

Aging immigrants tax Canada

Who should pay? Public, government concerned about financial burden of immigrating older relatives

By Martin Collacott, Vancouver Sun December 7, 2013

The federal government has taken major steps to reduce a massive backlog of applications from immigrants wanting to sponsor their parents and grandparents to come to Canada. At the same time, it introduced new rules requiring sponsors to take greater financial responsibility for parents or grandparents who immigrate to Canada. While these changes represent a significant improvement over what had been in place, they still come at a massive cost to the public purse.

By 2011, a backlog of more than 160,000 sponsored parents and grandparents was waiting to enter Canada.

At existing admission rates, most would have waited years before being allowed to come here.

The program is so popular, in fact, it was estimated the queue could reach half a million by 2020 with a wait time of 15 years before entering Canada. Sponsors were, not surprisingly, frustrated with the delays.

In stating this, however, it should also be noted that the government and the public in general are increasingly concerned about the cost of the program to taxpayers. Since the incomes and taxes paid by sponsored senior immigrants are very small, it has been estimated that, during the lifetime of these senior newcomers in Canada, taxpayers must support the health care and social transfer costs (OAS and GIS, etc.) of each to the tune of at least \$300,000.

In consequence, just eliminating the backlog will come at a high price. With the admission of 25,000 immigrant parents and grandparents last year, an equal number this year and an additional 20,000 next year, the bill to taxpayers will amount to an estimated \$21 billion - more than half of which comes in estimated costs for health care. If all those in the backlog are allowed in, the total cost could be twice as high.

To prevent such a backlog from developing in the future the government will place an annual cap on new applications - which for 2014 will be set at 5,000 and which is expected to involve 9,000 individuals when accompanying dependents are included. While new requirements will be in place that are designed to do a better job of ensuring that sponsors will live up to their commitments to support their parents and grandparents, most of the health care benefits and social transfers will still be available to them and within a few years, the cost to taxpayers could again be in the tens of billions of dollars.

In the circumstances, given the continuing generosity of the system, we may well have to expect pressure to increase the numbers admitted so more sponsored parents and grandparents can benefit. By the same token, taxpayers may object to the high cost and demand that sponsors pay for all the costs of their elderly relatives. In the meantime, the government will shell out a very large slice of taxpayers' money to assuage sponsors with parents and grandparents in the backlog. Not that opposition parties would be less generous. Olivia Chow of the NDP has made it very clear that she is strongly in favour of such sponsorships, while Liberal leader Justin Trudeau has declared that if he becomes prime minister he will reverse the changes the Conservative have made and make it easier for such seniors to come to Canada.

Canadians remain positively disposed toward immigrants in general. A recent Forum Research poll indicates they support the admission of an immigrant's spouse and dependent children by a margin of almost six to one. This welcoming attitude, however, does not extend to bringing in parents and grandparents, where Canadians are opposed by a margin of two and a half to one - very likely because of the huge cost to taxpayers and particularly the pressure on the health care system. Although the government has made a major effort to bring some semblance of order to the system, the debate over how many sponsored senior immigrants should be allowed to come to Canada and at whose expense is clearly not over.

Martin Collacott served as high commissioner to Sri Lanka and ambassador to Syria, Lebanon and Cambodia. His recent study, *Canadian Family Class Immigration: The Parent and Grandparent Program Under Review*, was published by the Fraser Institute and is available at www.fraserinstitute.org He lives in Vancouver.