



**Fee Review of the Nova Scotia Nominee Program
For the Office of Immigration**

FINAL REPORT

March 28, 2006

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1. EXECUTIVE SUMMARY

BACKGROUND

The character of international immigration is highly competitive and extremely complex. The Nova Scotia Nominee Program (NSNP) must compete both nationally and internationally to attract immigrants who are likely to reside here long term.

In December 2002, when the Province of Nova Scotia signed the nominee program agreement with the Government of Canada, they did so with the intention that administration of the program was to be at no cost to the taxpayers of Nova Scotia. In order to meet this basic objective, international marketing and administration of the program were contracted to Cornwallis Financial. The NSNP fees were structured to support this decision.

In January of 2005, the Province's first Minister of Immigration was appointed and the Office of Immigration was created. The primary mandate of the Office of Immigration is to provide leadership in implementing the Nova Scotia Immigration Strategy. With this decision, the Province of Nova Scotia invested resources in settlement programming and staffing of the Office of Immigration which includes administration of the Nova Scotia Nominee Program. As part of the immigration strategy, a commitment was made to review the fees and evaluate the entire program by 2007.

RESEARCH APPROACH

Information for this study was gathered through a variety of methods: Internet research, 5 written submissions from stakeholders, 37 interviews with key informants, direct contact with program administrators and statistical data retrieval. The three primary areas of focus were the following:

- Nova Scotia Nominee Program Fees;
- Immigration Consultant Fees; and
- Valuation of the \$100,000 Economic Stream Contribution.

The NSNP fees were compared to those of the eight Canadian provinces and one territory which have established immigration nominee programs and with Citizenship and Immigration Canada programs. The nature, scope, structure and fees associated with these programs vary from jurisdiction to jurisdiction in order to meet the specific needs of the province or territory.

While the economic stream in Nova Scotia is unique in the country, for the sake of this review we have compared its fee structure to that of the federal and Quebec investor classes and the business, partner and entrepreneur streams in the remaining programs. All jurisdictions have comparable skilled worker streams. The community identified stream in Nova Scotia has only one comparator in the community support stream in Manitoba.

It should be noted that the 37 interviews and 5 written submissions represent a very small sample of stakeholders and government officials. The results of this research should be considered within this context.

KEY CONCLUSIONS AND RECOMMENDATIONS

Public Policy

The fees associated with the three streams of the Nova Scotia Nominee Program are higher than any other immigration program in Canada. The Government of Nova Scotia should revisit the premise on which the fees were designed (that of no cost of administration to be born by taxpayers) to ensure they reflect the reality of today's situation and the retention objectives of the Immigration Strategy.

Nominee Program

ECONOMIC STREAM

Economic stream nominees in Nova Scotia recoup only a small portion (\$20,000) of the \$100,000 contribution made to a local company in return for a six-month employment contract and business mentoring. During the employment period, economic stream nominees are mentored in Nova Scotian business practices and are provided with the opportunity to develop personal and professional networks. Access to this type of experience shortly after arrival in Nova Scotia is very valuable to newcomers.

In other jurisdictions, investor, partner and business nominees make investments (active and passive) which, if financed through a bank or financial institution, are not refundable. There is no requirement for business mentoring or the transfer of business knowledge to these nominees.

Three fee options and a program redesign option are discussed in the body of the report. It is also recommended that, in order to get a true sense of the benefits received by economic stream nominees, further research should be undertaken with this group of immigrants.

SKILLED WORKER

The purpose of nominee programs is to assist the provinces in meeting labour market and industrial needs. With the highest fees in the country, the Nova Scotia Skilled Worker stream does not contribute to achieving the objectives of the agreement with the Federal government. Fee options presented in the body of the report should be considered in terms of the competitiveness of the program within Canada and the program's ability to meet strategy objectives and serious consideration should be given to significantly lowering or eliminating the fee.

Increased marketing of the skilled worker program should be undertaken within the local business community; many businesses do not know about the program or how it can be used to help them resolve skilled labour shortages.

COMMUNITY IDENTIFIED

The community identified stream provides the most economical opportunity to attract and retain immigrants throughout Nova Scotia. This stream should be expanded, through an expanded definition of "Community". By increasing the number of organizations eligible to identify prospective nominees, such as well-established immigrant and ethnic communities, the number of immigrants with personal connections in Nova Scotia would increase.

2. BACKGROUND

By its very nature, immigration is a global affair. It operates in a highly competitive and extremely complex environment where immigrants are becoming ever more knowledgeable about their options through the World Wide Web and are assisted by an extensive and savvy network of immigration consultants.

Canada is an attractive destination for many prospective immigrants but only about 1% of immigrants who arrive in the country come to Nova Scotia; and fewer remain here.

Immigration has also become a national affair. Nearly 94% of immigrants settle in Montreal, Toronto and Vancouver. The competition to attract immigrants to other parts of Canada has become fierce and for Nova Scotia to be successful, it must compete with the other provinces and territories.

Immigration had not been a high priority for Nova Scotians; however as the demographic changes of an aging population become more evident and the implications have become better understood, immigration is becoming a more urgent matter.

The Canada - Nova Scotia Agreement on Provincial Nominees was signed in August 2002 with the purpose of increasing the economic benefits of immigration based on industrial and economic priorities and labour market conditions. In December 2002, the Province contracted Cornwallis Financial Corporation to market the program world wide through its network of international consultants, receive applications and attract employers to provide work experience and/or hire nominees. The policy decision was to administer the program at no cost to the taxpayers of Nova Scotia. The immigration fees to the applicant were structured to support this decision. (See Appendix, page 38, for fee details)

Through the stakeholder consultation process in the fall of 2004, it became evident that there was growing support for increasing immigration to the province. The Nova Scotia Immigration Strategy was released in January 2005, at the same time as the appointment of the Provinces' first Minister of Immigration and the formation of the Office of Immigration. The primary mandate of the Office of Immigration is to provide leadership in implementing the immigration strategy. With this decision, the Province of Nova Scotia invested resources in settlement programming and staffing of the Office of Immigration which includes administration of the Nova Scotia Nominee Program.

One element of the immigration strategy was a commitment to review the fee structure of the nominee program in the winter 2005/6 and to carry out a formal evaluation prior to the end of the current Canada - Nova Scotia Nominee Agreement in 2007.

3. OVERVIEW OF RESEARCH PROGRAM

PURPOSE & OBJECTIVES

The purpose of this assignment was to conduct a comprehensive review of the Nova Scotia Nominee Program fees and to present options to the Office of Immigration on a fee structure which:

- is competitive with other jurisdictions for comparable streams;
- recognizes provincial costs (from general revenues) for processing and administrative functions, and takes into consideration the province's goal to double its number of immigrants at a reasonable cost to taxpayers;
- considers opportunities and benefits received by the immigrant;
- acknowledges NSNP's unique partnership with a third party agency; and
- is in keeping with what nominees can reasonably afford.

To achieve these objectives the following approach was carried out -

- A comparison of the provincial fees charged by the Nova Scotia Nominee Program to that of other provincial programs across the country for similar nominee streams. This also includes the fees charged by Quebec under its agreement with Citizenship and Immigration;
- A comparison of the provincial fees to those charged by Citizenship and Immigration Canada;
- An assessment of current trends in fees structures related to nominee programs;
- Identification of typical consultant fees incurred by immigrants as determined by the international market and a comparison to the NSNP's third party fees; and
- A valuation of the \$100,000 paid by economic nominees as it relates to the benefits received from the mentorship and management experience.

The fees associated with nominee programs throughout the nine (9) Canadian jurisdictions including eight (8) provinces and the federal immigration programs were researched.

It should be noted that the 37 interviews and 5 written submissions represent a very small sample of stakeholders and government officials. The results of this research should be considered within this context.

RESEARCH APPROACH & METHODOLOGY

The first step in this fees review was to collect and analyse quantitative and qualitative data about the current fees charged to immigrants and the value received. The information was gathered through a variety of methods: Internet research, 5 written submissions from stakeholders, 37 interviews with key informants, direct contact with program administrators and statistical data retrieval. The three primary areas of focus were the following:

- Nova Scotia Nominee Program Fees;
- Immigration Consultant Fees; and
- Valuation of the \$100,000 Economic Stream Contribution.

NOMINEE PROGRAM FEES

Currently, eight provinces and one territory have nominee programs – Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Saskatchewan, and Yukon – and now a program is being considered in Ontario. Each of these programs has been developed to meet the unique characteristics and needs of their communities; however, as many communities in Canada face similar labour force and community development needs, many of the programs have similar nominee streams.

IMMIGRATION CONSULTANT FEES

In addition to paying processing fees to nominee programs and the federal government, many immigrants employ the services of immigration consultants in their home countries and in Canada. All immigration consultants filing applications to Citizenship and Immigration Canada (CIC) on behalf of their clients must be registered with the Canadian Society of Immigration Consultants or their provincial/territorial law society. The fees charged by these consultants can vary greatly depending on:

“The nature of the services to be performed; the time required; the Immigration Consultant’s experience, ability and the degree of responsibility assumed; and the benefits that accrue to the Client.” (Canadian Society of Immigration Consultants)

VALUATION OF THE \$100,000 ECONOMIC STREAM CONTRIBUTION

Nominees accepted through the economic stream of the Nova Scotia Nominee Program are matched to a company for business mentoring purposes. The match between the business mentor and the nominee considers the nominee’s background, experience and future career goals. The Nominee makes a \$100,000 contribution to the business mentor, who has been previously approved by a committee consisting of representatives from -

- The Office of Economic Development;
- Nova Scotia Business Inc.;
- The Nova Scotia Office of Immigration; and
- Cornwallis Financial Corporation.

The business mentor uses \$80,000 of the contribution to develop a new product, market or service employing the skills and knowledge of the nominee in the process. The remaining \$20,000 is paid to the immigrant as salary for a six-month work term in a middle management position.

This opportunity is intended to provide value to both the company and to the nominee.

- The company receives a financial contribution as well as the knowledge and expertise of the nominee; and
- The nominee receives valuable work experience in Canada as well as an opportunity to contribute to the growth and development of the host company.

Placing a value on this, from the immigrant's perspective, involved developing an understanding of:

- Employment opportunities available to immigrants without Canadian work experience;
- Time to full employment with and without this experience; and
- Differences in earnings with and without the experience.

DATA COLLECTION PROCESS

The World Wide Web was the primary tool used to access research and collect data for this project. Information was also obtained directly from government agencies, community stakeholders, and interested parties. A total of five (5) written submissions were received from a variety of stakeholders.

Program fee information from all jurisdictions was readily accessible and gathered from the websites of each program. Federal processing fee information was accessed through the Citizenship and Immigration Canada website. A detailed matrix of programs and associated fees was developed which clearly identifies the similarities and differences between the fee structures of the programs. This matrix (Appendix A) provides a quick and easy reference to all processing fees currently associated with immigrating to Canada.

Recent changes to the fee structures of nominee programs in other jurisdictions were identified throughout the data collection process and noted on the matrix. It should be

noted that while some jurisdictions may have considered changes in the past, where changes have not been implemented information is not available.

Research reports and statistical data were gathered from various websites to facilitate the valuation of the economic stream contribution. Included in these sources are Atlantic Metropolis Centre, Human Resource and Skills Development Canada, Statistics Canada, and various universities and non-governmental agencies.

INTERVIEW PROCESS

The object of the interview process was to obtain perspective on the issues surrounding the fees associated with the Nova Scotia Nominee Program. A broad range of organizations and individuals were interviewed, including: community stakeholders, skilled worker employers, economic stream employers, nominees, federal program immigrants, immigration lawyers and consultants and provincial representatives. The results of these interviews are used throughout the report to add context to the discussion and provide a view of fee impacts from all perspectives.

4. FINDINGS & ANALYSIS

SUMMARY OF STAKEHOLDER FINDINGS

Introduction

The stakeholder findings presented in this chapter are based on the interviews conducted with key stakeholders associated with the Nova Scotia Nominee program. They included -

- Immigrants who came to Nova Scotia through the Nova Scotia Nominee Program;
- Immigrants who came to Nova Scotia through the Federal government program;
- Local business owners and / or executives who provided business mentorship to Economic Nominees;
- Employers who hired nominees through the Nova Scotia Skilled Worker stream;
- Immigration consultants and lawyers;
- Employees in the immigration departments of other provincial governments;
- Federal government immigration officials; and
- Representatives of ethno-cultural groups in Nova Scotia.

These interviews sought information related specifically to the NSNP fees and not to the overall program. These findings represent the consolidation of the information learned through this process.

The Nova Scotia Advantage

- The single biggest advantage that the NSNP has is the speed with which applications are processed. We have been told this is the fastest application process in the world and that the economic stream is the 'cheapest, fastest and best door into Canada' at the moment and that it should not be changed.
- Nova Scotia's proximity to the Middle East makes it an attractive place for immigrants from that part of the world. On the other hand, the west coast is much more attractive to Asian immigrants.
- The agents internationally market our FREE health and education system and the fact that it more than covers the cost of the economic stream fees.

- The Community Identified stream is commonly promoted by immigration lawyers because the cost is reasonable, it does not typically require the use of international consultants and the Regional Development Authorities provide support to the nominee's application.
- There is general acknowledgement that Cornwallis Financial is very efficient in processing applications which is a key component in the attractiveness of the NSNP.

Nominee Experiences

- Where a match between a business mentor and an Economic stream nominee is not readily found, the nominee may be referred to another consultant by Cornwallis Financial. This new consultant takes, as commission for finding the match, 10% of the \$100,000 originally destined for the business mentor.
- Business matches outside metropolitan Halifax present greater challenges and are more difficult to secure than those within HRM.
- For immigrants to be successful in a middle management role they require more than basic English language proficiency.
- The \$5,500 NSNP Skilled Worker fee is seen to be too high, particularly in comparison to fees in other provinces where the fees are either significantly lower or there are no fees at all; and it is payable in addition to the Federal government fees.

Retention and Settlement

- Fee considerations are only one piece of the immigration puzzle. The value of securing landed immigrant status and safety and security for their families often far outweighs the costs associated with immigration for an immigrant.

The single biggest competitor for immigrants in Nova Scotia is the immigrant's home country. It is not uncommon for immigrants to return to their home countries to carry on with their businesses after securing landed immigrant status in Canada. Their wives and children remain in Canada to take advantage of the healthcare and education systems, which are often considered far more valuable than the cost of immigration. This situation can cause a great deal of disruption to the family unit which may increase the reliance on settlement services, language training, and community services.

From the perspective of retaining immigrants in Nova Scotia, there is good potential that the children will remain in Canada; however, like other young people, they may or may not decide to stay in Nova Scotia.

- While 'basic' English language skills are a NSNP requirement, many nominees speak very poor English and are coached to answer the interview questions by rote. Some of these nominees subsequently enrol in local ESL programs. These language barriers may inhibit their potential for finding a business match and / or full employment.

Business Mentor Experiences

- All of the Business Mentors interviewed described the program as extremely positive and believe it should not be tampered with in any way.
- The \$2,500 or \$3,500 fee paid by businesses is considered a reasonable fee for the service provided.
- \$80,000 is enough to cover the full costs of mentorship including equipment, mentorship time and project implementation.
- One business mentor estimated that the total costs of mentorship including management time, provision of technology and telecommunications and space to be about \$50,000.
- We learned that one potential mentor was advised by their accountant to decline participation in the program because the tax treatment of the \$100,000 contribution from the economic stream nominee is unclear.

Fees & Use of Consultants

- The vast majority of immigrants use a consultant to assist with some part of the immigration process, regardless of which stream or program they are using to enter the country.
- We encountered a number of immigrants who paid consultants fees above and beyond the fees associated with the NSNP Economic stream under which they were applying. In some cases these fees were paid prior to their decision to apply under the NSNP program and in other cases they were unaware that the fees for the NSNP economic stream include consulting fees.
- We also are aware of one economic nominee who did not use an international agent and yet paid the full \$130,500 fee.
- The fees for the Economic Stream do not appear to be a deterrent by those who are interested in this type of immigration category. They are viewed as the 'price of admission' to Canada and are competitive with the financing packages for investor class immigrants in the federal and Quebec programs and business oriented streams in several provincial nominee programs.

- Some immigrants do not disclose their true economic value because of the corruption in their own countries, so the \$800,000 ceiling in Nova Scotia would not have been seen to be a deterrent.

The Cape Breton Experience

- 12 physicians have been recruited to Cape Breton through the NS Skilled Worker stream. An additional 41 were recruited through the federal skilled worker program. These 53 physicians come from 37 countries.
- The Cape Breton Health Authority utilizes international head hunters to whom they pay \$10,000 for each recruit.
- There are limited settlement services in Cape Breton, so the employer takes on the settlement role.
- The departure rate for physicians is about 10%; moving to Ontario and BC.

Perceptions of the program

- Canadians do not understand the value of holding a Canadian passport and do not realize what people in other countries are willing to pay for that privilege.
- The Economic Stream is seen by some as an avenue for wealthy immigrants to buy their way into Canada. As the goal of the NSNP is to attract immigrants who will settle here for the long term, there is a perception that those who can afford to pay the \$130,500 fee likely also have the resources to move elsewhere in the country, thereby compromising the spirit of the program.
- The six-month term of employment under the Economic stream was interpreted by one nominee to be a probationary period for a full time job.

Key Issues

- Key issues for immigrants are –
 - What is the price of admission?
 - How long does it take?
 - What is the likelihood of successful immigration?
- Nova Scotia is the only province that **REQUIRES** a nominee to use a consultant to do the file preparation at a fee of either \$10,000 for the Economic Stream or \$5,000 for the Skilled Worker stream.

- Nominees in other provincial programs are also paying consultant fees, albeit fees that are outside the nominee programs and not readily transparent. The Nova Scotia economic stream was designed to make the fee all inclusive and transparent; however it appears that neither the all inclusiveness nor the transparency is readily understood by immigrants and community stakeholders respectively.
- For a nominee / business mentorship relationship to be successful, the business mentor must enter the relationship with the objective of making the nominee part of the team and providing the support needed to become successful in Nova Scotia.

NOMINEE PROGRAM FEES REVIEW

Eight Canadian provinces and one territory have established immigration nominee programs with Citizenship and Immigration Canada. The nature, scope, structure and fees associated with these programs vary from jurisdiction to jurisdiction in order to meet the specific needs of the province or territory. Each jurisdiction has developed a program with unique characteristics that they hope are attractive to the potential immigrant while also satisfying the human resource and growth potential of their communities.

While the economic stream in Nova Scotia is unique in the country, for the sake of this review we have compared it to the federal and Quebec investor classes and the business, partner and entrepreneur streams in the remaining programs. All jurisdictions have comparable skilled worker streams. The community identified stream in Nova Scotia has only one comparator in the community support stream in Manitoba.

The fees associated with the three streams of the Nova Scotia Nominee Program are higher than any other immigration program in Canada.

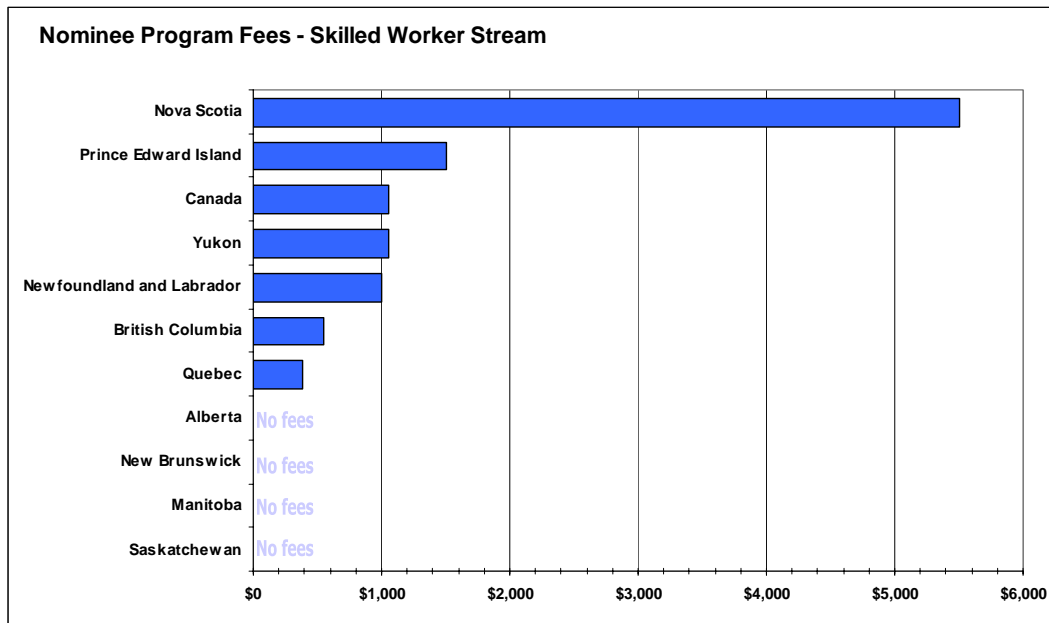
Federal Fees

In all cases, the primary applicant to a nominee program is required to pay federal processing fees of \$550 and the right of landing fee of \$975. In addition, the spouse of the primary applicant must also pay the \$550 applicant fee and the \$975 right of landing fee. Any dependent children, under the age of 22 must pay \$150 processing fee (dependent children are not required to pay the right of landing fee).

Federal fees presented in the following section relate exclusively to the primary applicant (nominee). Where the nominee has a spouse and children, additional fees are required.

Skilled Worker Stream

As shown by the following chart, at \$5,500 the skilled worker stream in Nova Scotia charges fees that are three times higher than the closest comparator (Prince Edward Island) at \$1,500.



Source: Created by researchers based on data obtained from program websites.

In Nova Scotia prospective immigrants applying through the Skilled Worker Stream can incur costs up to \$7,025, if they pay all of the fees. In many cases (but not all) the employer shares the cost of application with the applicant. Often, the employer pays the higher of the two sets of fees (in this case the NSNP fees) and the federal fees, of \$1,525, are paid by the applicant. Prior to introduction of the Nova Scotia Nominee Program, employers using the Federal skilled worker program paid all of the Federal fees (program \$1,050 and right of landing \$975), which together are less than half of the NSNP skilled worker fees. Nova Scotian employers who are participating in the program seem willing to bear the additional cost of the nominee program in return for speed of processing. In most cases, the nominee certificate is issued within two months of application, allowing the worker to obtain a temporary foreign worker permit and begin working while the federal processing is completed. The total process, provincial and federal, is usually complete within 12 months.

In some cases, employers incur additional fees in the identification and selection of skilled workers. It is not uncommon for employers, who are seeking individuals with specific skill sets, to use recruiters or head hunters in foreign markets to identify individuals who are able to fill positions. The health care sector is one that makes good use of recruiters in the identification of medical doctors and other health care practitioners who are qualified to

work in the Canadian health care system. The recruitment process can add up to \$10,000 to the cost of employing a skilled worker, all of which is born by the employer. As well, in some cases, employers travel to international job fairs to recruit, bearing the cost of travel and marketing materials.

NOMINEE APPLICANT COSTS

Description	Fee/ Cost	Paid to	Comments
NSNP File Preparation*	\$5,000	Cornwallis Financial	\$1,200 is not refundable
NSNP Assessment*	\$500	Province of Nova Scotia	Not refundable
NSNP Total	\$ 5,500		
Federal Processing*	\$550	Government of Canada	
Federal Right of Landing*	\$975	Government of Canada	
Federal Total	\$1,525		
Total Costs	\$7,025		Does not include costs associated with site visit

** These fees are paid by either the applicant or the employer; in some cases the employer pays the higher of the two sets of fees.*

EMPLOYER COSTS

Description	Fee/ Cost	Paid to	Comments
Recruitment	Up to \$10,000	Consultant / recruiter OR Company time & resources	This fee is entirely discretionary on the part of the employer
Total Costs*	Up to \$10,000		Does not include costs associated with site visit

** In some cases the employer also pays either the NSNP fees and/or the Federal processing fees.*

The program fees for skilled workers initially appear to be limited to \$5,500, when in actuality it may cost a Nova Scotian business over \$17,000 to recruit and employ a skilled worker. Similar out-of-pocket costs are associated with recruitment to other provinces and must be considered in the comparison of total fees.

Community Identified Stream

The program fee for the community identified stream of the Nova Scotia Nominee Program is \$1,700 which is paid by the applicant. The Manitoba community support stream, like all Manitoba programs, has no processing fees.

NOMINEE APPLICANT COSTS

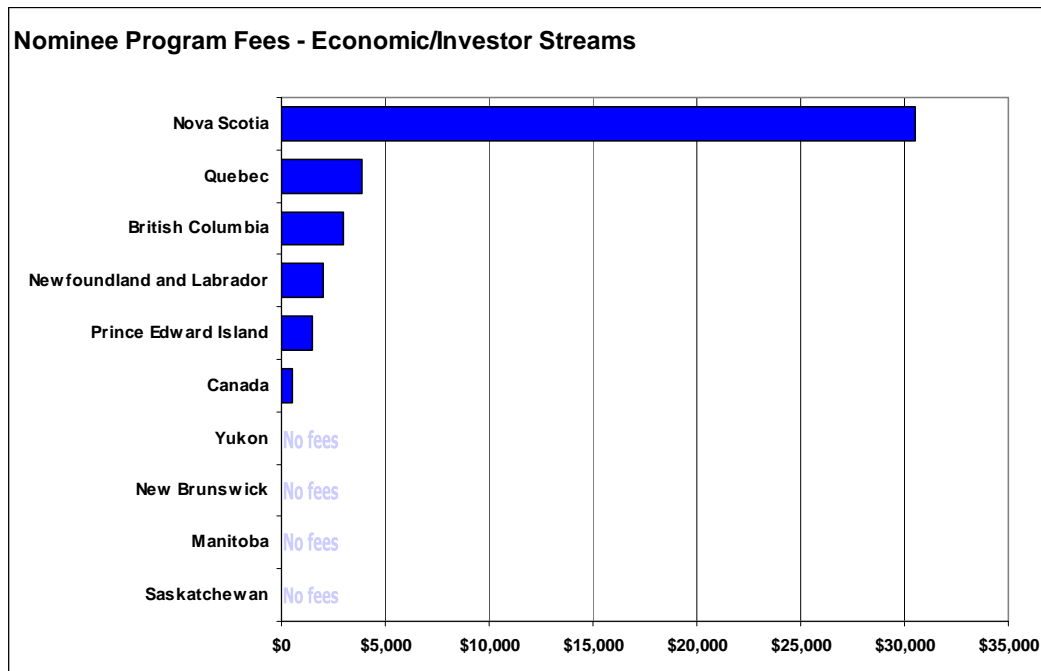
Description	Fee/ Cost	Paid to	Comments
NSNP File Preparation	0		Pro bono by Cornwallis Financial
NSNP Assessment	\$1700	Province of Nova Scotia	Non-refundable
NSNP Total		\$1,700	
Federal Processing	\$550	Government of Canada	
Federal Right of Landing	\$975	Government of Canada	
Federal Total		\$1,525	
Legal advice	Up to \$10,000	Immigration lawyer	At the discretion of the applicant
Total Costs		Up to \$13,225	

Almost all of the community identified applicants are already resident in Nova Scotia, having purchased property or a business prior to consideration of immigration. In most cases the applicants work with an immigration lawyer or consultant to complete the application process, in conjunction with a RDA or similar organization entitled to identify prospective nominees. The cost of the consultant/lawyers is borne entirely by the applicant and must be factored into the comparison of program fees; legal fees can range from \$2500 to \$10,00.

Economic Stream

The cost to the applicant for the Economic Stream of the Nova Scotia Nominee Program is \$130,500. The largest portion of this, \$100,000, is contributed to a local business in return for which the nominee receives a six-month employment contract. The nominee is able to choose the employer from a list of approved Nova Scotia businesses and receives a minimum salary of \$20,000 (in some cases nominees negotiate a higher salary). This program is unlike any other program in Canada.

Prince Edward Island and Newfoundland and Labrador have instituted Partner programs where nominees invest a specified amount of money (between \$100,000 and \$200,000) in a business in the province and are active in the management of that company. Manitoba, Saskatchewan, British Columbia, New Brunswick, and the Yukon have business programs that require active investment in an existing company or the creation of a new company with predefined investment levels (ranging from \$150,000 to \$800,000). The Province of Quebec and the Government of Canada have investor class immigration which is passive investment, requiring investment of \$400,000 without the requirement for active participation in the company. As the chart below shows, the processing fees associated with programs other than Nova Scotia vary from a high of \$3,850 in Quebec to several programs with no processing fees.



Source: Created by researchers based on data obtained from program websites.

Immigration consultants, immigration agents and immigration lawyers are heavily used in the application process for all of these programs in all jurisdictions. In Nova Scotia’s economic stream agent referral fees are included in the NSNP fee. However, many prospective immigrants pay fees to agents and consultants in addition to the fees charged through the nominee program (see Immigration Consultant Fees below).

NOMINEE APPLICANT COSTS

Description	Fee/ Cost	Paid to	Comments
NSNP Referral Fee	\$20,000	Immigration agent	
NSNP File Preparation	\$10,000	Cornwallis Financial	\$1,200 non-refundable
NSNP Assessment	\$500	Province of Nova Scotia	Non-refundable
NSNP Economic contribution	\$100,000	Local company	
NSNP Total	\$130,500		
Federal Processing	\$550	Government of Canada	
Federal Right of Landing	\$975	Government of Canada	
Federal Total	\$1,525		
Consulting/legal advice	Up to \$10,000	Consultant/lawyer/agent	At the discretion of the applicant
Total Costs	Up to \$142,025		Does not include cost of site visit

Additional costs to the immigrant, when applying for nominee programs, are incurred in the requirement to visit the province in which they intend to settle, identify business opportunities for investment, and have an in-person interview with a representative of the province or territory. Depending on the country of origin, this visit can cost upwards of \$6,000.

All together it can cost the immigrant \$16,000 to apply to the program, above the actual stated program fees.

The \$100,000 economic contribution that is made to a local business in return for a six-month employment contract allows the nominee to recoup at least \$20,000 in salary over the six-month term. In some cases, where a third party is engaged to secure the business match a match commission of \$10,000 is paid; leaving only \$90,000 for the company and the nominee to share.

BUSINESS COSTS

In Nova Scotia, businesses seeking to participate in the economic stream as a business mentor pay either an application fee of \$2,500 or a matching fee \$3,500. Businesses are required to submit an application for the program which includes a plan detailing the use they will make of the \$80,000 contribution. In some cases, business owners engage accountants to assist in the application process and development of the plan, thereby incurring an additional cost of up to \$5,000. Costs to businesses, under the NSNP Economic Stream, can reach \$8,500, including the application fee for the program.

BUSINESS COSTS

Description	Fee/ Cost	Paid to	Comments
NSNP Application	\$2,500	Cornwallis Financial	\$1,250 refundable if no match is made
Or			
NSNP Matching Fee	\$3,500	Cornwallis Financial	Paid when the match is made
NSNP Total	Up to \$3,500		
Consulting/advice	Up to \$5,000	Accountant/lawyer	At the discretion of the business applicant
Total Costs	Up to \$8,500		

FINANCING PACKAGES

In order to make a true comparison of the business oriented nominee program streams it is essential to understand the financing packages that are available to nominees in some provinces and through the federal and Quebec investor programs. These packages are promoted and managed by immigration consultants, in conjunction with financial institutions in Canada. The nature of these programs varies greatly depending on the jurisdiction and the agreements consultants are able to strike with immigrants, financial institutions, international agents and local companies.

Financing packages allow prospective immigrants to reduce the amount of money they need to invest in order to meet the investment requirements of the program to which they are applying. Rather than making the full investment as prescribed by the program requirements, the immigrant invests a portion of the required amount with a government approved financial institution. The balance of the investment is accessed through a loan negotiated through the financial institution. The immigrant's investment is not returned.

A consultant, acting as an agent of the financial institution, places the full investment with a company selected by the immigrant and may manage the relationship for the duration of

the agreement. In return, the immigrant is given a seat on the board of directors of the company, thereby satisfying the management requirement. In most cases, the immigrant is required to pay management fees, servicing fees, and/or interest charges on the top-up loan. All of the programs work in a similar way; however each has fees, payment structures, and investment levels unique to the requirements of their investor or nominee program and the consultants and companies involved.

The cost of a financing package to the immigrant varies based on the particular arrangements of the consultant, financial institution and program requirements. In most cases the amount of money the immigrant needs to invest is between \$104,000 and \$165,000. The consultants' commissions for recruiting the immigrant and negotiating the financing package can range from \$20,000 to \$55,000 depending on the fees the local consultant negotiates with the international agent.

While these financing packages are optional, they are very attractive to wealthy immigrants who are looking for an easy and relatively inexpensive way to gain landed immigrant status in Canada.

Financing packages are not available for applicants to the Economic Stream of the Nova Scotia Nominee Program.

GOOD FAITH DEPOSITS

Business nominees in Manitoba, Prince Edward Island and Newfoundland and Labrador are required to put up a "good faith deposit" upon landing. Where conditions are not met the deposit is retained by the provincial government and, in some cases, used to fund the implementation of immigration marketing activities or to provide business start-up assistance for newcomers.

In Manitoba, nominees deposit \$75,000 with the provincial government guaranteeing the establishment or purchase of a business in Manitoba. The cash is refunded, without interest, once the investment has been made and the intended business, as outlined in the application, has been undertaken.

In Prince Edward Island nominees must place in trust with the Government of PEI a \$25,000 performance deposit. This deposit is fully refunded, with interest, one year after landing, provided that the immigrant can demonstrate that s/he is active in the investee company and that s/he and her/his family maintain a residence in PEI. The Partner stream in Newfoundland and Labrador has the same deposit amount and refund criteria as in PEI.

Good faith deposits are intended to guarantee that nominees make the required investments and set up residence for themselves and their families in the province in which they were admitted. However, with some overseas consultants who promote Canadian immigration,

these deposits are considered “walk away prices”; or the price to be paid and forfeited just to gain access to Canada.

ENGLISH LANGUAGE DEPOSIT

The Province of Prince Edward Island will waive the English language requirement in return for a \$20,000 deposit which is repaid when the immigrant achieves a certain proficiency in English or French.

IMMIGRATION CONSULTANT FEES REVIEW

Typical Consultant Fees

It is normal for most immigrants, regardless of the stream or program to which they apply, to access the services of immigration consultants, lawyers and/or agents at some point in the immigration process. Some prospective immigrants work with immigration consultants from the outset of their immigration process in the identification of the country and region to which they wish to migrate.

On average, fees for immigration consulting services, where the immigrant contracts directly with a consultant, range from a low of \$2,500 to a high of about \$10,000, depending on the complexity and number of people participating in the application. For example, a single person with a relatively straight-forward application would likely pay less than a family with a more complex application. At a minimum, fees are intended to cover the cost of file preparation. Additional services include preparation for interviews with Canadian officials, facilitating the process of accreditation of credentials, and potentially some settlement services.

In Nova Scotia, applicants to the Nova Scotia Nominee Program Economic Stream are automatically charged \$20,000 for the services of an immigration agent in their home country. It has been found that in some cases, applicants to the NSNP have paid fees to immigration consultants above and beyond those paid through the NSNP. These fees are often incurred prior to the identification of the NSNP as the immigration path for the applicant, or are paid for services not intended to be covered by the NSNP process such as preparation of Federal processing forms. As in other provinces, applicants already residing in Nova Scotia often engage the services of an immigration lawyer to assist with the immigration process.

Additional consulting fees that may be paid during the immigration process are incurred when an immigrant is applying to a business or entrepreneurial stream (Nova Scotia has no such stream as of the writing of this report). Applicants to these types of programs are

required to submit a business plan. Consultants' fees for preparation of a business plan range from \$5,000 to \$10,000.

Employers may engage an immigration consultant to identify prospective applicants for skilled worker applications to meet positions in their company. Employers can pay as much as \$10,000 for the identification, qualification and file preparation for a skilled worker applicant.

Commissions to International Agents

Commissions or referral fees are often paid to international agents for successful applications by prospective immigrants to investor/business programs. These fees range from \$20,000 to more than \$50,000 for various programs in Canada. There are three sources of commission in Canada: financial institutions who supply top-up loans, the company receiving the investment or the applicant themselves through program or service fees. It is important to note that in most instances these fees are consultant driven and not a required element of the nominee program although the practice is common knowledge among immigration consultants. The \$20,000 paid as a referral fee to the international agent who brings forward an application for an Economic Stream nominee in Nova Scotia would be considered a commission.

VALUATION OF THE ECONOMIC STREAM

The economic stream of the Nova Scotia Nominee Program requires nominees to make a \$100,000 contribution to a local company in return for a six-month mentoring opportunity. The company and the immigrant sign a standard employment contract where the immigrant receives a minimum of \$20,000 in salary for the six-month term (this amount is negotiable). The remaining \$80,000 is used by the company to implement a previously approved business plan employing the skills and knowledge of the nominee. The goal of the program is to provide the immigrant with an orientation to their profession and allow them the opportunity to assess their long-term job prospects. In this section we will attempt to place a value on this experience.

Business Mentors

The greatest direct monetary benefits from this program are received by local businesses who participate as business mentors. Forty-one companies have either completed their mentorship in the program or are currently hosting a nominee. Together these companies have received \$4.1 million from the program to assist in the implementation of their business plans. This money has been spent in various ways, but the majority of it will have been spent in our province, leading to indirect economic activity.

Community

In addition to the economic benefits, work experience opportunities also generate social and cultural benefits for the immigrant, the employer and the community as a whole. The immigrant is able to develop personal relationships with co-workers and others in their profession, thereby establishing links to the community and increasing the likelihood of their remaining in Nova Scotia. As well, by having a six-month work placement the nominee is able to secure personal credit with a local financial institution, thereby making it easier to secure financing for future personal expenditures and business operations. The employer is able to overcome the apprehension about hiring someone from another country, thus creating future employment opportunities for other newcomers. The community benefits from improved retention, reduction of reliance on social programs, and increased employment levels.

Nominees

The most important group to receive benefits from this program are the nominees. The issue of immigrant earnings has been the focus of a large number of research reports over the past five years, which analyse data about immigrants of all classes (economic, family and refugee) and from all jurisdictions. Only one report focuses on immigrants to Nova Scotia, using data from the 2001 census. No research has been conducted using data specific to nominees in the NSNP economic stream. For purposes of this report, the experiences of economic stream nominees will be assumed to be similar to those of all immigrants to Canada or Nova Scotia.

Canadian research results bring to light many facts regarding the earnings of immigrants in comparison to native-born Canadians and the expectations of income growth for immigrants. The data revealed that the real earnings of immigrant men fell by 7 percent on average between 1980 and 2000.³ Additional research has identified that upon entering the country, immigrants' incomes are approximately 24 percent less than those of the native-born; however, their incomes appear to catch up by 0.64 percent for each year in the country.¹

While most immigrants come to Canada with education and labour market experience the return to this human capital is not the same for immigrants as it is for native Canadian. It has been shown that the economic return to a year of foreign experience is about one-third the value of a year of domestic experience.¹ As well, the return to foreign education, while positive, is about twenty-five percent less than a year of education for a native-born Canadian.¹

This phenomenon holds true for Nova Scotia. In looking at managers and professionals in Nova Scotia it was discovered that, on average, immigrant managers earned 13 percent less and immigrant professional earned 11 percent more than their non-immigrant counterparts in 2001.² Within the management group, senior managers earned about 6 per cent more while middle and other immigrant managers earned about 20 per cent less.²

Other factors that appear to impact immigrants' earnings are mother tongue and age at immigration. While it has been recognized that in general terms foreign work experience seems to have little impact on immigrants' earnings in Canada¹ the return is reduced to near zero for immigrants from non-English speaking, non-European countries.⁵ As well, there are much higher earnings for immigrants who arrive in Canada as adults and list English as their mother tongue.³ Research results indicate that as age-at-immigration rises having English as mother tongue assists economic integration.⁴

During the last census period the profile of immigrants to Canada has changed. The countries of origin have shifted from Europe and the United States to Asia, Africa and the Middle East. While recent immigrants to Nova Scotia generally have a higher educational standing than native born Nova Scotians² this change in source country composition may have led to problems in terms of the recognition of foreign educational credentials by Canadian employers.³

The overall effect is that immigrants' credentials and skills are being discounted and naturally this adversely influences their incomes.¹ It has been suggested that modest investments in training or work experience shortly after arrival in Canada could create better job prospects for these immigrants.³ The keys to success of work experience programs are to ensure that strategic placements match the skills and knowledge of the immigrant with the needs of the business.

Work experience provides benefits to both the immigrant and the employer. The immigrant is able to make professional contact, understand how their profession is practiced in Nova Scotia, and establish relationships with co-workers. The employer is able to make a competency assessment of the immigrant, learn how the skills and experience of the newcomer fit within their organization, and benefit from those skills and experience through the work performed by the newcomer.

The long-term impacts of six months work experience are difficult to quantify. As noted above, the earnings of newcomers to Canada increases by just 0.64 percent for each year the immigrant is in our country. At this rate of growth, the immigrant would have to work for at least 20 years in order to earn back the \$80,000 not returned in salary through the business mentor program. However, if the experience allows the newcomer to establish professional

contacts and learn about operating a business in our province, the value of the experience will be measured by the time it takes them to be fully employed or to be profitable in their own enterprise.

This program will be beneficial to a limited number of immigrants who truly want to integrate into the business community in Nova Scotia. The opportunity to learn from an existing business is one that would take most new entrants into the labour market, be they native Nova Scotians or immigrants, many years to obtain. For those newcomers looking to have a leg up in the process of reaching full employment or establishing their own business the economic stream will provide the intended value. It must however be balanced against the impact the money could have if invested directly to implement the business plans of the immigrant.

While it is not intended to be simply an easy, quick, though not inexpensive, way of getting landed immigrant status in Canada, this program does provide that for immigrants who are able to afford it. In return they receive value from access to free public education and free health care for their families. As well, the value to be gained from holding a Canadian passport could easily be equated with \$130,500. We, as Canadian, cannot put a price tag on the freedoms and rights associated with living in a truly democratic country; many people in other countries are willing to pay virtually any price in order to secure these rights and freedoms for their families.

In order to get a true sense of the benefits received by economic stream nominees, further research should be undertaken with this group of immigrants. It is only through direct contact with these individuals to track their employment, earnings and community attachment that the true value of this program will be discovered.

5. FEE OPTIONS

These conclusions, fee options and recommendations are made within the context of the overall strategic objective of the Nova Scotia Nominee Program which is to retain 70% of the nominees arriving through the program. It is well understood that immigrants will settle for the long term in locations where they can secure jobs suited to their skill levels and where they and their families can make social connections and become part of the local community.

Presented below are the three current streams associated with the NSNP and fee options including advantages and disadvantages of each option.

SKILLED WORKER

Overview

In this stream, the employer bears the responsibilities and costs associated with locating and recruiting the nominee which also often includes a site visit of several days duration. Employers who can afford it also often assume responsibility for the applicant's file preparation and often pay the \$5,500 fee.

The fees appear to be acceptable to participating companies for two reasons -

- The nominee is recruited because of his / her highly specialized skills; and
- The application processing times are among the most efficient in the world.

As with the other streams, Cornwallis Financial reviews the application / file for completeness and accuracy.

However, this stream has not attracted nearly as many applicants as the Economic Stream. It appears there may be two primary reasons -

- This stream has not been marketed as aggressively as the Economic Stream either internationally or locally and this may be one of the reasons for the low uptake; and
- The high fee compared to other jurisdictions. The Nova Scotia program has the highest fee, for this category of immigrant, in the country and the only one which includes a file review charge. At \$5,500, it is \$4,000 more expensive than the fees in PEI and \$4,500 more expensive than the fees in Newfoundland and Labrador, the programs with the 2nd

and 3rd highest fees in the country. The only other jurisdictions with fees in this category are British Columbia and Quebec at \$500 and \$390 respectively. There are no fees in all other provinces and territories.

Options – Skilled Worker Stream

Advantages	Disadvantages
<i>Option 1 – Reduce the fee to \$1,700</i>	
<ul style="list-style-type: none"> • Significantly reduces the cost to the employer or applicant • Brings the fee in line with the Community Identified stream for which Province of Nova Scotia receives the entire \$1,700 • May increase uptake by local companies especially for lower skilled workers • The fee becomes much more competitive in the region with PEI and NL 	<ul style="list-style-type: none"> • The cost of marketing the program may fall to the province • Cornwallis Financial may not want to continue handling the files without the incentive • The processing efficiencies may become compromised • At \$1,700, it would still be the highest fee in the country & region but only marginally
<i>Option 2 – Reduce the fee to \$500 processing fee only and eliminate the \$5,000 fee for file review</i>	
<ul style="list-style-type: none"> • Very competitive - comparable to BC & Quebec and lower than PEI & NL • Significantly lowers cost to employers and / or nominees, depending on who pays. 	<ul style="list-style-type: none"> • The NSOI would be required to assume file review responsibility at a cost to the taxpayer • Employers may push the cost to nominees and they (employers) assume the higher federal processing fee of \$550 and landing fee of \$975 • Processing efficiency may be at risk particularly through the transition period • Marketing costs will have to be borne by the province and, therefore, the taxpayer

Advantages	Disadvantages
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- Cornwallis Financial may not want to continue handling the files without the incentive

Option 3 - Maintain the Status Quo

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|---|--|
| <ul style="list-style-type: none"> • Processing efficiency is retained • Marketing continues to be Cornwallis Financial's responsibility • Costs are borne by employers / nominees and not by the taxpayers of Nova Scotia | <ul style="list-style-type: none"> • The stream remains uncompetitive with the highest fees in the country • The costs to employers are not reduced which may therefore discourage use of the stream • Employers / applicants continue to pay for file preparation / review even though they may prepare the file themselves. • The costs may be prohibitive for applicants where the employer is not picking up the fees. |
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Option 4 - Eliminate the fee entirely

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| <ul style="list-style-type: none"> • Becomes very competitive with other jurisdictions across the country • Becomes much more compelling for employers, particularly for those requiring lower skilled workers | <ul style="list-style-type: none"> • Taxpayers of Nova Scotia become responsible for the entire cost of the program including processing and marketing • Processing efficiencies may be reduced, particularly through the transition |
|--|--|

ECONOMIC STREAM

Overview

The Nova Scotia Economic Stream is the only program of this nature in the country. It is intended to provide nominees with Canadian work experience, thereby improving the potential of finding work in their field. The program has been controversial for a variety of reasons primarily because of the cost to the immigrant and the perceived lack of transparency of the program.

As with the other streams, Cornwallis Financial reviews the application / file for completeness and accuracy.

Despite the cost, this program has had the highest number of applications of all streams in the Nova Scotia program. It would appear, on the surface, that the fees associated with this program are not a deterrent (at least to a select type of immigrant).

Options

Advantages	Disadvantages
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Option 1 – Maintain the Status Quo

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| <ul style="list-style-type: none"> • Supports the retention objective of the NSNP because with six months of Canadian work experience, the immigrant has improved his/her opportunities for finding suitable permanent employment • The business mentor receives an infusion of funds which promotes economic development • The cost to immigrants is comparable to Federal and Quebec investor and business / entrepreneurial streams in other jurisdictions | <ul style="list-style-type: none"> • It is a unique program in the country and not only is it not well understood, it is very controversial both nationally and locally, including the perception that it may be in competition with the Federal Investor program • Immigrants may not fully understand what the costs include and due to apparent lack of transparency they sometimes pay for consulting services twice • Immigrants are required to use an international agent and a local consultant. |
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Advantages	Disadvantages
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| <ul style="list-style-type: none"> • There is no cost to Nova Scotia taxpayers | <ul style="list-style-type: none"> • Immigrants who are unclear about the program and the inclusion of the consultants' fees, may actually use (and pay) a 3rd consultant at their discretion • There are no permanent employment guarantees for the immigrant and no direct return on their investment • There is no reliable data regarding the completion of the six month work experience • There is no guarantee that the immigrant will stay in Nova Scotia, particularly as the program targets wealthier immigrants who therefore may also have the resources to readily move elsewhere |
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<i>Option 2 – Eliminate the Program</i>

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| <ul style="list-style-type: none"> • Eliminates a controversial program • Eliminates potential duplication of consultants' fees where an immigrant may unknowingly also engage the services of a 2nd international consultant | <ul style="list-style-type: none"> • Eliminates the stream of the nominee program which has had the highest uptake, particularly if it is not replaced with another stream that targets the same population • Eliminates the infusion of funds to local businesses • The class of immigrant attracted to this program will go elsewhere, although in the absence of reliable data, the impact is not clear. |
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Advantages

Disadvantages

Option 3 – Redesign the program by -

- *Increasing business mentor accountability including an audit process; and*
- *Requiring immigrants to have higher level English language skills.*

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| <ul style="list-style-type: none"> • May remove some of the controversy and perceived competition with the Federal program • Should increase value to the nominee • Expectations and outcomes should be transparent and understood by all parties • The cost of mentorship is recognized and paid for out of the program • Nominees would have greater success in obtaining permanent employment in their field both because of the potentially increased value to the nominee and because of their higher level English language skills. • Costs of the program continue to be borne by the immigrant and not by the taxpayers of Nova Scotia | <ul style="list-style-type: none"> • May reduce interest from the business community • Infusion of cash to local business may be reduced because there may be an increased time commitment required from the business mentor • The requirement for higher level English language skills will reduce the number of successful immigrant applicants • International consultants may not be willing to promote the program given the potential reduced revenue flows due to increased rejection rates of applicants. • The program will still not provide the nominee with permanent employment or equity from their investment |
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COMMUNITY IDENTIFIED

Overview

The Nova Scotia Nominee Program Community Identified Stream is the only program of this nature in the country. It is intended to allow community development agencies to identify individuals who are living in their communities as prospective nominees. The program has been well received by both the economic development communities and the nominees. This program is particularly well positioned to support immigration to rural communities throughout Nova Scotia.

As with the other streams, Cornwallis Financial reviews the application / file for completeness and accuracy at no cost.

Options

Advantages	Disadvantages
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Option 1 – Maintain the Status Quo

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| <ul style="list-style-type: none"> • Supports the retention objective of the NSNP because with a clear connection to the community the nominee is more likely to remain • Many of these nominees have set up or purchased businesses in the communities in which they live, many of which are smaller towns or rural areas • The fees are perceived as being reasonable • There is no cost to Nova Scotia taxpayers • Applications to the program are processed efficiently • It is a popular program and could be expanded significantly • Encourages immigration to communities outside urban HRM | <ul style="list-style-type: none"> • The program is not standardized in its implementation across the RDA's and other agencies |
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6. CONCLUSIONS & RECOMMENDATIONS

PUBLIC POLICY

As described earlier in this study, the provincial government's policy decision in 2002 was that the cost of the nominee program should be assumed by the immigrants and not the taxpayers of Nova Scotia. Therefore, the fees were structured to support outsourcing the program to a third party at no cost to taxpayers.

Upon release of the Immigration Strategy in January 2005, the Office of Immigration was created to provide leadership in implementing the strategy. Therefore, Nova Scotia now has a hybrid – nominee fees support a third party in carrying out marketing, recruitment and file preparation and general revenues from the Province support the work of the Office of Immigration.

The Nova Scotia government should revisit the premise on which the fees were designed to ensure they reflect the reality of today's situation and the retention objectives of the Immigration Strategy.

NOMINEE PROGRAM

Economic Stream

Economic stream nominees in Nova Scotia recoup only a small portion (\$20,000) of their initial contribution of \$100,000. During the six-month work experience, economic stream nominees receive business mentoring and the opportunity to develop personal and professional networks shortly after arrival in Nova Scotia.

In other jurisdictions, investor, partner and business nominees make investments (active and passive) which are not refundable. There is no requirement for business mentoring or the transfer of business knowledge to these nominees. Therefore, the value gained through the business mentoring process in Nova Scotia's economic stream program is truly unique.

In the long-run, the value of the economic stream will be measured in the retention of these nominees in Nova Scotia and their success in the local business community. In order to get a true sense of the benefits received by economic stream nominees, further research should be undertaken with this group of immigrants. It is only through direct contact with these individuals to track their employment, earnings and community attachment that the true value of this program will be discovered.

Skilled Worker

The purpose of nominee programs is to assist the provinces in meeting labour market and industrial needs. With the highest fees in the country, the Nova Scotia Skilled Worker stream does not contribute to achieving the objectives of the agreement with the Federal government. The fees should be considered both from the perspective of this agreement and competitiveness with other provinces and serious consideration should be given to significantly lowering or eliminating the fee.

Increased marketing of the skilled worker program should be undertaken within the local business community; many businesses do not know about the program or how it can be used to help them resolve skilled labour shortages.

Community Identified

The community identified stream provides the best opportunity to attract and retain immigrants throughout Nova Scotia. This stream should be expanded, through a broader definition of "Community". By increasing the number of organizations eligible to identify prospective nominees, such as well-established immigrant and ethnic communities, the number of immigrants with personal connections in Nova Scotia would increase.

Achieving the Retention Objective

As the goal of the nominee program is to increase retention, the fees should be structured in a way that encourages applications to streams that have the highest likelihood of retention.

An effort should be undertaken to establish settlement services outside metropolitan Halifax; if the nominee program is successful there will be increased pressure on local community groups, employers and other organizations to assume the role of settlement services, without the proper funding and expertise.

Communications and Awareness

In order to promote understanding of the program, a strategic communications plan should be established to communicate program information, success measures and data to local community stakeholders.

Data Capture

In order to fully understand and measure the success and impact of the NSNP on an ongoing basis, more data is required; data elements to track would include - source countries, applications by stream, landings by stream, residency, and business mentor matches. This process will be facilitated by establishing closer ties and accountability measures with the third party contractor.

Evaluation

To fully understand the impact, costs and successes of the Nova Scotia Nominee Program, a full program evaluation and audit should be undertaken. Conducting this review in 2006 would be appropriate, prior to re-negotiation of the NSNP agreement with Citizenship and Immigration Canada in 2007.

FUTURE STREAMS

Overview

The Nova Scotia Immigration Strategy suggests that the province explore extending the nominee program to include three additional streams – Family Business, International Student and Entrepreneur. Each of these streams would have detailed criteria associated with approval. The processing fees associated with these streams would have an impact on their uptake and the ultimate success of the program.

Fee Recommendations

These three streams directly support the retention goals of the NSNP. Therefore, the fees should not be a deterrent and should be established at a level conducive to the type of immigrant each stream will attract.

FAMILY BUSINESS STREAM

The Family Business stream is similar in nature to the existing Community Identified stream. These applicants will have already established connections to Nova Scotia through family members that live here and are willing to employ them. Applicants to this stream will be supported by their families, but with the potential of limited personal funds the fees should be kept to a minimum. The fee for this stream should be the same as for the Community Identified stream, \$1,700.

INTERNATIONAL STUDENT STREAM

The International Student stream is also similar in nature to the existing Community Identified stream. These applicants will have already established connections to Nova Scotia. They will have received their post-secondary education here and built relationships in the community. International students, having just graduated from university or college, will likely have very limited access to funds. There should be no fee for this stream of nominee.

ENTREPRENEUR STREAM

The Entrepreneur stream is similar in nature to the Economic stream in that it is attractive to business oriented immigrants. An entrepreneur stream will encourage retention as the nominee will be actively engaged in the day-to-day operations of the company. These nominees, during the application process, will most likely engage an immigration consultant to assist them in determining the best location for investment or business start up. As well, they will likely engage a business consultant to assist in the development of the business plan.

While entrepreneur stream applicants will have funds available, rather than require payment of fees for the application process, they should be allowed to invest those funds in their business venture, where it will generate far more wealth for the province. Given the additional application costs, it would be appropriate to maintain the processing fee for the Entrepreneur stream at a reasonable level, similar to that of the Family Business stream, \$1,700.

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APPENDIX A – FEE MATRIX

Comparison of Nominee Program and Federal Immigration Program Fees across all Jurisdictions

	BUSINESS	INVESTOR	PARTNER	ECONOMIC	ENTREPRENEUR	SKILLED WORKER	COMMUNITY
British Columbia	Business Skills \$3,000 Criteria: - Minimum net worth \$2 million - Minimum investment \$800,000 - Minimum 1/3 equity					\$500 (Instituted in May 2004)	
	Regional Business \$3,000 Criteria: - Minimum net worth \$600,000 - Minimum investment \$300,000 - excluding real estate - Minimum 50% equity - Must be outside Greater Vancouver						
	Projects \$1,000 per key staff plus \$3,000 if independent of business skills application Criteria: - Minimum investment \$1 million						
Alberta							
Saskatchewan	No fee Criteria: - Must have financial resources appropriate for their business plans					No fee No fee	
Manitoba	No fee Criteria: - Minimum net worth \$250,000 - Minimum equity investment \$150,000 - \$75,000 Cash deposit (held in trust)					No fee Community Support No fee	

PROCESSING FEES FOR IMMIGRATION STREAMS AND CLASSES

	BUSINESS	INVESTOR	PARTNER	ECONOMIC	ENTREPRENEUR	SKILLED WORKER	COMMUNITY
Quebec		\$3,850 Criteria: - Minimum net worth of \$800,000 - Invest \$400,000 for five years with Invest Quebec to assist SMEs in Quebec			\$950 Criteria: - Net assets \$300,000	\$390	
New Brunswick	No fee Criteria: - sufficient funds to finance the first phase of the planned business venture without third party assistance and to support family for a period of up to two years (requirement varies based on business venture proposed)					No fee	
Prince Edward Island		\$1,500 Criteria: - Minimum net worth \$400,000, \$350,000 liquid - Investment \$200,000 - \$25,000 Good faith deposit			\$1,500 Criteria: - Minimum net worth \$400,000; \$350,000 liquid - Minimum investment \$200,000; \$100,000 paid up front and held in trust - \$25,000 Good faith bond	\$1,500	
Nova Scotia				\$20,000 - referral, paid to immigration agent; plus \$10,000 - file prep. paid to Cornwallis Financial; plus \$500 - assessment, paid to NS. Criteria: - Net worth between \$300,000 and \$800,000 - \$100,000 contribution to a Nova Scotia business		\$500 - assessment, paid to NS; plus \$5,000 - file prep. paid to Cornwallis Financial	Community Identified \$1,700 (paid to NS)

PROCESSING FEES FOR IMMIGRATION STREAMS AND CLASSES

	BUSINESS	INVESTOR	PARTNER	ECONOMIC	ENTREPRENEUR	SKILLED WORKER	COMMUNITY
Newfoundland & Labrador			\$2,000 Criteria: - Net worth \$750,000 including \$350,000 liquid assets - Minimum equity investment of \$200,000 within northeast Avalon, \$100,000 outside - \$25,000 Good Faith performance deposit (held in trust)		\$2,000 Criteria: - Minimum net worth \$750,000; \$350,000 liquid - Minimum equity investment \$200,000 within northeast Avalon, \$100,000 outside - \$25,000 good faith performance deposit (held in trust)	\$1,000	
Yukon	No fee Criteria: - Minimum equity investment of \$150,000 Cdn						
Citizenship and Immigration Canada Federal streams		\$ 1,050 Criteria: - Minimum net worth \$800,000 - \$400,000 investment or own a business in Canada - Commissions of up to \$32,000 paid to consultants/agents by federal government			\$1,050 Criteria: - Minimum net worth \$300,000	\$550	

Note: Federal processing fees are payable by all applicants as follow **\$550 Processing Fee** (except federal streams), **\$975 Right of Landing Fee**.