



# POLICY BRIEF

## Ontario Colleges and International Students: A Pivotal Time

No. 18, February 2024  
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### EXECUTIVE SUMMARY

Canada has reached a pivotal moment regarding international students. Surges in the number of arrivals and inadequate safeguards have led to concerns among the media, public, politicians, educators, and students. Reforms are urgently needed. This policy brief recommends solutions in relation to Ontario colleges, although some may also be helpful for other provinces and the university sector.

We chose to focus on Ontario colleges for several reasons. Within Canada, public colleges in Ontario receive the lowest level of funding from their provincial government and have relied most heavily on international students as a revenue source. Many public colleges outside the Greater Toronto Area have contracted with private career colleges to deliver programs to international students in the GTA. This has raised concerns about access to quality education, housing, and services. It also runs counter to federal and provincial objectives to attract and retain international students across the province.

Our recommendations have been designed to enhance the integrity of the International Student Program in public colleges and to address challenges that students face. They build on principles in the Canada–Ontario Immigration Agreement. And they respond to new measures recently [announced](#) by the federal government and its intention to develop a sustainable path forward for international students.

#### Summary of recommendations:

Funding	<ul style="list-style-type: none"><li>• Implement recommendations of the Blue-Ribbon Panel and Auditor General of Ontario for sustainable college funding.</li><li>• Increase funding for settlement and college services for international students.</li></ul>
Joint planning	<ul style="list-style-type: none"><li>• Consult on and table multi-year levels of international student arrivals each year.</li><li>• Conduct inclusive processes to develop college housing strategies and a framework for recognized institutions.</li></ul>
Post-graduation success	<ul style="list-style-type: none"><li>• Ensure post-graduation work permits allow college graduates to gain the experience needed for permanent residence.</li><li>• Expand the Ontario Immigrant Nominee Program to provide more spaces for qualified college graduates.</li></ul>
Partnerships	<ul style="list-style-type: none"><li>• Wind down partnerships in which a private college delivers curriculum on behalf of a public college.</li><li>• Improve oversight of overseas recruiters.</li></ul>
Data	<ul style="list-style-type: none"><li>• Report domestic and international student outcome indicators for each public college, including student satisfaction rates.</li><li>• Conduct bilateral evaluations of the International Student Program.</li></ul>

The recommendations are directed to the federal and Ontario governments and the public college sector, depending on their mandates. Collaboration with service providers, employers, and students will be essential for successful implementation.

## A FUNDING CRISIS FOR ONTARIO COLLEGES

The high tuition fees that international students pay have helped public colleges to survive in light of provincial funding decisions and declining domestic student enrolment. In the [Public Colleges Oversight](#) value-for-money audit (Auditor General of Ontario, Dec 2021), the views of four selected public colleges highlight historical fiscal pressures:

*“The Auditor General’s report has shined a timely spotlight on the issue of the inadequate financial support of the college sector in Ontario. At the heart of the issue of the growth of international enrolment is chronic and historical underfunding by the provincial government, clearly demonstrated by the comparison of funding levels across Canada. As the Auditor General’s figures show, Ontario’s colleges are underfunded by thousands of dollars per student compared to other provinces. Unfortunately, this is not new. But years of inadequate provincial funding and challenging demographics have been compounded by the government’s 10% tuition fee reduction, followed by a tuition fee freeze. The result is that colleges cannot survive on domestic student enrolment alone and have increasingly turned to international enrolment as a source of revenue.”*

The [audit](#) found that despite comprising 30% of the colleges’ student population, international students generated 68% of tuition revenue, totaling \$1.7 billion in 2020/21. Cutbacks in provincial grants to colleges and student financial assistance, included in the [2022 Budget](#), continued the pattern of Ontario government decisions that propelled colleges to admit more and more international students.

The [audit](#) also recommended that the Ministry of Colleges and Universities develop a formal and comprehensive strategy for international students, including options to diversify revenue streams to reduce the sector’s high reliance on them. In its [2023 annual follow-up report](#), the Auditor General of Ontario found it notable that little or no progress has been made on this front.

In 2023, the Ministry established a [Blue-Ribbon Panel](#) on postsecondary education financial sustainability. The Panel recommended an increase to per-student grants, removing the freeze on tuition fees for domestic students, and increasing financial support to students in need. The Ontario government has not implemented these recommendations.

The revenue crisis for Ontario colleges has become more acute due to student visa caps announced by the [federal government](#) on January 22, 2024. A significant loss in revenue from international students will place the public colleges at risk of being unable to maintain quality, staffing, and operations unless the province dramatically increases its funding support. It is now even more urgent for the province to implement the recommendations from the two independent reviews.

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## A SURGE OF INTERNATIONAL STUDENTS

For over a decade, Ontario colleges have received growing numbers of international students.

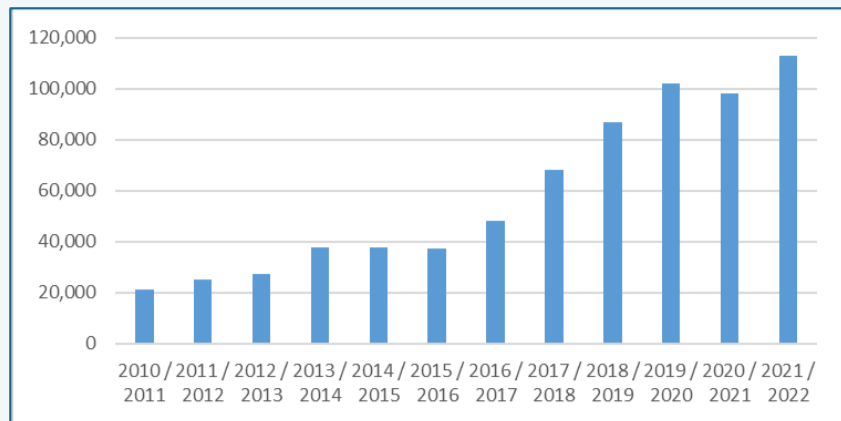
The Public Colleges Oversight [audit](#) reported that international student enrolment in public colleges grew by 342% between 2012/13 and 2020/21, while domestic enrolment declined by 15%. Based on data from Immigration, Refugees and Citizenship Canada, a recent [Globe and Mail article](#) observed that “The international student boom is disproportionately an Ontario college phenomenon.”

The dramatic influx has been stopped in its tracks by new features imposed by the [federal government’s announcement](#) on January 22, 2024. In Ontario, the cap on student visas is likely to result in a 50% reduction of international student admissions, although it is not yet known how the Ontario government will allocate available spaces among universities and colleges. The new requirement for attestation letters from the province before a student visa can be issued has brought visa approvals to a halt until the Ontario government can put an attestation process in place.

The significant reduction in student visas will affect more than college revenues. The labour market will also be affected since many employers rely on international students who work during and after their studies.

Although the federal government has decided to impose caps on student visas for 2024 and 2025, it plans to work with the provinces and education stakeholders to establish long-term sustainable levels of international students for future years. A collaborative process to set targets for international students is much better than arbitrary caps and would be a welcome change from unlimited numbers of student visas. Ideally, the federal government will table multi-year levels of international students at the same

**Figure 1: Ontario college enrolments – international students**



Source: [Statistics Canada](#)

time that they table levels for permanent residents each year.

## PARTNERSHIPS WITH PRIVATE COLLEGES IN THE GTA

Public colleges in the Greater Toronto Area (GTA) have had considerable success in attracting international students because they are based in a location where many students wish to live, study, and work. Public colleges in other regions find it much more difficult to attract international students to their communities. As a result, [14](#) of Ontario’s 24 public colleges that are located outside of the GTA have entered into partnerships with private career colleges located almost exclusively in the GTA.

Under these public-private partnerships, the private college delivers curriculum and services to international students on the public college’s behalf. As a result, an international student studying at a private college in Toronto or Brampton could receive a diploma from a public college located in Sarnia

or North Bay, with little or no interaction with that college or connection to its community.

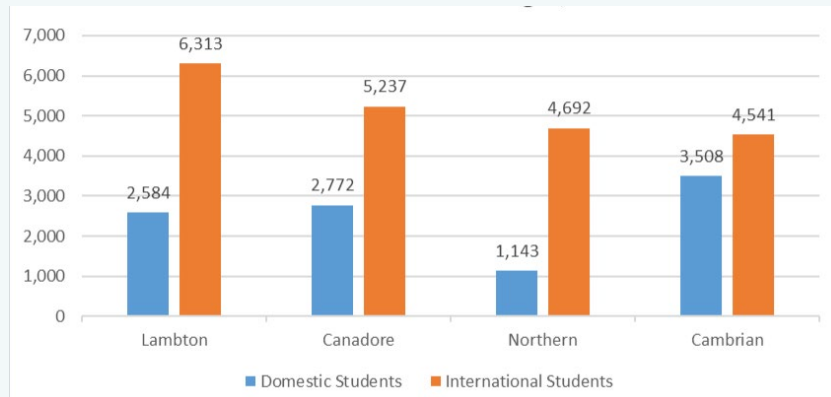
Four public colleges in Ontario enrolled more international students than domestic students in the fall of 2020, largely due to their partnerships with private colleges. (See figure 2.)

International students at a private partner campus are often worse off than students at the public colleges' own campuses. The quality of education may not be comparable. And students in the private locations typically find themselves in classes populated solely by other international students, missing the chance to interact and make meaningful connections with Canadian students. Further, the partnerships result in large clusters of international students in the GTA. This exacerbates housing challenges and runs counter to the objective of attracting and retaining people across the province.

In 2017, the Ontario government commissioned an external review of the public-private partnership model. The [report of the external reviewer](#) recommended that the model be terminated due to quality concerns and inherent legal, reputational, and financial risks. It also recommended a comprehensive wind-down process along with provincial funding changes to strengthen public college sustainability. Based on this report, the government of the day [told public colleges](#) that they would have to wind down their partnerships. After the June 2018 election, the new government decided that the model would continue and issued a [binding policy directive](#).

On January 22, 2024, the [federal government announced](#) that international students who begin studies at a private college licensed to deliver the curriculum of a public college will no longer be eligible for [post-graduation work permits](#). This change takes effect on September 1, 2024 and its impact on the future viability of the public-private partnership model

**Figure 2: Enrolment in four public colleges, fall 2020**



Source: [Figure 1 of the Public Colleges Oversight audit](#). Includes international students at both home and private partner campuses, and full- and-part-time enrolment.

cannot be overstated. The permit has been a huge draw for international students who want to stay and work after they graduate. Without the possibility of a permit, they will seek other places to study, whether in Canada or abroad.

On January 26, 2024, the [Ontario government announced](#) a moratorium on new partnerships and its intention to increase oversight of the existing ones. A better approach would be to plan an orderly wind-down of the fundamentally flawed public-private partnership model.

## CHALLENGES FACED BY INTERNATIONAL STUDENTS

The surge of international college students in Ontario is not solely due to the proliferation of public-private partnerships. Many international students attend public colleges that do not have partnerships. Others attend the home campuses of public colleges that do have partnerships. No matter where they study, international college students face multiple challenges.

## Expectation versus reality

Public colleges use overseas recruitment agencies to attract international students. According to the Public Colleges Oversight audit, colleges spent [over \\$114 million](#) in commissions to such agencies in 2020-21. Unfortunately, some recruiters oversell success in gaining employment and becoming a permanent resident. And they undersell the challenges in terms of housing and the cost of living. The recent [federal decision](#) to deny open work permits to the spouses of international students in undergraduate and college programs will add to financial stress.

The CBC Fifth Estate documentary [Sold a Lie](#) revealed scams and frauds involving certain recruiters. The discrepancy between what prospective students are told and the realities they face upon arrival can be devastating, sometimes leading to [mental health issues and suicide](#). In 2023, the [Auditor General of Ontario](#) observed that there has been little or no progress by the government in implementing its 2021 recommendation on the selection and removal of international student recruitment agencies.

The recruiters highlighted in the CBC documentary were primarily from India which is the top source country for international students in Ontario. The Public Colleges Oversight audit found that [62%](#) of international students in Ontario public colleges were from India in 2020/21, followed by China at 6%. The audit also showed that in eight public colleges, students from India comprised [83 to 99 percent](#) of the college's international students, including those studying at private partner campuses in the GTA. The over-reliance on one country creates the risk of a sudden enrolment and revenue drop if geopolitical issues threaten ties between that country and Canada.

## Housing

International students face many housing challenges and have been unfairly blamed for the housing crisis. A [report by four senators](#) on strengthening the integrity of the International Student Program noted research showing that 40% of study permit holders across Canada reside in inadequate accommodations, a stark contrast to 9% in the general population. The situation is likely to be even worse in Ontario. In the absence of college-provided housing, students are left to find their own accommodation. With no network of family

and friends to assist in the search, many end up in crowded accommodation with exorbitant rents.

On January 22, 2024, the [federal government indicated](#) that part of the sustainable path forward will be “ensuring post-secondary institutions are able to provide adequate levels of student housing.” A few days later, the [Ontario government announced](#) a suite of new measures, including a requirement for colleges and universities to have a “guarantee that housing options are available for incoming international students”. On the surface, these are laudable goals. Without a clear sense of the nature of these new housing requirements and the implications for the colleges, it is difficult to assess their feasibility, especially without additional funding.

## Services

International public college students paid an average of [\\$14,306](#) per year in tuition in 2020-21, over four times more than domestic students. Despite the high fees, colleges often do not provide sufficient services for international students. While public colleges typically offer services such as academic support, guidance, and career counselling to all students, these services are not always responsive to the specific needs of international students.

In addition, as temporary residents, international students are ineligible for federally funded settlement programs. They are eligible for Ontario-funded settlement services but there is not enough funding to meet the demand. This leaves international students without the help they need to obtain housing, employment, mental health support and social services, or to pursue permanent residence.

A previous [CERC Policy Brief](#) proposes a collaborative model among governments, postsecondary institutions, and the settlement sector for supporting international students to achieve success.

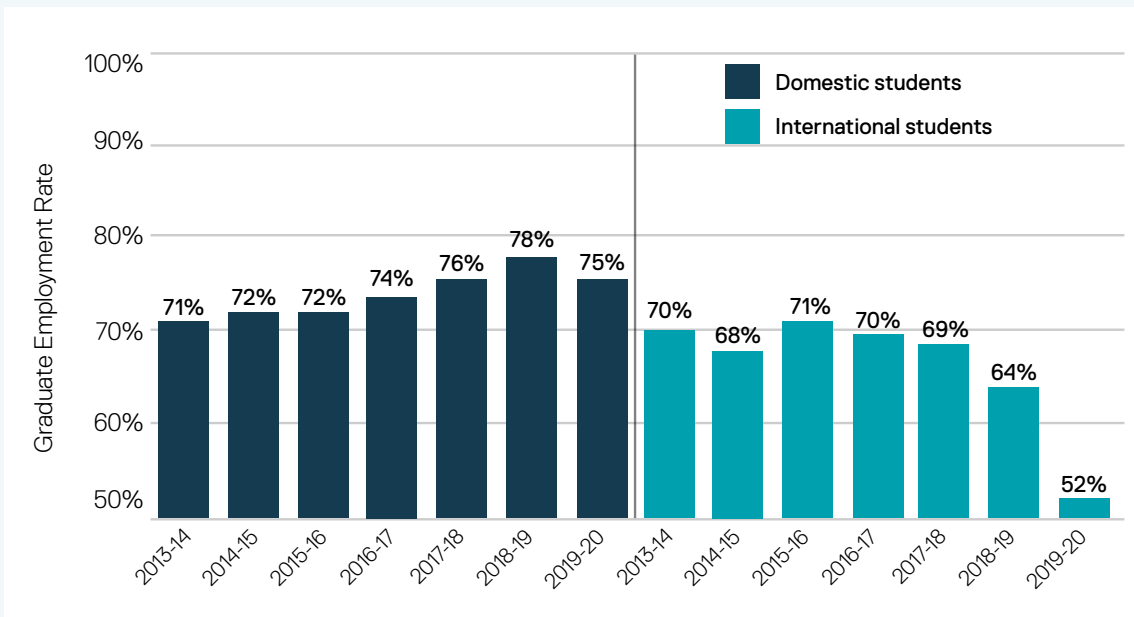
## Employment

The lack of suitable work experience related to their field of study, both during and after their college program, constitutes a barrier for international students who desire permanent residence. For example, without a co-op work permit, they may be ineligible for valuable work placements that their domestic counterparts enjoy.

Even after graduating with a Canadian credential, [studies show](#) that employers are less likely to hire international students due to their temporary status. Those who do find employment are often underemployed, underpaid, and in low skilled jobs. The lack of personal networks makes the search for employment especially difficult.

As shown in Figure 3, between 2013 and 2020, the percentages of international graduates with a college diploma employed in their related field consistently trailed behind their domestic counterparts in Ontario. The gap has widened over time, indicating that international graduates face more significant employment challenges.

**Figure 3: Ontario college graduate employment rate in a related field, with diploma credential**



Source: Higher Education Quality Council of Ontario, [Quick Stats, 5.3](#)

Graduates who obtain employment may find that the length of their post-graduation work permit doesn't provide enough time to accumulate the work experience they need to qualify for permanent residence. The federal government is planning to [reform the criteria](#) for obtaining a post-graduation work permit to better meet labour market and regional needs. If criteria are tied too closely to the content of college programs, this could penalize international students who already have degrees and work experience from their home country that would enable them to contribute to the labour market.

### Transition to Permanent Residence

Qualified graduates in Ontario can transition to permanent residence through [federal economic immigration programs](#) or the [Ontario Immigrant Nominee Program](#) but only a small proportion will be successful, given the limited number of available spaces. While many unsuccessful applicants will return

home, others may remain in precarious situations as temporary foreign workers. Depending on the situation in their home country, some may apply for [refugee status](#).

The limited number of spaces is at odds with the large numbers of students who intend to apply for permanent residence. [A 2021 survey by the Canadian Bureau for International Education](#) of international students across Canada indicates that nearly 60% intended to make an application. Of international students in Ontario, 87.4% indicated an intention to stay there after receiving permanent residence.

## DATA ON INTERNATIONAL STUDENTS

Publicly available data on Ontario public college outcomes are broken down either [by college](#) or [by domestic and international student status](#). It would

be preferable to have data showing outcomes per college for domestic and international students. Such data are necessary to properly identify trends, successes, and barriers that need to be addressed. The data would help international students to make informed application decisions. It will also be important to reinstate reporting of student satisfaction rates by college, as recommended by the [Auditor General of Ontario](#).

## RECOGNITION FRAMEWORK

The federal government intends to develop a framework for recognizing institutions that have high standards regarding international students. Colleges and universities recognized under the framework would receive benefits such as priority student visa processing.

The [Toronto Star](#) has reported on criteria under consideration for the framework. The criteria would focus on the quality of education international students receive, their educational outcomes, the diversity of countries they come from, and the housing and other supports that postsecondary institutions provide. This is a positive direction but it can only be effective with ongoing monitoring to

### Figure 4: Highlights from Federal Government Announcement, Jan. 22, 2024

- Intake cap on international student permits
- Provincial attestation letters required for each study permit application
- Intention to develop a sustainable path forward for international students, including:
  - Finalizing a recognized institution framework
  - Determining long-term sustainable levels of international students
  - Ensuring post-secondary institutions can provide adequate levels of student housing
- No eligibility for a post-graduation work permit for students who attend a private college licensed to deliver the curriculum of a public college (starting Sept. 1, 2024)
- No open work permits for spouses of international students in undergraduate and college programs

ensure recognized institutions continue to meet the requirements.

Provinces would be well-positioned to play a monitoring role if the framework is developed jointly by both levels of government. Making the list of recognized institutions easily accessible online would assist potential international applicants to make informed decisions.

As shown in Figure 4, the plan to develop a recognized institution framework is just one of several elements contained in the federal government's announcement of Jan. 22, 2024.

## CANADA-ONTARIO IMMIGRATION AGREEMENT

[Annex E](#) of the Canada-Ontario Immigration Agreement articulates how the federal and Ontario governments will work together on matters related to international students. The Annex contains excellent principles, but some of the developments described earlier in this policy brief represent inconsistencies with those principles.

**Joint planning:** The federal government's imposition of student visa caps and attestation requirements is inconsistent with the principle of joint planning and preparation in the event of changes to policies, programs and procedures.

**High-quality education:** Lower-quality education for international students at private college campuses in partnerships with public colleges is inconsistent with the principle of high-quality educational opportunities for all students.

**Regional distribution:** The large influx of international students to the GTA under public-private partnerships is inconsistent with the principle of facilitating study, work, and immigration for international students in regions across Ontario.

**Employment and permanent residence:** Barriers to skilled employment and limited spaces for permanent residence are inconsistent with the principle of facilitating transition to post-graduation employment and permanent residency.

Our recommendations have been designed to embody the principles of the Agreement. They also promote bilateral evaluations of the International Student Program in Ontario.

## RECOMMENDATIONS

The combination of public concerns and recent government announcements makes this a pivotal time for policy reform. Our recommendations have been designed to enhance the integrity of the International Student Program in public colleges and to address challenges that students face. We hope that some of the recommendations will be of assistance beyond Ontario and to the post-secondary sector more broadly. Collaboration between governments and with colleges, service providers, employers, and students will be essential for successful implementation.

## FUNDING

1. Implement the [Auditor General of Ontario's](#) recommendation to diversify public college revenue streams, and the [Blue-Ribbon Panel's](#) recommendations to increase per-student grants, allow incremental increases for domestic tuition fees, and increase student financial support. (Lead: Ontario government)
2. Allocate a portion of international student tuition fees to adapt and enhance college services to address the needs of international students. (Lead: Ontario public colleges)
3. Provide sufficient levels of federal and Ontario funding for settlement services that international students can access pre-arrival, on campus, and in the community. The service and funding model should be developed in collaboration with colleges, students, and the settlement sector. (Lead: federal and Ontario governments)

## JOINT PLANNING

4. Consult on and table levels for international student arrivals as part of the annual immigration levels determination exercise. Base multi-year levels on college and university capacity, labour market needs, and regionalization objectives. (Lead: federal and provincial governments)
5. Ensure strong provincial involvement in developing the framework for recognized institutions. The framework should include a rigorous monitoring mechanism. (Lead: federal and provincial governments)

6. Use a collaborative process involving colleges, municipalities, and housing experts to develop ways to ensure housing for international students. (Lead: federal and Ontario governments)

## POST-GRADUATION SUCCESS

7. Ensure that the duration and criteria for post-graduation work permits allow international college students to gain the work experience they need to qualify for permanent residence. (Lead: federal government)
8. Expand streams of the Ontario Immigrant Nominee Program to provide more opportunities for qualified college graduates to become permanent residents. Use this as an opportunity to support regionalization objectives. (Lead: Ontario government)

## PARTNERSHIPS

9. Develop a plan for the orderly wind-down of partnerships in which a private college delivers curriculum on behalf of a public college. Build in strategies to mitigate harm to current students and colleges. (Lead: Ontario government and public colleges)
10. Train and monitor overseas recruiters from a variety of countries and cut ties with those who have provided false, misleading, or inadequate information to prospective international students. (Lead: Ontario public colleges)

## DATA

11. Publicly report domestic and international student outcome indicators for each public college, including student satisfaction rates. (Lead: Ontario government and public colleges)
12. Embed regular evaluations of the International Student Program into the Canada-Ontario Immigration Agreement. (Lead: federal and Ontario governments)



## ABOUT THE AUTHORS

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