



# THE CHANGING REGULATORY LANDSCAPE FOR CANADIAN POST-SECONDARY EDUCATION

February 2024

INNOVATION. EXPERIENCE. INDEPENDENCE.

# OVERVIEW

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## High Growth International Post-Secondary Education Sector Faces Major Regulatory Changes

On January 22, the federal government announced a 2-year cap on international student admissions, officially to restore the integrity of the system and alleviate pressure on housing and healthcare. The 2024 cap is estimated at 360,000 new study permits, a **35% decrease from 2023**. In addition, starting September 1, 2024, international graduates of programs that are a part of a curriculum licensing arrangement (“PPPs”) will no longer be eligible for postgraduation work permits (“PGWPs”).

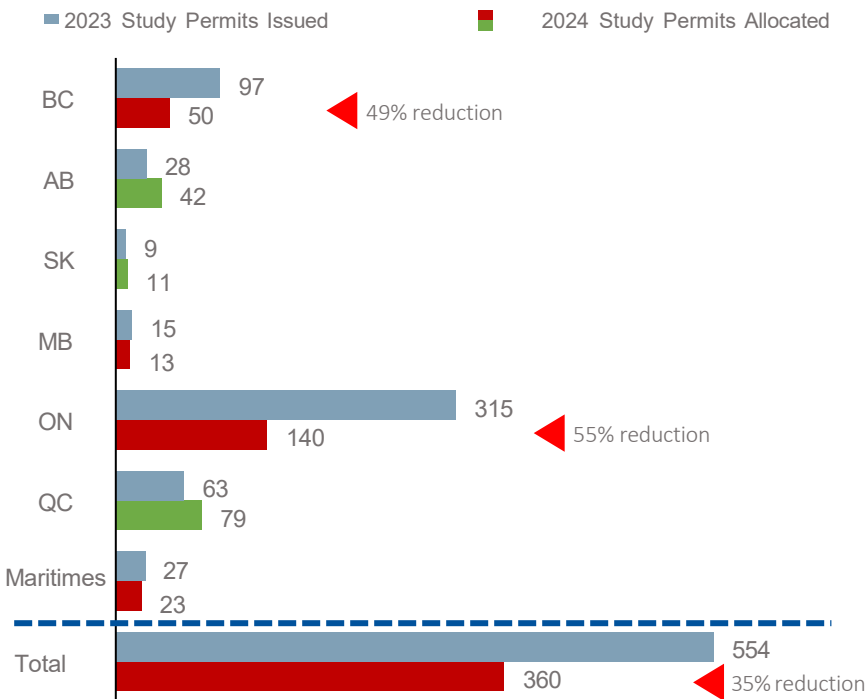
Final details and rollout of the cap / new measures are still unknown, with industry players trying to understand the overall impact of the announcement.



# IMPACT FOR PRIVATE INSTITUTION

- x Tighter oversight of new study permits, with applications now requiring a province-issued attestation letter
- x Unclear process for approving new student visas in the near term
- x Students entering PPP-backed programs starting September 1, 2024 will be ineligible for PGWPs

## Study Permit Changes<sup>(1,2,3)</sup>



This new legislation is shaking the entire Canadian post-secondary education space, with Ontario, British Columbia and PPP-dependent private colleges impacted the most

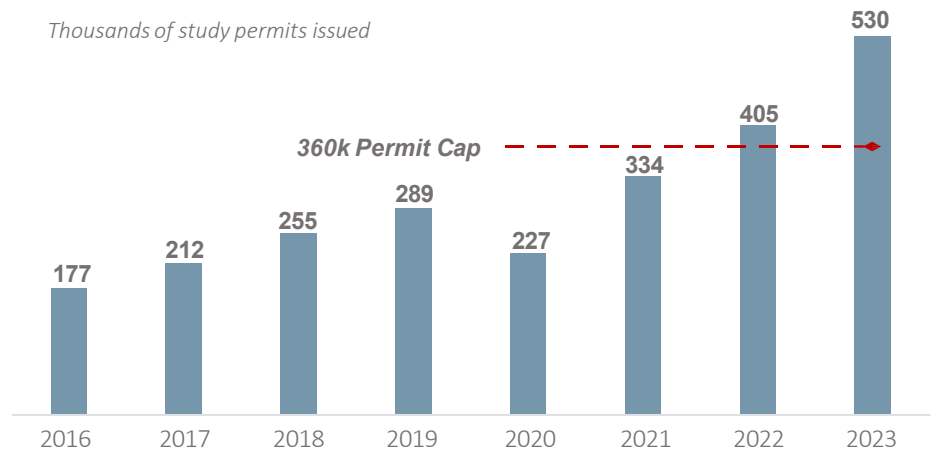
1) 2023 figures estimated using 524k post-secondary study permits becoming effective from Dec-22 to Nov-23 (government) rebased to match government's expected number of approved study permits for 2023 (554k)  
2) 2024 figures estimated using government's expected number of approved study permits for 2024 (360k) and government's intention to distribute permits by provincial population (Canadian population figures from government, Q4 2023)  
3) Maritimes include Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island; Territories not included as they make up a small portion of the study permits (~100 permits in 2023)

# ESTIMATED STUDY PERMIT CAPS

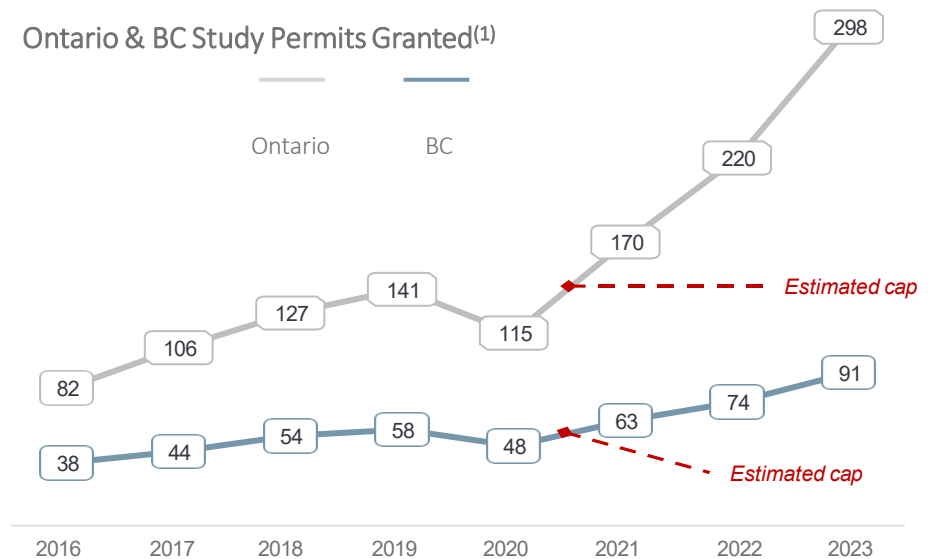
## Study Permit Caps Will Have the Largest Impact in Ontario and British Columbia

### Total Study Permits Granted Nationwide<sup>(1)</sup>

Thousands of study permits issued



### Ontario & BC Study Permits Granted<sup>(1)</sup>



Provincial response to the caps is currently uncertain. Several college and university groups have already expressed concerns about the severity of the measures and the negative impacts<sup>(2,3,4)</sup>

<sup>1)</sup> LTM as of Nov of each respective year. Post-secondary study permits issued. Source: Canada.ca

<sup>2)</sup> <https://globalnews.ca/news/10247214/cap-international-student-ontario-university-college-concern/>

<sup>3)</sup> <https://globalnews-ca.cdn.ampproject.org/c/s/globalnews.ca/news/10245289/fleming-college-president-international-student-cap/amp/>

<sup>4)</sup> <https://www.northernontariobusiness.com/industry-news/economic-development/sault-college-slams-governments-reckless-changes-to-international-student-policy-8148379>



# ORIGIN'S OBSERVATIONS

## Provinces & Programs Affected

- British Columbia and Ontario will bear the brunt of the hit (in both relative and absolute terms), with Ontario explicitly called out by Immigration Minister Miller during his press conference unveiling the changes
- Other provinces, notably Quebec and Alberta, will see an increase in study permit allocation. Quebec's segment of privately-owned and partly-subsidized private colleges, benefiting from a regulated status and a hybrid private-public payment model, appear to have done well amidst regulatory changes affecting PGWPs, positioning them favorably to continue to address the growing market for immigrant-students in the province
- Those pursuing master's and doctoral degrees, elementary and secondary education are not included in the cap

## Significant Impact on PPPs

- The government has halted all PPP-backed PGWPs starting September 2024, which will cause hardship for many reputable private players servicing tens of thousands of students (especially in Ontario)
- This will also negatively impact public colleges that have historically struggled to attract international students as they will have grown to increasingly rely on the PPPs to fill budget gaps

## Insufficient Government Funding

- Long-standing government-imposed caps on domestic tuition rates push public colleges to depend on PPPs for lucrative international student fees, which are essential to subsidize low domestic student tuition. Profitability and continuing operations remain highly uncertain for these colleges under the new rules



- Many public universities will also face significant budget shortfalls with the proposed caps

## Numerous Questions Still Pending

- Not clear how provinces will implement the caps in their jurisdictions
- Provinces have until March 31 to put in a process for attestation letters (besides Quebec, given the province already has a process in place)
- Major impact expected on labour shortages, as international students were instrumental in filling in short-term gaps
- How the new measures impact and align with the proposed Trusted Institution Framework is yet to be understood

## Potential Next Steps

- Institutions and provinces to understand full extent of the regulation
- Many institutions will look to diversify program offerings and launch campuses in provinces with capacity headroom
- Federal and provincial bodies will need to (i) increase support for housing and infrastructure and (ii) increase oversight of private institutions
- Provinces will implement tighter quality control standards and work with the federal government to alleviate concerns

**It appears that the federal government took action without extensive consultation; however, they have expressed openness to collaborating with provinces to address labour needs and possibly provide exceptions.**

