



BRIEFING NOTE

Settlement Agencies

December 19, 2011

Issue:

For the third consecutive year, the federal government is decreasing funding to Ontario settlement agencies in fiscal year 2012-13, while settlement funding for other provinces will rise or remain constant next year.

Key Messages:

- The successful attraction, retention and settlement of immigrants in our communities is dependent on the availability of employment, and social support systems
- Those newcomers who are most vulnerable will be most affected by the cuts in service
- Ontario newcomers make a significant contribution to the Ontario economy and to its workforce
- Last year, cuts to Ontario agencies led to loss of services as well as employment
- Encourage the federal and provincial governments to renew the Canada-Ontario Immigration Agreement (COIA)

Background:

The total 2012-13 amount for all provinces and territories outside Quebec is \$576.8M, triple the amount from 2005-06, but less than last year's funding.

On November 25th, 2011 Federal Minister Jason Kenney announced that Ontario will receive \$314.9M in the next fiscal year, 2012-13, down from \$346.5M this year. In 2010-11, Ontario received \$390.4M and in 2009-10 it received \$390.7M. Minister Kenney has said that the allocation is based on the share of newcomers received by each province and territory. The proportion of immigrants to Ontario has decreased from 59% in 2001 to 54% in 2005 and further decreased to 42% in 2010. London's proportion of Ontario immigrant landings increased by 1.2% during the same period. Ontario remains the number one destination of choice for immigrants to Canada.

According to the federal Department of Citizenship and Immigration (CIC), settlement funding will now be allocated according to a national settlement funding formula that is based on a province or territory's share of immigrant intake. This formula now applies in all provinces and territories except Quebec. The funding formula was also updated recently to reflect the use of settlement services by refugees. CIC's priority for the 2012-13 allocations is to focus on delivering services directly to immigrants and away from supporting expenses such as administration, travel or capital costs for organizations.

Charles Sousa, Ontario Minister of Citizenship and Immigration (MCI) has spoken out against the cuts, arguing that the \$31M in cuts will deny Ontario and its immigrants the access to services that will help them find employment and learn new skills.

Following last year's reduction to Ontario, settlement agencies in London were required to reduce their operating budgets by 10% and with the recent federal announcement, it is anticipated that further budget reductions will be required.

At its annual 2011 conference, the Federation of Canadian Municipalities (FCM) called for a restoration and an increase in funding for settlement services across Canada. The Association of Municipalities of Ontario (AMO) has noted that the successful attraction, retention and settlement of immigrants in our communities are dependent on the availability of employment, and social support systems.

The five year Canada Ontario Immigration Agreement, signed in 2005 has now expired.