## Intelligence MEMOS



From: Mitzie Hunter

To: Immigration Observers

Date: February 12, 2024

## Re: CANADA NEEDS TO RETHINK IMMIGRATION

In the 1970s, my family left our Jamaica home and arrived in Canada, enamoured with Prime Minister Pierre Elliott Trudeau's vision for a welcoming and multicultural nation. Despite many challenges, including more than a little cold weather and snow, my parents' hard work got them a home, put food on the table, and raised me and my siblings. In Canada, we felt a sense of belonging.

About 50 years later, in June 2023, our country hit a significant milestone in its multicultural journey as Canada's population surpassed 40 million for the first time, driven almost entirely by immigration.

The recent unprecedented speed and scale of Canada's population growth have raised surprise and concern among many Canadians and policy experts, including the <u>C.D. Howe Institute</u>. Between July 2022 and July 2023, population <u>surged</u> 2.9 percent, one of the fastest rates in the world and our highest since the 1957 baby boom peak. This rapid growth has coincided with a serious decline in housing affordability and availability nationwide, particularly in the rental market where monthly rents have his record levels. Meanwhile, home ownership hasn't been this challenging since the early 1980s.

Immigration undeniably needs to play an important role in Canada's success moving forward. Newcomers, much like my parents nearly 50 years ago, make invaluable contributions to our national fabric and will be vital to our long-term economic prospects as our population ages. Yet, it is becoming plainly obvious that Canada's ambitious <u>immigration strategy</u>, while well-intentioned, has some critical shortcomings, failing both those who arrive here seeking a better life and the country at large. A lack of coordination, accountability, and foresight has created a situation where public and private investments in housing and related infrastructure cannot match the rapid pace of population growth. This mismatch is leading to heartbreaking scenarios where young Canadians, newcomers, and the most vulnerable are forced to compete for limited housing options and other necessities, escalating costs and exacerbating the strain on social supports. It is hardly surprising that the national consensus on immigration that Canadian governments have taken for granted is starting to fray.

These critical shortcomings are most glaring in the recent debate over international students. It's clear that there was little to no planning to ensure that the communities where the more than 800,000 students reside had sufficient affordable housing options. This oversight is partly due to a lack of agreement on responsibility among post-secondary institutions, provincial governments, and the federal government, a problem which sadly <u>continues</u>.

The pressing question is: Where do we go from here?

It's my belief that to sustainably increase Canada's population growth in the long term, we need to have federal leadership to establish a framework for collaboration and input. This would bring together provincial governments, municipalities, homebuilders, and post-secondary institutions to assess their capacities and properly allocate resources for investments needed to support a rapidly growing population. Never again should important decisions around immigration be made in isolation.

But even under the best of circumstances, building housing and infrastructure takes time and according to the CMHC nearly <u>\$1 trillion</u> in additional investment. This is not a feasible task especially when builders are faced with higher borrowing costs, expensive building materials, increasing development taxes and fees, and persistent labour shortages and supply chain issues.

It's my view therefore that we need to temporarily reduce our immigration growth targets, which will help stabilize housing costs and allow us to invest more effectively in supporting newcomers to reach their full potential.

It's our job as Canadians, to build and invest in the future that we want. My family and I were blessed to arrive during a time when we could settle and thrive providing opportunities for the next generations. Canada needs immigrants to continue to succeed over the long run, but we also need to ensure that we have the resources to ensure they are properly housed and empowered the way my family was when we arrived. We can do that if our governments move away from the current chaotic approach and instead initiate open dialogue and work cooperatively. Our priorities and our policies must be aligned, and it's going to take all of society to help meet the challenge of our collective ambition.

Former Ontario education minister Mitzie Hunter is a Senior Fellow at the C.D. Howe Institute. This Memo is drawn from her argument at the C.D. Howe Institute's latest Regent Debate.

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