

Written Submission for the Pre-Budget
Consultations in Advance of the 2025
Federal Budget

by: Century Initiative

List of recommendations:

- **Recommendation 1:** Maintain the course set in the 2024-2026 Immigration Levels Plan with a target range of new admissions of 1.15 per cent to 1.25 per cent of the population annually for the 2025-27 Levels plan and beyond.
- **Recommendation 2:** Develop an integrated approach to planning for temporary and permanent residency.
- **Recommendation 3:** Lead efforts to increase housing supply as part of a strategy for economic prosperity.
- **Recommendation 4:** Bolster economic growth and productivity by investing in stronger capacity for the community sector for newcomer settlement services and supporting a broader community integration mandate.

Building for Growth

This past year, Canada has undergone a historic national debate about immigration—about our ability to grow and grow well. Today, that conversation shows no signs of slowing down. That's a good thing.

While the conversation has intensified, the fundamentals—Canadians' support for immigration as the cornerstone of our population growth along with economic and cultural vitality—remain intact. Fundamentals, as it is now clear, cannot be taken for granted.

Canadians recognize that we have reached a 'now or never' moment when it comes to supporting our population and planning for the future. Either we will rise to the challenge, implementing innovative and inclusive policies to manage this growth sustainably, or we will fail to act decisively risking a less competitive, influential and prosperous Canada.

This crucial juncture requires us to build for growth as never before.

That effort starts with smarter, more sustainable planning. The success of Canada's immigration system has historically been underpinned by permanent economic migrants. Temporary residents, whether they are workers, spouses or students, play important roles in our economy and society, but with approximately 2.8 million temporary residents living in Canada, and mounting reports of fraud and misuse of the system, it's clear that a more integrated planning process is needed.

Further, we need immediate action on critical foundational supports to encourage population and immigration growth. In particular, a wartime-like effort is required to build the 3.5 million housing units that Canada Mortgage and Housing Corporation (CMHC) estimates Canada requires by 2030. But building more units is simply one piece of the puzzle.

By constructing infrastructure that supports livable communities, Canada will be better positioned to win the global competition for talent, facilitate positive integration outcomes, and pave the way for long-term economic and social prosperity.

The key lessons from the heated public debate on immigration and Canada's continued challenges are crystal clear: **we must plan smarter and build faster to achieve sustainable growth.**

Doing so will ensure that growth translates into greater opportunities for all Canadians.

To achieve this vision, Canada must follow up-to-date, robust data that reflects the realities and potential of our diverse and dynamic society. As such, Century Initiative is proud to present evidence-based recommendations to the Standing Committee on Finance, reflecting insights from our 4th annual National Scorecard on Canada's Growth and Prosperity, which can be found [here](#).

Recommendation 1: Maintain the course set in the 2024-2026 Immigration Levels Plan with a target range of new permanent resident admissions of 1.15 per cent to 1.25 per cent of the population annually for the 2025-27 Levels plan and beyond.

We welcome the Government of Canada's targets for new permanent residents set in the 2024-2026 Immigration Levels Plan of 485,000 residents in 2024, and 500,000 in both 2025 and 2026.¹ This measured increase from 472,000 new admissions in 2023 best positions Canada on a population pathway to meet our needs.

It is essential that this target be paired with continued efforts to improve the immigrant selection process. For example, adjustments to the Comprehensive Ranking System (the points system) and immigration streams are needed to balance near-term labour market needs with long-term human capital priorities. As adjustments are required, the annual levels plan and other policy statements should provide clear direction about the intended roles of different programs and long-term priorities.

Immigration selection should also support strengthening the French language in Canada. Century Initiative's National Scorecard tracks Francophone immigration and our latest update shows it needs attention.² The share of immigrants with French as their first official language has declined (though the share outside Quebec has increased). Canada should continue efforts to increase rates of Francophone immigration outside Quebec to 6 per cent in 2024, 7 per cent in 2025 and 8 per cent in 2026. Canada should also continue to work with Quebec under the Canada-Quebec Accord, which provides the province control over selecting immigrants that align with economic priorities and the protection of the French language.

Continued improvements to the administration of immigration and citizenship applications are also essential to support better outcomes. Canada's 'brand' to attract globally-mobile talent depends on offering high quality-of-life, and the immigration system should represent a welcoming "front door." A transparent and efficient experience also supports broader efforts to improve citizen services experiences, consistent with the mandates of the Minister of Citizens' Services and the Cabinet Sub-Committee on Service Delivery.

¹ Government of Canada, "Notice – Supplementary Information for the 2024-2026 Immigration Levels Plan," November 1, 2023, <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/supplementary-immigration-levels-2024-2026.html>.

²Century Initiative, "2024 National Scorecard", <https://www.centuryinitiative.ca/scorecard/immigration?detailsId=francophone-immigration>

Recommendation 2: Plan more effectively for growth by developing an integrated approach to temporary and permanent residency.

As of this summer, there are approximately 2.8 million temporary residents – or 6.8 per cent per cent of the population, double the number of two years ago.³ By contrast, permanent resident admissions are set to increase by 11 per cent to 485,000 over the same period.

Temporary residents make important contributions across Canada. And yet the lack of adequate planning has not served these newcomers or communities well. In the case of international students, Senators Marwah, Omidvar, Yussuff and Woo documented a range of serious challenges that include newcomers facing unacceptable abuses.⁴

Earlier this year, Minister Miller announced a commitment to set three-year targets for temporary residents that would see a cap on international student permits and the share of temporary residents decrease to 5 per cent of the population.⁵

To be successful, the levels targets for temporary residents should not just be included alongside the permanent resident plan but should be *fully integrated* with that plan – including transparency about the targets for temporary-to-permanent residency pathways in the Canadian Experience Class and Provincial Nominee Programs, and projections for impact on communities to support local service and infrastructure planning.⁶

A growth plan cannot be limited to the levels themselves. It must take into account the broader policy context for success. Supporting measures for a multi-year temporary residency plan should include:

- **Enhanced public and stakeholder engagement** to understand local priorities and economic needs.
- **Comprehensive data and research to track outcomes** for temporary residents, including transitions to permanent residency through economic immigration programs.

³ Statistics Canada “Estimates of the number of non-permanent residents by type, quarterly,” June 19, 2024, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710012101&pickMembers%5B0%5D=1.1&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2021&cubeTimeFrame.endMonth=04&cubeTimeFrame.endYear=2024&referencePeriods=20210101%2C20240401>

⁴ Honourable Sens. Sabi Marwah, Ratna Omidvar, Hassan Yussuff, and Yuen Paul Woo, “Strengthening the Integrity of Canada’s International Student Program”, September 2023, https://www.ratnaomidvar.ca/wp-content/uploads/2023/09/EN_CanadasInternationalStudentProgramDiscussionPaper-Final.pdf

⁵ Immigration, Refugees and Citizenship Canada, “Speaking notes for the Honourable Marc Miller, Minister of Immigration, Refugees and Citizenship: Announcement related to Temporary Residents”, March 21, 2024, <https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/03/speaking-notes-for-the-honourable-marc-miller-minister-of-immigration-refugees-and-citizenship-announcement-related-to-temporary-residents.html>

⁶ Yuqian Lu and Feng Hou, “Foreign workers in Canada: Differences in the transition to permanent residency across work permit programs”, Statistics Canada, June 26, 2024, <https://www150.statcan.gc.ca/n1/pub/36-28-0001/2024006/article/00001-eng.htm>

- Expanded **settlement and integration services for temporary residents** by expanding **eligibility criteria** for federal funding, including international student and post-graduate work permit holders.

Recommendation 3: Lead efforts to increase housing supply as part of a strategy for economic prosperity.

Canada is experiencing a nationwide housing crisis due to decades of inadequate construction. We urgently need to increase our supply and we have been pleased to see a cross-partisan consensus begin to emerge that we need to build for sustainable growth.

In our pre-budget submission for Budget 2024, Century Initiative called on the Government of Canada to use all the policy tools at its disposal to increase housing supply and support greater affordability and well-being. We were pleased to see that the 2023 Fall Economic Statement and Budget 2024 significantly expanded the federal housing toolkit, with tax changes, public lands, financing measures, and focus on new building methods that could reduce costs.

Even with these new initiatives, additional measures are urgently needed to respond to the scale of the housing crisis. Even if the initiatives in the 2024 Canada Housing Plan deliver their projected impact, they leave a gap of hundreds of thousands of homes short of what is needed to achieve a balanced market.

New measures should look across the housing system and complement existing efforts. For example, the Government of Canada should consider:

- Financing approaches that de-risk investment in much-needed housing, especially multi-family development with access to transit and/or other services or infrastructure.⁷
- Partnerships between federal and provincial governments, industries, and trades to promote growth and stability in the housing construction labour force – at risk of further decline during slowdowns in private investments.⁸
- Finance and capacity support for affordable housing development on land owned by religious communities.⁹
- Opportunities to further support housing-enabling infrastructure, including through the Canada Infrastructure Bank.

Federal leadership is crucial in closing the housing supply gap, necessitating strong collaboration across all levels of government and with private and non-profit sectors. This includes ensuring the infrastructure that supports housing and community livability. Federal programs like the Canada

⁷ Paul Williams and Yakov Feygin, "Smoothing the Housing Investment Cycle with a National Construction Lending Program, Center for Public Enterprise, July 2024 <https://publicenterprise.org/wp-content/uploads/Smoothing-the-Housing-Investment-Cycle-Part-1.pdf>

⁸ Cherise Burda, "This is the moment to fix the mismatch in Canada's housing supply," *IRPP Policy Options*, July 11, 2024, <https://policyoptions.irpp.org/magazines/july-2024/fix-the-mismatch-in-canadas-housing-supply/>

⁹ United States Senate Committee on Banking, Housing, and Urban Affairs, "Brown introduces Yes in God's Back Yard Act to Support Churches and Other Organizations Developing Affordable Housing," March 12, 2024, <https://www.banking.senate.gov/newsroom/majority/brown-introduces-yes-in-gods-back-yard-act-to-support-churches-and-other-organizations-developing-affordable-housing>

Housing Infrastructure Fund and Public Transit Fund are pivotal in driving local planning changes. However, it is essential to implement these funds without adding new red tape. Additionally, communities need clarity on the future of core infrastructure programs as the Investing in Canada Plan programs conclude. Any delays could jeopardize project pipelines.

Recommendation 4: Bolster economic growth and productivity by investing in stronger capacity for the community sector for newcomer settlement services and supporting a broader community integration mandate.

To support the permanent and temporary levels plans and to respond to broader social challenges of polarization and social isolation¹⁰, Canada must invest in strong community sector capacity for settlement and integration. All Canadians can benefit from this work – not just newcomers.

Settlement service organizations face a complex array of funding requirements. There are different service and reporting requirements from federal, provincial, and local funders each with different populations and regionalized needs. In addition, they face similar constraints to other community organizations on capped “administration” budgets that prevent them from investing in operational improvements and innovation.

To respond to these two imperatives, the federal government should:

- **Strengthen support** for community sector settlement and integration services, including enhanced and more predictable funding. The government should cut red tape, streamline reporting requirements and add greater flexibility to invest in technology, evidence, and other operational needs categorized as administrative costs.
- **Expand mandates to fund broad community integration activities.** Through various local programs and activities (service clubs, community support centres, events etc.), charities help bridge social divides and foster interactions that strengthen community bonds. By promoting interaction and understanding between immigrants and long-term residents, Canada can work towards a more inclusive and connected society.

About Century Initiative

Century Initiative (CI) is a national, non-partisan charity with a mission to enhance Canada’s long-term prosperity, resiliency, and global influence. As part of its mandate to improve understanding and identify solutions, CI supports an active research program that includes the [flagship Scorecard](#), as well as other focused [research reports](#) with expert partners.

¹⁰ Centre for Addiction and Mental Health, “Survey of Canadians’ pandemic health and substance use”, January 25, 2022 <https://www.camh.ca/en/camh-news-and-stories/anxiety-depression-loneliness-among-canadians-spikes-to-highest-levels>