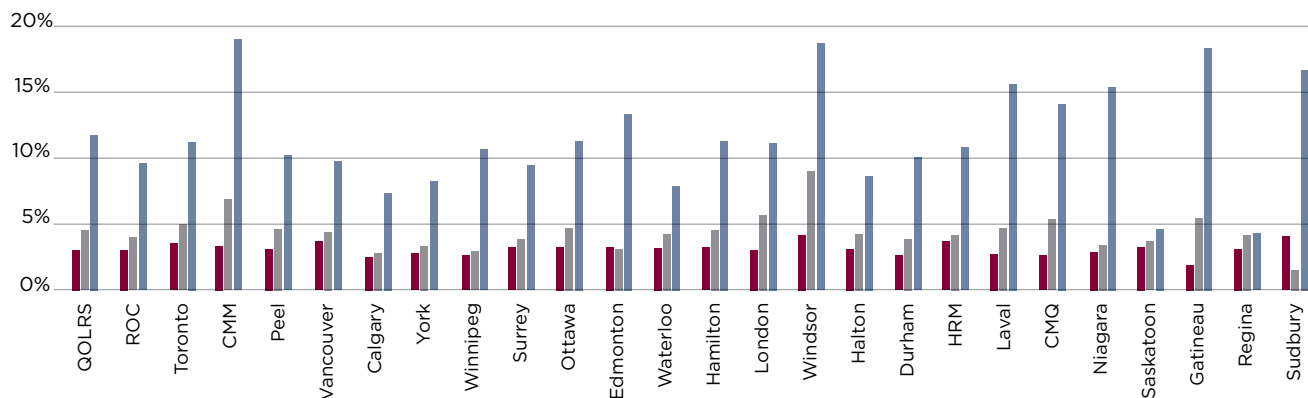
the most services. Family- and economic-class newcomers tend to have more resources, including friends and family.

A labour survey in Peel Region, just west of Toronto, reinforces the importance of "gainful employment," finding it to be the primary need of newcomers. Good language training and decent public transportation were viewed as key factors in improving newcomers' chances of getting a good job.¹³

ABOUT QOLRS

Led by FCM, the Quality of Life Reporting System (QOLRS) measures, monitors and reports on social, economic and environmental trends in Canada's largest cities and communities. Starting in 1996, the QOLRS is a member-based initiative of 23 communities in seven provinces. The full report on *Immigration and Diversity in Canadian Cities and Communities* can be accessed online at www.fcm.ca/QOLRS.

CHART 2

Unemployment rate for population aged 25-54 with university certificate/diploma/degree, by immigrant type, all communities, 2006

Source: Federation of Canadian Municipalities, *Quality of Life in Canadian Communities: Immigration & Diversity in Canadian Cities & Communities*

Housing

Accessing housing can be a key barrier to a newcomer's settlement. Without stable housing, immigrants and their families experience even greater difficulties finding jobs, enrolling children in school, participating in language training and becoming part of community life. Affordability is the largest constraint to housing choices for immigrants and refugees, although issues of discrimination and potential overcrowding also contribute to a lack of housing options. According to data from the Longitudinal Study of Immigrants to Canada close to four in 10 respondents reported difficulties finding housing during the first six months after becoming permanent residents.

The lack of adequate and affordable housing options is a problem facing cities and communities across the country. Historically low vacancy rates for rental properties and equally high home ownership costs have left 1.5 million Canadians in "core housing need," which is defined as paying more

than 30% of their income on shelter. Newcomers are disproportionately affected, as they are twice as likely to be renters as are members of the Canadian-born population.

Canada's last census showed that just fewer than two-thirds of all newcomers were renters. Of those, nearly half (48%) spent more than 30% of their income on rent, compared with 38% for Canadian-born renter households. Historically, immigrants' housing problems have lessened over time, with levels of affordability approaching those of the population at large. However, with the downturn in the economy since 2008 and the rise of housing costs, there are concerns that incidents of core housing need will rise among all Canadians, and recent immigrants will take even longer to catch up. There were even more severe affordability problems for newcomers in certain places — such as York Region, north of Toronto, where 57% of recent immigrants spent more than 30% of their income on rent; and Ottawa, where 52% experienced affordability problems.

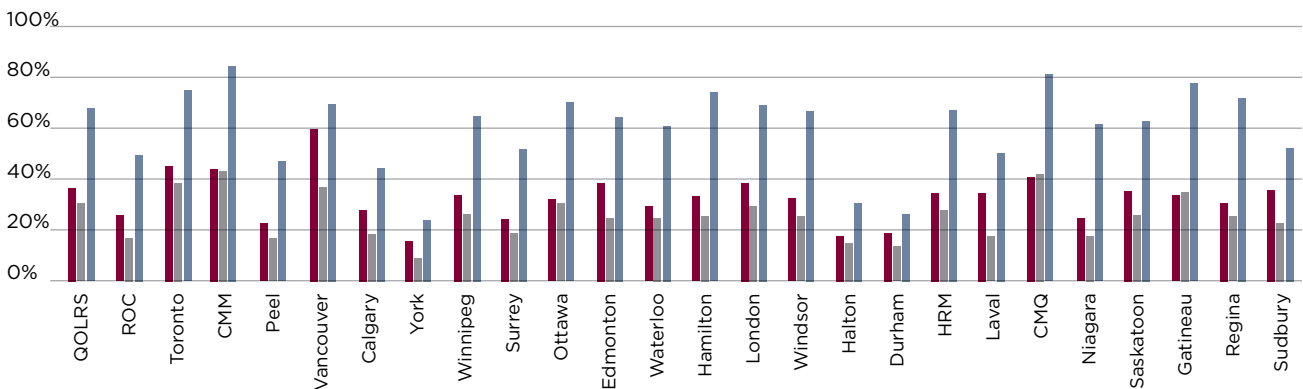
According to data published by the Canadian Mortgage and Housing Corporation (CMHC), 44% of recent immigrant renters in Canada are in core housing need, compared to less than a quarter of non-immigrant renters. Of course, households in core housing need are more likely to access social housing wait lists, a phenomenon to which local governments have responded. For example, Halton Region has established that every tenth social housing vacancy must be offered to homeless individuals, newcomers, or youth.

Among the top destinations for immigrants in 2006 (the most recent census data available), the Montréal CMA had the widest gap between non-immigrant and newcomer rental affordability. Just over one-third of non-immigrant tenants in Montréal paid more than 30% of their income on rent, compared with half of all newcomers. One possible explanation is the high number of refugees in Montréal; Montréal has twice the per capita share of refugees as Toronto, for example.¹⁴

CHART 3

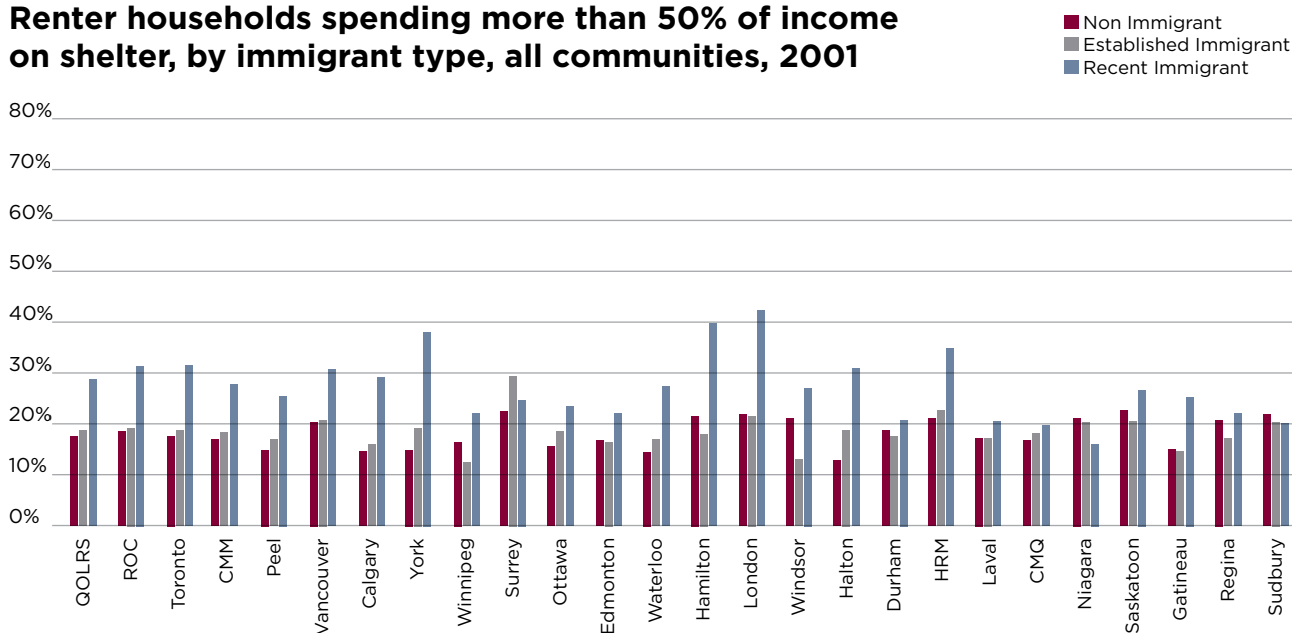
Renter households as a percentage of all households, by immigrant type, all communities, 2006

■ Non Immigrant Households
■ Established Immigrant Households
■ Recent Immigrant Households



Source: Federation of Canadian Municipalities, *Quality of Life in Canadian Communities: Immigration & Diversity in Canadian Cities & Communities*

CHART 4

Renter households spending more than 50% of income on shelter, by immigrant type, all communities, 2001

Source: Federation of Canadian Municipalities, *Quality of Life in Canadian Communities: Immigration & Diversity in Canadian Cities & Communities*

Housing need typically declines with length of time in Canada, while access to home ownership increases. Data from the 2006 Census reflect this trend, showing the following:

- > The incidence of affordability problems among foreign-born residents approaches the same levels as that among Canadian-born residents over time. Of course, in some cities, this is not necessarily a marker of success. In Vancouver, for instance, 43% of foreign-born residents spent more than 30% of their income on rent in 2006, compared with 44% of Canadian-born residents.
- > Homeownership rates among foreign-born residents (73%) were higher than those among Canadian-born residents (69%); in some metropolitan areas, the differences were quite pronounced. For instance, 63% of the City of Vancouver's foreign-born population were homeowners, compared with only 40% of the Canadian-born population; in Edmonton, 75% of foreign-born residents were homeowners, compared with 60% of Canadian-born residents.

Of course, such statistics don't account for the subsequent recession and its impacts. They also mask the many individual stories related to an immigrant's class, family status, family size or country of origin.

Barriers to Finding Housing

In a recent study on the housing needs of immigrants carried out for the Canadian Housing and Renewal Association (CHRA), Dr. Sarah Wayland describes primary, secondary and macro-level barriers affecting newcomers' experiences in finding housing:

- > Primary barriers relate to unchangeable personal characteristics, such as skin colour, age and religion.
- > Secondary barriers may change over time and relate to level or source of income, family size, language and community knowledge.
- > Macro-level barriers are broad contextual barriers generally outside an individual's control, such as the structure of the housing market, systemic discrimination, and government policy and regulations.

Source: Sarah Wayland, *The Housing Needs of Immigrants and Refugees in Canada* (Ottawa: CHRA, 2007), pp. 26–27.

As with all good public policies, immigrant settlement policies must be developed in concert with other areas affecting immigrant settlement outcomes, such as housing, health, transportation, income support, education and community planning.

Locally, municipalities must ensure that sound housing policies are an integral part of community planning, supporting inclusive neighbourhoods through appropriate zoning and land-use designations.

A Fix for Canada's Housing Problems

The lack of access to adequate affordable housing affects almost every Canadian community. Rising housing prices and rental shortages resulting from decades of low levels of purpose-built rental supply make it difficult for moderate income earners to find adequate housing. Cities scramble to provide housing for the workers they need to support the economy and productivity. While the number of families living in core housing need grows, federal operating agreements are expiring, which translates into a decline in federal housing expenditures by more than \$500 million annually by 2020. This threatens our future social housing stock, leaving many single-parent families, low-income seniors and recent immigrants struggling to find adequate, affordable housing.

In the last few years the federal government has renewed key affordable housing programs. A new 3 year Affordable Housing Framework was welcomed by municipalities and will support near-term affordable housing solutions in Canada.

In the longer-term, however, municipalities do not have the tools to fix growing cracks in Canada's housing system on their own.

Long-term fiscally viable solutions must be explored. Market-based incentives to increase affordable rental housing, for example, will help relieve the pressure on Canada's near-crisis shortage of affordable housing.

Efficient transit: the key for many newcomers

Public transit affects where newcomers can live and work and enables them to connect to the community. Since public transit in Canada cannot recover 100% of costs from rider fees, as is the case in almost all cities around the world, the cost of supporting this increasing ridership usually falls to municipal governments.

In a study undertaken for Statistics Canada, recent immigrants were found to be much more likely than Canadian-born residents to use public transit to commute to work.¹⁵ This was proven to be true even after controlling for age, gender, income and distance to work. In nearly every major city except Toronto, newcomers were twice as likely to use public transit to commute to work.ⁱⁱ

In Montréal, roughly half the recent immigrants commuted by public transit, compared with only 20% of Canadian-born workers. While there is evidence that these differences do diminish over time, accessible transit is fundamental to the quality of life of recent immigrants, many of whom simply cannot afford to own a car.

For many newcomers, efficient public transit can be as important as housing. A growing proportion of both jobs and newcomers are moving to suburban areas, which are often poorly served by transit.

This is reducing employment opportunities for an immigrant population disproportionately dependent on transit.

The lack of car ownership among recent immigrants, combined with inadequate transit service, can create further social and economic challenges for newcomers. Moreover, there are significant costs involved in providing much-needed services — such as medical care, counselling, and job and language training — to newcomers who are isolated due to poor transit options.

Two factors stand out:

1. Immigrants tend to use public transit in their commute to work more when they are new to Canada (independent of other factors, such as age and income), but their rate of transit use declines the longer they reside in Canada. In Montréal, for example, 49% of recent immigrants commuted to work by public transit in 2001, compared with 20% of Canadian-born people. But among those immigrants who had immigrated to Montréal 11 to 20 years previously, the proportion using transit to commute to work fell to 35%.
2. Newer cohorts of immigrants have higher rates of transit use than earlier cohorts. This may in part be attributable to the source countries of newcomers, where car ownership is less prevalent.

ⁱⁱ These include Montréal, Ottawa-Gatineau, Winnipeg, Vancouver, Edmonton and Calgary. In Toronto, the difference is less pronounced; in 2001, 20.7% of Toronto's Canadian-born residents used transit to commute, compared with 36.3% of newcomers.

TABLE 3

Public Transit Use to Commute to Work, by Immigration Status (2001)

	Canadian-born (all)	Newcomer* (all)	Canadian-born Living 5-10 km from work	Newcomer Living 5-10 km from work	Canadian-born Income over \$80,000	Newcomer Income over \$80,000
Montréal	20.1%	48.6%	30.4%	58.1%	15.8%	35.8%
Toronto	20.7%	36.3%	27.0%	38.9%	16.4%	28.9%
Vancouver	11.4%	21.1%	13%	24.2%	7.9%	17.5%
Ottawa-Gatineau	17.8%	33.5%	23.6%	36.8%	15.2%	22.9%
Calgary	12.7%	24.6%	16.8%	29.8%	10.5%	21.1%

Source: Statistics Canada, *Immigrants in Canada's CMAs* (Ottawa: Statistics Canada, 2004). *Newcomer is defined here as someone who immigrated to Canada within the past 10 years.

Table 3 above compares transit use of recent immigrants and non-immigrants in selected Canadian cities.

This high rate of public transit use among recent immigrants, coupled with the sizeable number of recent immigrants living in metropolitan areas, means they are an important and growing

customer base for public transit systems in many urban centres. As transit's share of urban travel continues to grow among both the immigrant and Canadian-born populations, federal and provincial governments must provide long-term, reliable funding so that transit systems have the financial certainty they need to meet the needs of all Canadians, now and in the future.

Transit and Economic Productivity

Long daily commutes — more than 75 minutes on average in Canada's biggest cities — are hurting the country's economic competitiveness. The most recent estimate in 2006 pegged the cost of traffic delays at more than \$5 billion a year, but there is growing evidence that today's cost is much higher.

- > The average Canadian spends the equivalent of 32 days a year commuting to and from work.
- > According to a recent report by the Toronto Board of Trade, Canada's two largest urban regions, Metro Montréal and the Greater Toronto Area, have average daily commute times of more than 75 minutes.
- > Canada holds the worst commute times in a ranking of 23 global cities. Only one Canadian city made it into the top ten.

Through the Building Canada Plan and the Economic Action Plan the federal government has helped municipalities make new investments in public transit during the last few years. However, these programs have now been fully allocated, and while the federal Gas Tax Fund provides ongoing investments, the high costs of building modern urban transit systems require dedicated funding. All governments must come together to fill strategic transportation gaps and put a ceiling on the millions-of-hours-a-year traffic gridlock costs to businesses, workers and families.



III MUNICIPALITIES AS PARTNERS IN IMMIGRANT SETTLEMENT

Few argue about the important role municipal governments play in helping newcomers settle into Canadian life. In many respects, municipal governments are the nation's first responders when it comes to immigrant settlement.

Whether the responsibility is *explicit and mandated* (such as providing housing in Ontario) or *implicit* (such as supporting community organizations), local governments across Canada are involved in attracting and retaining immigrants. Local governments know that immigrants are central to regional economic development strategies. They also know that in a world where talented workers are highly mobile, they must ensure a high quality of life and welcoming environment for newcomers.

Local government involvement in initial settlement services varies across the country, with Ontario municipalities leading the way in responsibilities (in keeping with their overall responsibilities for housing and some social services). However, all municipalities are involved, as they are often the first point of contact for newcomers integrating into Canadian life. They may provide temporary shelter to refugees, provide grants to community-based organizations, or enhance programs at local libraries or community centres, to give just a few examples.

The city of Edmonton publishes a 32-page Newcomers Guide in nine languages and operates the Citizen and New Arrival Information Centre at City Hall. The city also provides a telephone-based language interpretation line that can provide service in more than 170 languages.

Toronto Region Immigrant Employment Council

Established in 2003, the Toronto Region Immigrant Employment Council (TRIEC) is a multi-stakeholder body led by the private sector. More than 65 organizations are involved, including all orders of government, community groups, employers, occupational regulatory bodies and labour unions. It has enjoyed recognition and success for a number of key reasons including, most importantly, local leadership and corporate champions. TRIEC has taken a variety of leading-edge approaches to improve the utilization of newcomers' skills, education and experience. Through innovative policy development, program management, capacity building, public education and research, TRIEC works with businesses and local organizations that serve immigrants to do the following:

- > Connect companies to programs that can help them hire immigrants more effectively.
- > Educate the public through media and events.
- > Help immigrant-serving organizations expand their capacity to serve newcomers.

TRIEC also works to change the way governments deal with the issue of immigrant employment through an intergovernmental relations committee.

As noted, the services most newcomers need when they arrive in Canada are delivered locally, such as help with finding housing or jobs, accessing language services, or finding the right schools for their children. While such services may not be municipally mandated responsibilities, local governments have often found themselves filling the gaps, particularly when new waves of refugees land unexpectedly in communities. Public libraries, for instance, provide some of the most useful services for newcomers in a neutral and welcoming environment. The City of Toronto Public Library System's circulating collection includes books, CDs, community and employment guides, and other materials in 34 languages.

The Canada-Ontario Immigration Agreement has resulted in the useful Local Immigration Partnership (LIP) initiative, developed by Citizenship and Immigration Canada and the Ontario Ministry of Citizenship and Immigration. CIC provides funding for municipalities and local stakeholders to develop a comprehensive, coordinated and collaborative strategy for the settlement and integration of newcomers to their communities. In a March 2010 report of the Standing Committee on Citizenship and Immigration recommended the expansion of LIPs and the exploration of LIP pilot projects in other interested provinces.

Ontario also receives a higher number of family and refugee class immigrants in comparison to economic class immigrants. Refugee's needs may be considerable and place a significant demand on the system especially during a large wave of refugee arrivals. The high ratios experienced in Ontario tend to have a longer-term impact on shared municipal/provincial social services, highlighting the need for collaboration and strong operational connections across governments to better support refugees.

Case study: City of Winnipeg

In 2002, the **City of Winnipeg** pursued a partnership with the other orders of government to enhance immigration levels by increasing the number of family-linked refugees. City council seized on a request from the Manitoba Interfaith Immigration Council, recognizing its importance to the City's Homegrown Economic Development Strategy. A memorandum of understanding between the City of Winnipeg and the governments of Manitoba and Canada laid the foundation for the Winnipeg Private Refugee Sponsorship Program. The city set aside \$250,000 in municipal funds to cover refugee support when a private sponsor is no longer able to meet its commitment.

In the four years after its inception in January 2003, the program registered an average of nearly 650 cases per year, affecting about 1,200 individuals. The number of cases has been increasing steadily, rising to as many as 1,100 in 2007. Refugees come from more than 20 countries, including Afghanistan, Eritrea, and Ethiopia.

Concerns are mounting that the program is generating a larger-than-anticipated number of refugees, who will strain municipal resources. Issues have emerged around the educational failures of youth and the persistent and growing problem of affordable housing shortages.

The City of Vancouver continues to explore opportunities to work with all orders of government to ensure the most effective and responsive immigration policy for newcomers to Vancouver. In 2007, Vancouver struck the Mayor's Working Group on Immigration to provide recommendations to assist the city to further support and recognize the contributions of the growing and diverse group of new Canadians that make up that city.

Apart from offering employment opportunities, communities that succeed in keeping newcomers are those that establish a "welcoming environment." Community and local officials and research echo this fact again and again. Experience in Canada has shown that immigrants are often willing to compromise their economic status to live close to their ethnic community.

The growing diversity of Canada's communities affects — or should affect — the way services are delivered.

Whether big or small, Canada's communities are developing local partnerships to create strategies to attract, retain and integrate more immigrants.

Here is a sample of some local government-led initiatives:

- > municipal websites as portals for newcomers or prospective newcomers
- > newcomer guides
- > loans for education to upgrade credentials
- > awareness campaigns on the importance of immigration, often targeted to business
- > designated multicultural days
- > joint municipal government-economic development-chamber of commerce recruitment programs
- > co-location and coordination of settlement agencies
- > grants to ethno cultural organizations

Case study: City of Montréal

The **City of Montréal**, consistently one of Canada's top destinations for newcomers, manages immigration issues through a business-as-usual approach. The city carries out its responsibilities for community services, while recognizing that the provincial government has authority over the policy areas critical to immigrant attraction and retention: namely, immigrant selection and settlement services, education, employment, and health. The federal government retains responsibility for carrying out security and health checks for prospective immigrants. As such, Montréal faces the same problem as other cities in Canada: namely, a long wait for its selected, approved economic immigrants.

By agreement with the province, the City of Montréal receives \$1.5 million annually to fund agencies and community-based groups that support newcomers. In addition, the city contributes money and in-kind services, which include supporting municipal internships to help immigrants gain much-needed Canadian experience.

The City of Montréal aims to strengthen supports in neighbourhoods to make sure newcomers enjoy a positive first experience. Libraries play an important role as neutral environments for learning, and they are particularly welcome places for women and children. In partnership with schools and public health agencies, the city facilitates programs and actions in multicultural communities through "tables de concertation." In addition, the city adapts many programs to help newcomers with their daily lives and to acclimatize them to Canadian society. For instance, Eco-quartier helps those from non-urban backgrounds understand daily matters such as home heating, energy efficiency, recycling and garbage collection.



IV

CHANGING IMMIGRATION TRENDS AND NEW MUNICIPAL PRESSURES ON MUNICIPALITIES

In the past few years, we have witnessed the pull of economic opportunities. Recent waves of newcomers to cities in the West have been attributed to huge labour demands in the oil and natural gas industry, with spinoff effects throughout the economy. Rising wages have benefited newcomers in the West, as business owners have struggled to fill jobs.¹⁶

These job prospects have also attracted huge numbers of temporary foreign workers. In Edmonton, the number of temporary foreign workers increased the total number of newcomers by nearly 100%; in Calgary, by 75%.

Annual immigration to the City of Regina doubled in 2008 as a result of the success of the Saskatchewan Immigrant Nominee Program. Historically, immigrants have done well in Regina but the picture is changing. The city's vacancy rate has been below 1% since 2008, average rents have risen by one-third since 2006 and house prices have risen by 71% over this same period. New immigrants are helping the city and the economy grow but organizations working with immigrants have identified many challenges as well. They identify issues with the lack of affordable daycare and daycare that is sensitive to cultural differences in raising children; the need for education on human rights and the legal system; and the lack of affordable housing, rental accommodation, housing for larger families, and housing near schools.¹⁷

The Rural Picture

While some of the challenges are similar to those that new urban settlers experience (such as language and searching for jobs and housing), there are nonetheless unique factors associated with rural settlement, such as the following:

- > lack of public transportation
- > lack of multilingual health care professionals
- > lack of rental housing (although there are many more opportunities for ownership within a shorter period after arrival)
- > lack of advanced or technical language training

FCM's 2009 report *Wake-Up Call: The National Vision and Voice We Need for Rural Canada* confirms that immigration has largely reinforced the urban-focused trends in Canada's population growth. Nevertheless, there are impressive recent examples of integrating newcomers in rural Canada. Rural Manitoba offers some interesting lessons. Increased immigration through Manitoba's Provincial Nominee Program (PNP) has resulted in sizeable increases in the number of newcomers, including modest but increasing growth in the number of immigrants settling outside Winnipeg. According to Manitoba Labour and Immigration, more provincial nominees settle outside Winnipeg than any other category of immigrants; in 2006, 30% of all provincial nominees did so.¹⁸

Between 2001 and 2006, the Manitoba city of Winkler (population 9,100) attracted 1,100 newcomers. During the same period, Steinbach (population 11,000 and Manitoba's fastest-growing community) welcomed close to 2,000 newcomers. In each case, local chambers of commerce had recognized the need to fill gaps in the local labour market. The availability of jobs in the woodworking sector and related manufacturing has been a

strong draw for immigrants. The region's strong Mennonite community has also helped attract immigrants from Eastern Europe.

Steinbach and Winkler have enjoyed strong leadership support from the community because they have engaged all sectors, from businesses to community organizations. The Steinbach and District Immigration and Settlement Program, which city council and the local chamber of commerce organized, identifies specific programs newcomers need to adapt to Canadian life, including language classes in the workplace, adjustments to school curricula and assistance for training in specific industry sectors. And in Winkler, immigrant settlement services have finally been co-located. The one-stop shop is proving to be a welcoming environment for newcomers.

The successful integration of newcomers into rural life is evident from the continued growth of the immigrant community. From the initial "experiment" in 1998, when 10 families arrived in Winkler, the average has risen to about 200 families a year. Many come from rural areas in their country of origin; no doubt, this helps them make an easier transition to Canadian rural living. And, as noted, the area benefits from an existing population with languages and religious affiliations similar to those arriving from Russia, Kazakhstan and Germany.

It demonstrates that immigration has implications for the provision of public services and housing in Canada's rural areas and further highlights that inter-sectoral policy development involving all orders of government and key stakeholders is a critical component of successful immigration and integration policy.



V THE IMPORTANCE OF LONG-TERM PLANNING

New Canadians use and rely on a wide range of core municipal infrastructure — from public transit, to libraries, to community and recreation centres — to successfully integrate into their communities. Because of the long lifespans and high investment costs of these services, municipalities plan infrastructure over very long-term time horizons, often 20 years or more.

To provide the right infrastructure and services that future generations of new Canadians need, municipalities must start planning and investing now. Yet Canada's approach to immigration policy has been marked by short-term, ad-hoc arrangements without clear long-term objectives or milestones, all of which often change when ministers or governments change. This environment makes it difficult and expensive for municipalities to plan appropriately.

The Municipal Fiscal Squeeze

As recently documented in FCM's spring 2010 report *Mending Canada's frayed social safety net: The role of municipal governments*, the pressures of urbanization and offloading have resulted in Canada's municipal governments providing much more than their traditional responsibilities of basic services to property. These new municipal responsibilities include not only immigrant settlement programs, but also such other essential services as affordable housing, emergency preparedness and, in some jurisdictions, even daycare.

However, municipal governments lack the resources and fiscal tools they need to meet these new responsibilities. The numbers tell the story: currently, the federal government collects 50 cents of every tax dollar paid in Canada, while 42 cents are collected by provincial/territorial governments. Municipal governments are left collecting just eight cents out of every tax dollar.

The Property Tax and Social Services

In FCM's 2006 report on the municipal fiscal balance, *Building Prosperity from the Ground Up*, taxation experts outlined some of the major structural weaknesses of the property tax. The report noted that the tax is regressive, inelastic and generally unresponsive to local economic conditions.

As of 2008, municipalities relied on the property tax for just over 50 per cent of their revenues, by far their largest revenue source. Most relevant to the context of this report, the regressive nature of the property tax makes it particularly ill-suited to funding redistributive social infrastructure and services like immigrant settlement, housing or social assistance.

In the 2006 report, the data showed that the poorest 20 per cent of Canadians spend one of every 10 dollars they earn on property taxes, more than twice what they pay in income taxes. The wealthiest 20 per cent of Canadians spend less than two dollars out of 100 dollars on property taxes. This is particularly troublesome in situations where the property tax is used for services that redistribute income. Yet, it is exactly these types of expenditures that are a growing municipal responsibility.



CONCLUSION

Canada's economic future is tied directly to our ability to successfully attract and retain new immigrants. In response, the federal government has made immigration policy a key component of its economic action plan, tying Canada's 2010–2011 immigration plan to the country's economic recovery.

Immigrants not only bring economic benefits to a community, they bring social and cultural benefits as well. The historic and future contributions of immigration to the building of our nation must also be considered as we move forward with immigration policy.

New immigrants face significant barriers and are falling behind their non-immigrant counterparts. It is becoming increasingly evident that a much broader range of services, beyond those provided by federally or provincially supported services like orientation, language training and employment, are needed to support immigrants in their first five to ten years to ensure long-term successful settlement and integration.

Locally delivered services such as housing, recreation, library services, child care, and public transit are being accessed by new immigrants and play a significant role in their settlement process. In a world where talented workers are highly mobile, municipal governments must ensure a high quality of life and welcoming environment. And when immigrants don't succeed, municipal and community services like shelters and food banks figure prominently in meeting their needs.

Notwithstanding their important role and the significant costs they incur, municipalities have been largely left out of immigration policy and funding decisions. Municipalities are neither mandated nor funded to provide immigrant support services but out of necessity and in recognition of the value new immigrants bring to communities, municipalities are integrating immigrant needs into their

budgets and service plans, despite the economic pressures they are already under.

Change is needed. The federal government should lead this change with its provincial and territorial partners and should bring municipal governments to the table.

As important, our immigration system needs clear objectives and targets and regular public reporting to drive this change. Real targets and regular reporting will drive political accountability and ensure that adequate resources are allocated to immigrant settlement.

Getting immigration policy right has never been more crucial to the success of Canadians, Canada, and the communities we live in. We have to start today.

Recommendations

1. PUT SETTLEMENT SERVICES ON A LONGER-TERM, EXPANDED TRACK

Federal settlement services are limited to the first three years of settlement and focus on orientation, employment and language training, although the evidence shows that effective settlement takes at least 5 to 10 years and requires a broad range of support and training.

The federal government should expand the current package of settlement services and work with all orders of government to identify and meet a broader range of key settlement and integration needs including adequate and affordable housing and reliable public transit.

To ensure cities and communities best tailor solutions to local needs and to measure the successes, or failures, of settlement services and immigrant integration, the Government of Canada must improve data collection and information sharing about immigration flow, settlement and integration.

Further, federal, provincial and territorial governments must ensure that their immigrant settlement programs and funding are put on a longer-term track to match five- to ten- year settlement time frame for newcomers. This will ensure that local settlement service providers, including municipalities, have access to predictable funding upon which to plan and deliver their services.

2. SET CLEAR TARGETS FOR SUCCESSFUL IMMIGRANT SETTLEMENT

The federal government identifies employment and language proficiency as the primary determinants of successful immigrant settlement. However, the lived experience of many immigrants is clearly not successful, federal determinants notwithstanding. A growing number of new immigrants can't find work to match their skills; are paying more than 30% of their income on housing, much of which is inadequate; and are missing out on work opportunities because of a lack of child care or inadequate transit service.

Clear objectives and targets and regular public reporting is the key for driving change and results. Canada's national immigration system must adopt aggressive and comprehensive measures and targets that are true indicators of settlement success, including employment, language, adequacy of housing, access to quality childcare, reliability and affordability of transportation options, appropriate community services, and other identified quality of life measures.

The federal government must work with its provincial, territorial, and municipal partners, as well as community and business stakeholders, to develop these targets and regularly report to the public on progress. Real targets and regular reporting will drive political accountability and ensure that adequate resources are allocated to immigrant settlement.

3. RECOGNIZE MUNICIPALITIES AS KEY PARTNERS

Municipalities are new immigrants' first line of support, and they are finding innovative ways to welcome and assist newcomers. Community after community has identified the need to be engaged in decisions on immigration policy. Municipalities are best positioned to convene key stakeholders and provide information on local/regional labour markets and skills gaps. Recent experience in Ontario has shown the benefits of federal-provincial-local government collaboration.

The federal government should build on its successful relationships with Toronto and other Ontario municipalities. It should also find ways to engage municipalities in immigration policy development and service delivery exploit local government expertise and recognize the work municipalities are currently doing to support successful immigrant settlement on the ground.

The federal government's funding formula should also recognize the growing trends of immigrant settlement in non-traditional arrival cities like Halifax, Calgary and Saskatoon, and of greater immigrant migration to suburban regions. Further, as more and more newcomers arrive in one city and move to another within a short time period, the demand for settlement support continues beyond the initial point of entry. At the same time, it must be recognized that traditional settlement cities including Toronto, Vancouver and Montréal have unique demands on them, with more immigrants relying on their social support services than is the case for their counterparts in other regions.

4. FIX THE HOLES IN THE HOUSING MARKET

Housing affordability is impacting most communities and families and individuals across the income spectrum.

Canada must preserve existing affordable rental housing and increase the supply of our overall rental stock with a view to sustaining a healthy housing sector. It is time for the federal government to look to tax incentives to increase the supply of rental housing; renew expiring federal housing programs and subsidies; and design policies and programs to support provincial, territorial, and municipal 10-year housing and homelessness strategies.

5. CUT COMMUTE TIMES AND IMPROVE PUBLIC TRANSIT

Long daily commutes — more than 75 minutes on average in Canada's biggest cities — are hurting our economic competitiveness including our potential to attract and retain immigrants. Millions of families and businesses are suffering.

New immigrants are twice as likely to commute by public transit as Canadian-born workers. The federal government must renew dedicated federal funding for public transit; set targets to stop rising commute times; and implement transit-supportive tax policies, including a tax-deductible, employer-provided public transit pass.

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- ¹⁸ Government of Manitoba, *Manitoba Immigration Facts: 2006 Statistical Report* (Winnipeg: Government of Manitoba, December 31, 2006).

