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An instinct for growthTM

Prince Edward Island Provincial Nominee Program

Evaluation Results

December 31, 2012

Contents

	Page
Executive Summary	2
The Prince Edward Island Provincial Nominee Program (PNP)	2
Scope and Intent of the Evaluation	3
Restrictions	3
Approach	3
Conclusions	4
Recommendations	6
Introduction	8
Scope and Intent of the Evaluation	9
Approach	10
Rationale and Relevance of the PEI PNP	11
PEI PNP Alignment with Federal and Provincial Priorities	11
Incremental Contributions to PEI's Immigration Objectives	14
Alignment of the PEI PNP with the Mandate of Innovation and Advanced Learning and IIDI	15
Attraction and Retention of Nominees	17
Attraction of Nominees	18
Immigration Levels by Component of the PEI PNP – 2001 to 2010	19
Retention Rates in the First Year	21
Retention of Nominees in the Longer-term	23
Nominee Outcomes	24
Skilled Workers	24
Business Entrepreneurs	26
Contribution to Provincial Priorities	27
Responding to Labour Market Needs	27
Promoting Investment into Strategic Sectors of the Economy	28
Population Growth	29
Program Delivery	30
Nominee and Employer Satisfaction Levels with Program Delivery	30
Factors Influencing the Success of the PEI PNP	31
Factors Affecting the Decision to Invest in PEI	32
Conclusions and Recommendations	33
Conclusions	33
Recommendations	34

Executive Summary

The Prince Edward Island Provincial Nominee Program (PNP)

The Prince Edward Island Provincial Nominee Program (referred to as the PNP in the body of this report) is instrumental in attracting economic immigrants to the Province. In terms of geographic size, population and the size of the economy, Prince Edward Island is the smallest of Canada's provinces, and the PNP allows the Province the flexibility needed to develop immigration programs that respond to the unique challenges of PEI's economy and contribute to the broader social and economic prosperity objectives.

The PNP attracts immigrants with the skills, experience and economic means to successfully establish themselves on Prince Edward Island, and expedites the immigration process for them. It aims to:

- Respond to the labour market needs of businesses operating on Prince Edward Island;
- Increase investment and performance in targeted sectors;
- Establish new or enhance existing businesses;
- Retain Newcomers and build stronger immigrant communities; and
- Contribute to population growth targets.

This evaluation examines the Prince Edward Island PNP over the 2001 to 2010 period. Over this period, the Program consisted of four components:

- **Skilled Worker Category** – which is designed to attract prospective immigrants with specialized skills and experience who fill a critical PEI labour market need. Nominees must have secured employment and be sponsored by an employer in order to be nominated.
- **Immigrant Connections Category** – which is designed to strengthen immigrant families by allowing them to “champion” relations who meet settlement and employability criteria.
- **Immigrant Entrepreneur Category** – which is designed to attract immigrant entrepreneurs who establish viable, new businesses in PEI.

- **Immigrant Partner Category** – which was designed to promote investment in established PEI businesses. The Immigrant Partner Program was suspended in 2008 and subsequently eliminated to conform with new federal immigration regulations.

A new program model was introduced in 2011 and is not the subject of this evaluation.

Scope and Intent of the Evaluation

The Province of Prince Edward Island commissioned this evaluation to:

- Assess the extent to which the Program continues to be relevant to the priorities of the Province and its federal partner (Citizenship and Immigration Canada “CIC”) and the Department of Innovation and Advanced Learning;
- Review program management, reporting and accountability processes and products, focusing on the quality of processes and services from the perspective of program participants, and factors affecting nominee success; and
- Assess the extent to which intended program and provincial outcomes are being realized, with a focus on nominee retention, employment outcomes and income, establishment in the community, responding to employer needs, and promoting investment in the Island economy.

Restrictions

This report was prepared for Island Investment Development Inc. (IIDI) for management information purposes as outlined in the preceding *Scope and Intent of the Evaluation* section. We will not assume any responsibility or liability for losses occasioned to IIDI, participants in the Provincial Nominee Program or any third party, as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

Our analyses are based upon information provided by participants in the Provincial Nominee Program and/or on behalf of IIDI. We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by participants in the Provincial Nominee Program and/or on behalf of the Province.

We reserve the right, but are under no obligation, to review and/or revise the contents of this report in light of information which becomes known to us after the date of this report.

Approach

While the evaluation covers the 2001-2010 period, in-depth analysis is focused on the last three years (2008, 2009, and 2010). A combination of surveys (a survey of nominees and a survey of participating employers), interviews, data analysis and file review were employed in order to meet the specific objectives for the evaluation.

Conclusions

Delivered by IIDI, the PNP has fundamentally transformed immigration as a tool to achieve provincial objectives. Prior to its introduction, the majority of newcomers settling on the Island gained entry into Canada through family or refugee classes, and immigration volumes were very low. The PNP has provided the Province with the flexibility and capacity to develop program offerings with a strong economic focus, and this has increased the Island's profile and attractiveness to potential immigrants. This result, in the broadest view, has allowed the Province to make a fundamental shift in how immigration is employed to support the economic (business development and labour market) and population goals of the Province.

The PNP remains relevant and is consistent with federal and provincial priorities and generally consistent with the mandates of agencies responsible for its delivery.

- The Program is aligned with provincial and federal priorities, and the IIDI mandate, mission and vision is aligned with the Agreement for Canada-Prince Edward Island Co-operation on Immigration.
- The PNP provides incremental benefit and generally complements existing federal immigration programs. Over the 2001 to 2010 period, the PNP accounted for 94 per cent of all immigration, bringing the total percentage of economic immigrants to 96 per cent from a low of 37 per cent in 2001. PEI's specific immigration objectives will not be fully met through other existing immigration programs.
- The PNP fits within the mandate of the IIDI and the Department of Innovation and Advanced Learning.

The benefits of the PNP have been substantial. Succeeding in attracting immigrants in numbers that are unprecedented historically, the PNP continues to account for the vast majority of all immigration into PEI. While short term retention rates are increasing (based on default rates), longer term retention rates have been low for the Program as a whole.

However the retention rates for the Business Impact and Skilled Impact components of the Program, which are the core of a new program model rolled out in 2011, have been very high. As a result of the PNP, retention rates of nominees are improving.

- Nominees choosing to make PEI home are obtaining incomes that are competitive with the provincial average, and they are less reliant on income supports. Just over a third of those surveyed have purchased a home on the Island, and over half had purchased a vehicle. The vast majority (82 per cent) of skilled workers are continuing to work in the jobs that they were nominated for, and business entrepreneurs generally are continuing to focus on the development of small business opportunities, whether they are the businesses for which individuals were initially nominated or new business ventures and areas of opportunities identified since landing in PEI.
- Investments made by newcomers have brought much needed capital into Island businesses, enabling capital investments, growth and job creation. The investments

made through the Program have been estimated to total \$106 million, with a GDP impact of \$60.4 million and federal and provincial tax contributions estimated at \$11.5 million, supporting 1,273 full time jobs.

- Skilled workers accepted through the Program have, in the majority of cases, stayed in PEI and remain with initial sponsoring employers. The majority of businesses that were surveyed in the course of the evaluation felt that nominees have made a positive contribution to their business, and that the vacancies that the nominees filled would have been difficult to address otherwise. The Program is responsive to employers, and it is meeting their needs. Given the small size of the labour market and challenges in attracting and retaining workers for some sectors of the economy, the Program provides a valued means to access skills and reliable workers that may be difficult to find within the existing local labour market.
- The Province has seen population growth levels that simply would not have been possible in the absence of the PEI PNP. A total of 1,151 principal applicants have chosen to make Prince Edward Island their permanent home, purchasing homes, vehicles and adding new vitality to Island communities. Including family members, the Program was responsible for bringing 3,662 newcomers to the Island who intend to stay permanently.
- Program participants (both nominees and those employing skilled workers through the Program) reflect positively on their experience with the Program, but there are opportunities for improvement. The survey of nominees found that 80 per cent of respondents were satisfied with the PEI PNP requirements and application processes.
- Lastly, the Province has seen its profile in the international sphere grow, and the positive reputation it has created will have a lasting beneficial impact that could go beyond immigration.

The transition from accepting no more than a few hundred immigrants per year (with a large number of refugees) to the volumes seen in the PNP, wherein some years the Province saw several thousand landings, has posed some challenges.

- An analysis of federal data suggests an overall retention rate of 37% for the PNP as a whole. While this low retention rate is generally reflective of the now defunct Immigrant Partner component of the Program, it underscores the need to improve retention rates going forward.
- The English language training, settlement services, educational system and even the health care system have been challenged to respond to the large influx of newcomers. Along with these new demands come increased expenses that may represent a significant investment in newcomers to help them settle and succeed in the Province.
- The relatively small size of the Province in terms of its population and economy offer significant benefits that many newcomers prize. The feeling of safety and the quiet of life in a smaller town is a draw for some. However, for newcomers who have come to find new business opportunities, the pool of opportunities is simply smaller and cannot compete with larger population centres and more diversified economies in

central Canada and the West. Out-migration to larger urban centers with greater capacity, infrastructure and opportunities (jobs, higher pay) not only continues to be an issue for native PE Islanders but for newcomers as well.

Recommendations

1. Promote horizontal policy coordination to ensure a “whole of government” framework to effectively and proactively draw on immigration as a tool to achieve provincial labour market, population and development objectives:
 - a. Promote collaboration between agencies with a role in attracting, selecting and supporting newcomers;
 - b. Promote the development of a “whole of government” strategy that clearly defines provincial policy objectives and performance targets as they relate to immigration;
 - c. Raise public awareness and build support for the PNP and its role in securing prosperity in PEI. The PNP will be more successful if the community support is seen as one of the critical elements of program success; and
 - d. Confirm program objectives and alignment with the IIDI mandate, and strengthen alignment between the Program and IIDI.
2. Utilize policy levers (i.e., language requirements, educational requirements, net worth, etc.) within the scope of the PNP to maximize the ability to attract, select and retain immigrants that contribute to the Island’s prosperity goals:
 - a. Continue to build stronger awareness and support for the PNP in the employer community.
 - b. Develop proactive strategies for reaching potential nominees by targeting communications and recruitment efforts to countries where nominees may have stronger basic language skills and other assets that increase their likelihood of establishing themselves in PEI.
 - c. The Business Impact program is critical given the Province’s focus on job creation and the role that small businesses have in the economy. The Province should investigate options to:
 - Promote business succession opportunities to potential immigrants;
 - Improve mentoring support;
 - Engage in proactive business development and follow-up support to increase viability and sustainability of ventures; and
 - Enhance applicant screening and refine to ensure stronger language skills.
3. IIDI should lead the development of a performance monitoring and assessment framework that meets the emerging commitments at the national level and the more specific needs of Prince Edward Island.

- a. Performance measures and targets should anticipate the significant challenges that factors external to the Program have on program outcomes (i.e., lower rates of job retention, business success, and more false starts for newcomers).
- b. Performance measures and targets should be developed as an integrated portfolio that promotes collaboration and investment into strengthening the quality and effectiveness of immigration programs and services. An integrated perspective on attraction, selection and retention is needed.
- c. Make greater use of satisfaction surveys as part of the application and follow-up process to identify opportunities to further strengthen program performance and improve program processes.

4. Promote stronger collaboration with federal, provincial and territorial (FPT) partners in the ongoing development of program models that can meet the specific and evolving needs of smaller provinces like PEI;

- a. While the value of program flexibility is recognized nationally, there is a continued need to increase FPT partner awareness of PEI context and needs and to promote the development of programs that meet the specific needs of all regions.
- b. National criteria for assessing effectiveness and success of programs need to be supplemented with achievable and appropriate PEI performance measures and targets for success.

Introduction

The Prince Edward Island Provincial Nominee Program was implemented to attract economic immigrants to the Province to help achieve social and economic prosperity. The smallest of all the Provinces in terms of geographic size, population and the size of the economy, the PNP allows the Province to develop immigration programs that respond to the unique challenges of PEI's economy.

The PNP attracts immigrants with the skills, experience and economic means to successfully establish themselves on Prince Edward Island, and aims to:

- Expedite the Canadian Immigration process for nominees;
- Respond to the labour market needs of businesses;
- Increase investment and performance in targeted sectors;
- Establish new or enhance existing businesses;
- Retain newcomers and build stronger immigrant communities; and
- Contribute to population growth targets.¹

This evaluation examines the Prince Edward Island PNP over the 2001 to 2010 period. Over this period, the Program consisted of four components:

- **Skilled Worker Category** – which is designed to attract prospective immigrants with specialized skills and experience who fill a PEI labour market need.
- **Immigrant Connections Category** – which is designed to strengthen immigrant families by allowing them to “champion” relations who meet settlement and employability criteria.
- **Immigrant Entrepreneur Category** – which is designed to attract immigrant entrepreneurs who establish viable, new businesses in PEI (In 2010, the Province stopped accepting applications for the Entrepreneur category pending the implementation of new program criteria in 2011).

¹ The overall aims of the Program can be found in: Annex A of the Canada – Prince Edward Island Agreement on Immigration, the Island Prosperity Strategy and PNP program guidelines and eligibility requirements. They have been summarized in general terms in the evaluation.

- **Immigrant Partner Category** – For prospective immigrants who make a \$200,000 investment in an existing PEI company and take an active role in that company as a director or senior manager. The Immigrant Partner Program was wound down in 2008 in response to legislative and regulatory changes to immigration laws at the federal level.²

The new program model, introduced in 2011, consists of a Business Impact Component and a Labour Impact Component, which refined existing program components and eliminated the Immigrant Partner Category.

Scope and Intent of the Evaluation

IIDI commissioned this evaluation to review program performance within the context of the Island's priorities. It complements the recently completed federal evaluation, which examined performance in relation to federal priorities and objectives. The specific aims for this evaluation are to critically assess the Program over the 2001 to 2010 period by evaluating three aspects of performance:

Rationale and Intent – Assess the extent to which the Program continues to be relevant to the priorities of the Province and its federal partner, Citizenship and Immigration Canada, ("CIC") and the Department of Innovation and Advanced Learning.

Design and Delivery – Review program management, reporting and accountability processes and products, focusing on:

- The quality of processes and services of the PNP from the perspective of program participants;
- The factors affecting success for nominees, including available settlement services and supports; and
- Key areas of strength, challenge and appropriateness in program design and delivery.

Outcomes – Assess the extent to which the intended Program and provincial outcomes are being realized, with a focus on:

- Nominee retention, employment outcomes, income and establishment in the community;
- The extent to which the labour market needs of the Province and participating employers have been met;
- The level of investment and business growth associated with nominee investments; and
- Secondary impacts (intended and unintended), focusing on population impacts, distribution of benefits across the Island, impact on priority sectors of the economy and establishment of minority language communities (francophone and others).

² In 2008, the federal government changed the *Immigration and Refugee Protection Act* (IRPA) Regulations, and this category was deemed non-compliant. PEI stopped accepting applications for the Partner category in the late spring and then processed those applications that were in the queue until September 2008 when the revised Regulations came into effect and the Partner category was suspended by the Province.

Approach

While the evaluation covers the 2001-2010 period, in-depth analysis is focused on the last three years (2008, 2009, and 2010). A combination of surveys, interviews, data analysis and file reviews were employed in order to meet the specific objectives for the evaluation.

Surveys – Employers and nominees were surveyed in support of the evaluation.

- Surveyed by web 393 nominees, with 122 participating (response rate: 31%).
 - Skilled workers (Labour Impact Category): 14.6% (N=15)
 - Family Connections (Labour Impact Category): 8.7% (N=9)
 - Immigrant Entrepreneur (Business Impact Category): 22.3% (N=23)
 - Immigrant Partner/Investor: 54.4% (N=56)
 - No response: 15.6% (N=19)
- Surveyed 109 employers and spoke with 38 businesses about the Program, with 18 completing the survey (response rate: 35% participated, with 17% of the total population (109) completing surveys).

Several challenges were encountered in the implementation of the surveys:

- Out of date contact information due primarily to the mobility of newcomers;
- Contact information for employees was not always complete or accurate;
- Employers participating in the skilled worker component of the PNP were less willing to participate than anticipated (some were not sufficiently aware of the Program, some cited a lack of time, others expressed a general unwillingness to participate);
- Level of cooperation with Newcomer associations was lower than expected; and
- Federal level initiatives may have impeded participation of associations and newcomers
 - Federal audits to investigate potential cases of fraudulent immigration applications
 - CIC receipt of allegations of fraud and bribery associated with the Program.

Interviews – were conducted in-person and over the telephone with 18 immigration consultants, lawyers and representatives of sector associations and economic development groups.

File reviews – PEI PNP files and data, along with CIC data on immigrants, were accessed and drawn on to support the evaluation.

Rationale and Relevance of the PEI PNP

PEI PNP Alignment with Federal and Provincial Priorities

Conclusion: The Program is aligned with provincial and federal priorities. The IIDI mandate, mission and vision are aligned with the Agreement for Canada-Prince Edward Island Co-operation on Immigration.

The Island Context

Prince Edward Island is the smallest of Canada's ten provinces both in terms of geographic area and population. In 2011, 145,855 people called the Island home (accounting for 0.4% of the total population of Canada.) The Province is 5,660 square kilometres in size - just one tenth the size of Canada's next smallest province, Nova Scotia, and accounts for 0.1% of the total area of Canada. While the Island is the most densely populated of all the provinces, it is also the only one that does not have an urban centre larger than 100,000. Charlottetown is the largest urban centre on the Island, with 34,652 people calling it home.³

PEI is a heavily resource-based and seasonal economy; however, it is experiencing an aging population due to declining birthrate and the out-migration of many educated young people. While opportunities exist, metropolitan centres and provinces with larger, more diversified economies and the opportunities that are found within them are a major draw for many Islanders and newcomers alike who chose to make a start in Prince Edward Island. As a result, in the absence of in-migration either through immigration or by attracting existing Canadian citizens, the population of PEI was expected to decline.⁴

The Policy Context

In response to these challenges, the Province adopted several population and economic objectives, each of which relies on immigration. An objective of increasing the population by 1.5% annually was formally established and adopted as a goal by the Population Secretariat in 2005.

³ To form a census metropolitan area, the urban core must have a population of at least 100,000.

⁴ Population Strategy '99 (September 1999), Background – Population and Demographic Trends on Prince Edward Island. More recent growth projections estimate population decline in the absence of immigration to PEI under low growth scenarios and a small increase in population under high growth scenarios. (Source: Prince Edward Island (May 28, 2010) Statistics Canada Releases Population Projections for Canada, Provinces, and Territories 2010 – 2036.

The Population Secretariat, in turn, advanced a strategy designed to attract immigrants, repatriate Islanders who have moved to other parts of Canada and address retention concerns that cause people to leave the Island.⁵

The Province also adopted a broader action plan, Island Prosperity – A Focus for Change, which identifies the critical role that immigration will play in achieving social and economic objectives for the Island. Pillar 1 (Investing in People) of Island Prosperity, notes the need to build and retain the Island's population and is most directly supported by the PEI PNP. The Strategy identifies the need to shift the Program from an investment focus to more of a labour market focus.⁶

The increased focus on immigration as a mechanism to achieve population and economic objectives was possible with the adoption of the Provincial Nominee Program by the Federal government in 1998. With the new program, the federal government explicitly recognized the need to provide provinces and territories with a mechanism to respond to local labour market and economic development needs.

Agreement for Canada-Prince Edward Island Co-operation on Immigration

The Federal-Provincial Cooperation Agreement on Immigration allows for a PEI specific approach to balancing the mutual federal and provincial objectives of promoting investment, increasing economic development and meeting labour market needs.

- Provide PEI with the opportunity to address its particular social, demographic, economic development and labour market needs
- Increase the economic benefits of immigration based on economic priorities and labour conditions of PEI
- Prince Edward Island has the sole and non-transferable responsibility to assess and nominate candidates who, in Prince Edward Island's determination:
 - Will be of benefit to the economic development of Prince Edward Island; and
 - Have a strong likelihood of becoming economically established in Prince Edward Island.

The Broad Purpose of the PEI PNP

Historically, major population centres like Toronto, Montreal and Vancouver were the primary beneficiaries of immigration and they continue to attract the greatest share of immigrants. The PNP was established to improve the ability of provinces to attract and retain immigrants and realize both short term and longer term labour market and broader social and economic benefits.

PEI signed its first PNP agreement with CIC on 29 March 2001, which was extended in 2006. The latest agreement was an indefinite agreement, signed on 13 June 2008. The provisions for the PNP are included in the general "Agreement for Canada – Prince Edward Island Co-operation on Immigration."

⁵ Population Secretariat, November 2, 2005, Population Strategies (PowerPoint presentation).

⁶ The strategy was developed at the time that the Immigrant Investor component was still active.

The objectives of the PEI PNP are to:

- Increase business and economic development;
- Increase supply of skilled workers;
- Increase population; and
- Achieve provincial demographic, social and cultural objectives.

These objectives align with the Province's broader economic and social prosperity goals, which have recently been reaffirmed with the 2012 Throne Speech, where the Provincial government committed to a range of economic development objectives including:

- An increase in employment from 72,000 to 75,000 jobs over the next four years;
- A rise in the provincial GDP from \$5.3 billion to \$6 billion over the next four years;
- Population growth from 146,000 to 150,000 by 2022; and
- A return to fiscal balance through a combination of revenue and expenditure measures.

These ambitious targets build on the successes of the last four years (2007 to 2012) which, in spite a global financial crisis and market uncertainty, brought the Island employment increases from 68,000 to 72,000, a GDP increase from \$4.5 billion to a record \$5.3 billion and population growth from 138,000 (2006 census) to 146,000 people.

To support the Throne Speech commitments, the Provincial government committed to focus its economic development strategy on private sector job creation, export development and positive returns on investment for government. The Province has also focused on several strategic sectors of the economy:

- Export market development in the agricultural sector;
- Pursuing new markets to promote strong and sustainable fisheries and aquaculture sectors;
- Rural economic development;
- Recruiting new companies in the aerospace sector;
- Expanding the strategic focus on growing the Financial Services sector;
- Continuing to focus on development of the biosciences and information technology sectors; and
- Continuing to focus on tourism and culture.

As a vehicle for attracting business entrepreneurs and skilled immigrants to meet the evolving needs of businesses on the Island, the PEI PNP remains relevant and vital to the social and economic objectives of the Province.

Incremental Contributions to PEI's Immigration Objectives

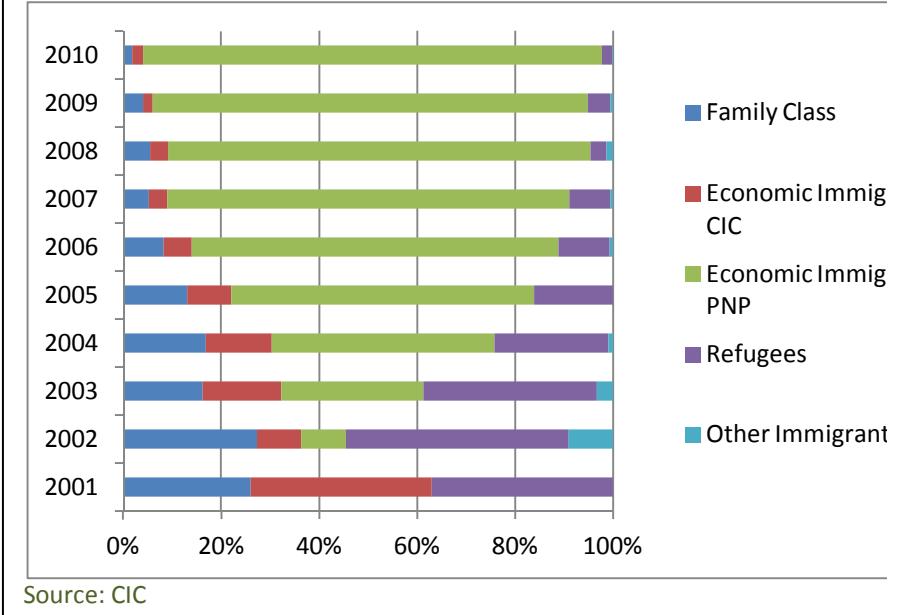
Conclusion: PEI's specific immigration objectives cannot be fully met through other existing immigration programs. Over the 2001 to 2010 period, the PNP accounted for 94 per cent of all immigration, bringing the total percentage of economic immigrants to 96 per cent from a low of 37 per cent in 2001.

The PNP is ultimately intended to contribute to the economic priorities and prosperity of Prince Edward Island by increasing the economic benefits of immigration.

Major population centres like Toronto, Montreal and Vancouver are the primary beneficiaries of immigration. The PNP was established to increase the ability of provinces to attract immigrants to all provinces and regions and realize both short term and

longer term benefits of immigration by retaining them.

Figure 2.1: Share of Immigration by Immigration Class



Historical levels of immigration prior to PNP have been insufficient to effectively support the Island's strategic objectives (e.g., population growth and economic growth and investment).

- Over the 2001 to 2010 period, the PEI PNP accounted for 94% of all landings. Federal immigration programs accounted for the remaining 6% and, of these, the percentage is split evenly between Refugees (2%), Family Class (2%) and Economic Class (2%).
- In terms of absolute numbers, landings from other federal immigration classes have increased over time but have consistently been under 200 people per year.
- In the broader context, the Federal evaluation concluded that the PNP program distributes a larger proportion of economic immigrants outside Ontario, Quebec and British Columbia compared to other economic programs.
- Federal evaluation underscores the need for the PNP and recognizes the incremental contribution that the PNP makes to provinces and territories.

Alignment of the PEI PNP with the Mandate of Innovation and Advanced Learning and IIDI

Conclusion: The PEI PNP supports the mandate of the IIDI and the Department of Innovation and Advanced Learning. However, with the termination of the Immigrant Partner component of the PEI PNP, the PNP less directly supports the investment promotion focus as described in the Island Investment Development Act.

During the period covered by the evaluation, the Department of Innovation and Advanced Learning collectively had responsibility for:

- The Island Prosperity Strategy – which is the Province's five-year innovation and economic strategy;
- The delivery of skills and training development programming funded by the Canada-Prince Edward Island Labour Market Development Agreement (LMDA) and Labour Market Agreement (LMA);
- The Population Secretariat, which is charged with the development of strategies to increase the population of PEI; and
- The PEI PNP.

PNP Objectives as reflected by IIDI mandate, mission and vision and program materials:

- Attract immigrants with the skills, experience and economic means to successfully establish themselves on Prince Edward Island
- Expedite the Canadian Immigration process for nominees destined for the Province of Prince Edward Island
- Respond to the labour market needs of businesses operating on Prince Edward Island
- Increase investment and performance in targeted sectors
- Establish new or enhance existing businesses
- Retain newcomers and build stronger immigrant communities
- Contribute to population growth targets.

The PNP is delivered by IIDI, a crown corporation established to administer the Island Funds and the Prince Edward Island Century 2000 Fund through the Federal Government's Immigrant Investor Program. The Program's objective is to encourage and facilitate the immigration of experienced business persons from abroad who will make a positive contribution to the Province's economy by applying their risk capital and business acumen to Canadian business ventures which create jobs for Canadians. This objective is directly reflected in the Island Investment Development Act ("the Act"). The Act sets out a range of objectives for the corporation, which are focused on promoting investment into PEI, raising capital and attracting entrepreneurial expertise to the Province.

With the assignment of the PNP, the current mandate of IIDI broadened to include an explicit objective to respond to labour market needs. Given the central importance of immigration as a

tool to promote investment and prosperity for the Island (as documented in the Island Prosperity Strategy, for example) the Program does align with the objectives of the Act insofar as it:

- Promotes investment into strategic sectors;
- Secures the skills and expertise needed to promote growth in strategic sectors; and
- Supports population growth objectives, which are essential to prosperity.

Legislated objectives are consistent with IIDI's original role in administering the Century Fund.

Attraction and Retention of Nominees

Conclusion: The PEI PNP is succeeding in attracting immigrants in numbers that are unprecedented historically and continues to account for the vast majority of all immigration into PEI. While short term retention rates are increasing (based on default rates), longer term retention rates have been low for the Program as a whole. However, in comparison, the retention rates for the Business Impact and Skilled Impact components of the Program have been very high. The percentage of economic immigrants (those with proven entrepreneurial talent and capacity and the skills and ability to succeed in the economy) has risen sharply from 37 per cent in 2001 at the start of the Program and averaged 96 per cent of the 2001 to 2010 period as a result of the PNP.

An analysis of tax filer data (2000-2008) suggests a retention rate of 37 per cent for the Program overall. However, a survey of employers participating in the Program suggests that 82 per cent of skilled workers remain living in PEI and continue to work with the employer initially sponsoring them. Retention rates for entrepreneurs are also very high in the short-term, with 64 per cent demonstrating that they have met the one year residency requirements.

Just over one quarter of those surveyed have made significant capital investments such as a home purchase, and over half have purchased a vehicle.

The evaluation assessed the extent to which the Program has succeeded in attracting and retaining immigrants by examining:

- The trends in immigration volumes (the number of immigrants destined for PEI);
- Landings in PEI;
- Short-term retention (i.e., retention within the first year); and
- Medium and longer term retention (i.e., retention rates beyond the first year).

Attraction of Nominees

Prior to 2001, PEI depended entirely on federal immigration programs to attract immigrants, and the annual numbers of landings over the 1994 to 2001 period averaged 153 people. Since the inception of the PEI PNP, in terms of absolute numbers, landings from federal immigration classes (refugee, family and economic classes) have increased over the 2001 to 2010 period, but have consistently been under 200 per year. Landings for federal economic classes have typically been less than 50 per year and have averaged just 37 principal applicants per year. During the same period, overall levels of immigration attributed to the PNP have increased steadily and dramatically from under 200 landings per year in the first few years of the PNP to just over 2,500 in 2010 (see Exhibit 3.1 and Exhibit 3.2). The PEI PNP accounted for 94 per cent of all landings over the 2001 to 2010 period (see Exhibit 3.2).

Prior to the PNP, refugees accounted for as much as half of all landings in some years and usually accounted for the largest share of immigrants by class. Since the establishment of the PEI PNP, the economic class has come to account for 92 per cent of all landings. Recent federal evaluations of refugee programs, for example, have found that a large percentage of immigrants entering Canada as refugees have difficulty entering and remaining attached to the labour market. Conversely, the federal evaluation of PNP programs across Canada found the opposite. The vast increase in economic immigrants allows PEI to more effectively align immigration to economic priorities.

Exhibit 3.1: Immigration Levels by Year

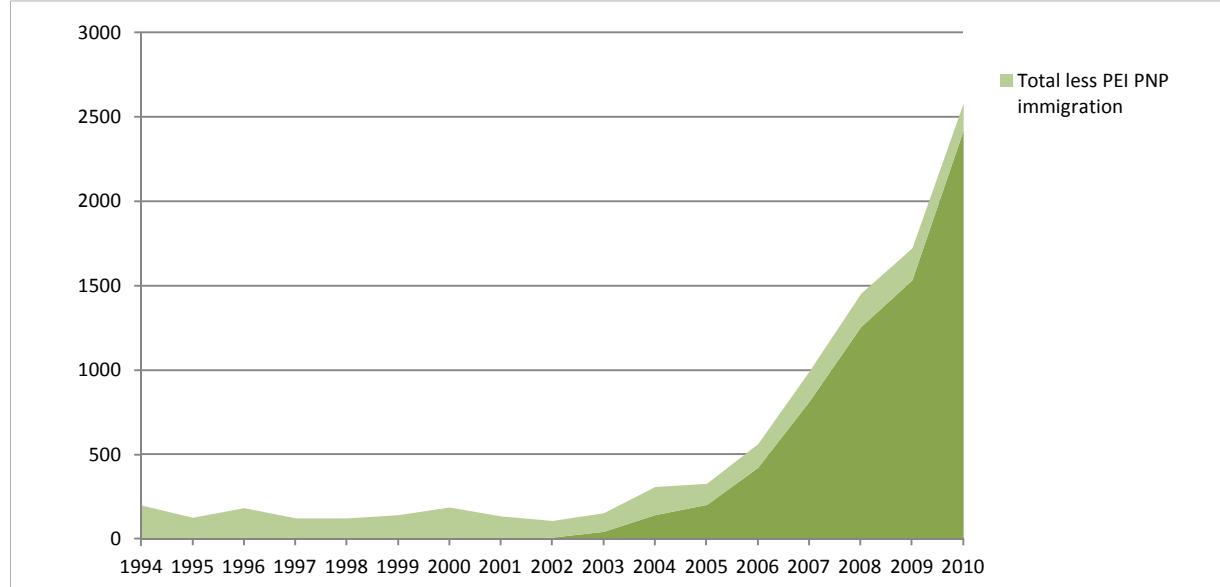


Exhibit 3.2: Immigration Levels by Immigration Class (Principal Applications, Spouses and Dependents)

Immigration Class	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Family Class	35	30	25	52	43	46	52	80	70	46	479
Economic Immigrants – CIC	50	10	25	42	30	33	37	52	33	57	369
Economic Immigrants – PNP	0	10	45	141	204	423	815	1,258	1,532	2,419	6,847
Refugees	50	50	55	72	53	59	83	46	79	56	603
Other Immigrants	0	10	5	3	0	4	5	20	9	3	59
Total	135	110	155	310	330	565	992	1,456	1,723	2,581	8,357

Immigration Class	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Family Class	26%	27%	16%	17%	13%	8%	5%	5%	4%	2%
Economic Immigrants – CIC	37%	9%	16%	14%	9%	6%	4%	4%	2%	2%
Economic Immigrants – PNP	0%	9%	29%	45%	62%	75%	82%	86%	89%	94%
Refugees	37%	45%	35%	23%	16%	10%	8%	3%	4%	2%
Other Immigrants	0%	10%	4%	1%	0%	1%	1%	2%	1%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: CIC.

Note: The numbers of immigrants within PNP as identified in Exhibit 3.2 includes Principal Applicants, spouses and dependents. IIDI does not capture and register all of the Immigrant landings in the Province. The numbers presented are based on immigrants who have reported to IIDI.

Immigration Levels by Component of the PEI PNP – 2001 to 2010

Over the 2001 to 2010 period, some 3,112 nominations were approved by CIC. Of these, 87 per cent of nominated applicants were Immigrant Partners. The next largest share of nominees fell in the Skilled Worker category (8 per cent), followed by the Immigrant Connections category (4 per cent) and the Immigrant Entrepreneur (1 per cent).

Exhibit 3.3: Immigration Levels by PEI PNP Component

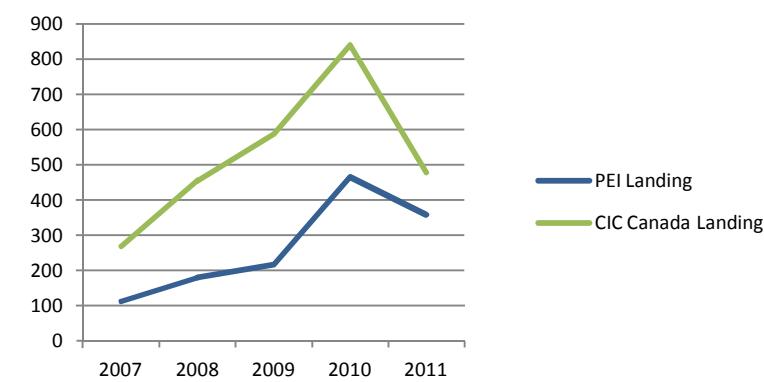
PEI PNP Applicant Files Approved by CIC by Category	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total 2001 - 2010	Per cent of Total
Immigrant Connections	0	0	0	0	0	12	47	23	21	20	123	4%
Immigrant Entrepreneur	0	1	5	8	4	4	7	4	4	1	38	1%
Immigrant Partner	0	5	15	65	88	184	331	401	696	918	2703	87%
Skilled Worker	0	3	15	21	24	29	32	36	38	55	253	8%
Total	0	9	35	94	116	229	417	464	759	994	3117	100%
Per cent of Total	0%	0%	1%	3%	4%	7%	13%	15%	24%	32%	100%	

Source: IIDI

Landing Location: While all Principal Applicants accepted under the PEI PNP must state an intention to settle in the Province, a percentage will simply use the Program as a vehicle to immigrate into Canada and ultimately settle in other areas.⁷ This is a challenge that all less populous provinces face. A short term indicator of retention therefore is the percentage of nominees who land in PEI versus landing outside the Province in other parts of Canada. Those landing outside of PEI typically do not subsequently settle in PEI.

Over the 2007 to 2011 period, the percentage of Principal Applicants landing in PEI has increased from just around 42 per cent in 2007 to 75 per cent in 2011. This suggests a significant increase in short term retention rates. Anecdotal evidence suggests that this shift is due to both a better understanding of the PEI PNP program within the immigration community and revisions to eligibility criteria and selection processes.

Exhibit 3.4: PEI PNP Landings in Canada and PEI by Year



Landing Location	2007	2008	2009	2010	2011	Total
PEI	113	180	217	465	359	1,334
Outside of PEI	156	275	371	375	120	1,297
Total	269	455	588	840	479	2,631
Per cent Landing in PEI	42%	40%	37%	55%	75%	51%

Data Source: IIDI (Based on applicants who registered with IIDI after landing.)

⁷

Under Canada's Charter of Rights and Freedoms, permanent residents have a legal right to free movement within the country so such occurrences should in no way be construed as fraudulent.

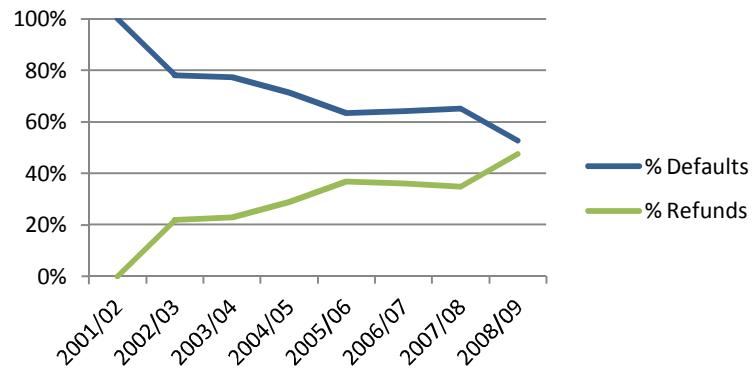
Retention Rates in the First Year

Under the Skilled Worker category, the majority of applicants and subsequent PNP immigrants are already in the Province working (approximately 90% of applicants are already working in PEI under a temporary work permit) before they become a Permanent Resident under the PNP. Thus, the short-term retention rate and attachment to the labour market are close to 100% for this category.

Retention rates in the first year are reliably reflected by the percentage of nominees meeting the one year residency requirement, which must be proven before the Good Faith Deposit made by the Immigrant Partners can be refunded.

Exhibit 3.5 and 3.6 identify refund and default rates since 2001. Default rates were highest in the first few years of the Program but have since declined. In 2008/09 default rates dropped to 53 per cent (from a high of 78 per cent), which is indicative of a retention rate of 47 per cent in the short term for the Program compared to a retention rate of under 30 per cent in the early years of the Program.⁸ As shown, it appears that short-term retention rates have improved.

Exhibit 3.5: Good Faith Deposit Defaults and Refunds by Year of Deposit



Source: IIDI

Exhibit 3.6: Good Faith Deposits – Defaults and Refunds by Year of Deposit

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	Total
Per Cent Refunds	0%	22%	23%	29%	37%	36%	35%	47%	38%
Per Cent Defaults	100%	78%	77%	71%	63%	64%	65%	53%	62%
Per Cent	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Number of Refunds	0	7	26	21	87	153	249	358	901
Total Number of Defaults	1	25	88	52	150	272	466	398	1,452
Total Number of Decisions	1	32	114	73	237	425	715	756	2,353

Data Source: IIDI

Note: The Immigrant Partner component stopped accepting applications in 2008/09 and was officially wound down with the roll out of the new PNP program model in 2011.

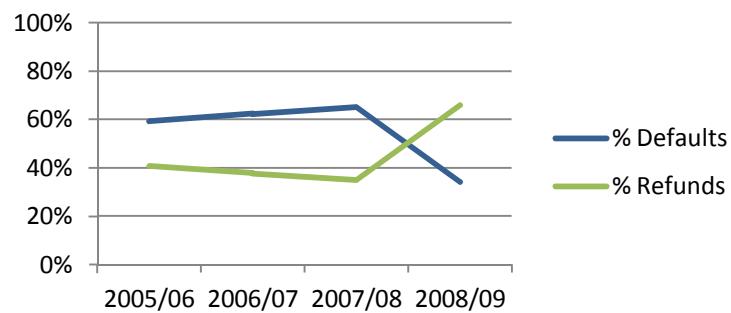
⁸ Good Faith Deposits are also required under the Immigrant Entrepreneur program, but these account for less than 2% of the 2,353 deposits.

Language Deposits: A Principal Applicant who cannot demonstrate proficiency in one of the two official languages is required to sign a Language Proficiency Agreement, make a \$20,000 Language Deposit and agree to study in English and/or French. The Language Proficiency Agreement has a term of one year after the applicant lands in Canada and obtains permanent residency. To receive the refund, the Principal Applicant must provide evidence to IIDI that they have passed a proficiency test in either of Canada's two official languages.⁹ Upon the expiry of the Language Agreement, (one year after landing in Canada), if the applicant has not contacted the Prince Edward Island Provincial Nominee Program office to provide evidence for meeting the conditions for refund or extension, the deposit will be defaulted.

Since 2005, there has been a dramatic decline in the percentage of defaults, with some 66 per cent of all nominees landing in 2008/09 successfully meeting the language requirements and obtaining a refund (refer to Exhibit 3.7). This can be contrasted with prior years which saw an average refund rate of less than 40 per cent. The increased success rate in nominees meeting the language deposit is indicative of several factors:

- Enhanced screening of applicants and program requirements which are helping to attract nominees whose interests are more likely to coincide with those of the Program (i.e., an increased likelihood to choose to stay in PEI); and
- A higher retention rate (at least in the short-term) for the Program. Anecdotal evidence suggests that the high percentage of defaults in early years was related in a large part to nominees choosing to locate to other parts of Canada shortly after landing or even upon landing. The refund rate for the Language Deposit is higher than the refund rate for the Good Faith Deposit which suggests that a portion of those receiving a refund for the language deposit may not have remained in the Province for at least one year.

Exhibit 3.7: Language Defaults/Refunds by Year of Deposit



Data Source: IIDI

Language Defaults/Refunds by year of Deposit

	2005/06	2006/07	2007/08	2008/09	Total
Defaults	83	172	379	291	925
Refunds	57	104	203	560	924
% Defaults	59%	62%	65%	34%	50%
% Refunds	41%	38%	35%	66%	50%

Data Source: IIDI

⁹ Evidence that the condition cited under (1.) has been met, including an official letter from the Prince Edward Island Association of Newcomers indicating a combined minimum score of 13 in all four Canadian Language Benchmark skills: speaking, listening, reading and writing.

Retention of Nominees in the Longer Term

Assessing Retention through the Longitudinal Immigration Database (“IMDB”): There are several sources of information that can provide an indication of retention rates in the longer term. CIC maintains the IMDB, which includes taxfiler data for immigrants. This allows CIC to identify income by source, reliance on social supports and employment insurance, and the Province in which an immigrant filed their income tax. Because the location of filing is known, the IMDB can provide information on the numbers of immigrants living, working and filing taxes in PEI and when and where they move to. Data was examined for all those where PEI was the intended destination over the 2000 to 2008 period. The analysis undertaken by CIC concluded that 37 per cent of all nominees intending to reside in PEI over the 2000 to 2008 period were still residing within the Province.

Exhibit 3.8: Summary statistics on retention - 2008 status (cohorts 2000-2008)

	PEI - Intended destination	Out-migration	In-migration	Net change	Net change (%)	Retention rate	Erosion rate
Number of PNP Principal Applicants (who filed taxes for PEI)	860	545	10	-535	-62.21	36.63	63.37

Data Source: CIC analysis of IMDB data.

The information in the IMDB can only be examined for the PEI PNP as a whole, so retention rates for specific program components cannot be assessed with accuracy. It should be kept in mind that 87 per cent of those nominated entered through the Immigrant Partner component of the Program. For that reason, the long-term retention rates determined through IMDB are likely more reflective of Immigrant Partner Program.

When the evidence from the survey of employers is considered, the perspective on retention can be further refined. Employers responding to the survey indicated a high level of satisfaction with nominees and reported that 82 per cent of those hired through the PEI PNP were still working with their initial employer. Similarly, follow-up surveys with the Skilled Worker component of the Program found that retention rates were about 86 per cent within the first year of landing.¹⁰ In relation to entrepreneurs nominated through the business impact component of the Program, a short term retention rate of 64 per cent (the percentage of nominees meeting residency requirements) was found.

¹⁰ IIID made efforts to contact all Skilled Worker nominees landing in PEI in 2009/10 and found that 86% were still residing within the Province.

Nominee Outcomes

Conclusion: Nominees choosing to make PEI home are obtaining incomes that are competitive with the provincial average, and they are less reliant on income supports. Just over a third of those surveyed have purchased a home on the Island and over half have purchased a vehicle. The vast majority (82 per cent) of skilled workers are continuing to work in the jobs that they were nominated for. Also, business entrepreneurs are generally continuing to focus on the development of small business opportunities, whether those opportunities relate to the businesses for which they were initially nominated or new business ventures and areas of opportunities identified since landing in PEI.

Skilled Workers

The businesses surveyed in support of the evaluation collectively hired a total of 90 nominees which represents 36 per cent of the skilled workers accepted through the Program over the 2001 to 2010 period. These employers report that 82 per cent of nominees are still working with them. Based on the survey of skilled workers, 67 per cent are still working in the same job/occupation and with the same employer identified in the Program application.

Relative to the broader population, participating workers are attaining comparable incomes and they are less dependent upon income supports. Skilled workers are achieving income levels that are higher than nominees in general. As summarized below, the average individual income self-reported through the survey of nominees was \$31,000 and for skilled workers it was \$39,000. The analysis of the IMDB found that nominees were reporting incomes which averaged \$27,100 for each nominee 2 years after landing and \$30,500 three years after landing. The IMDB findings are generally consistent with the survey findings since they represent the average income for all nominees (refer to Exhibit 4.2). In comparison, the broader PEI population reported incomes which averaged out to \$29,100 per person reporting an income and \$40,200 for full time workers in 2008.

Exhibit 4.1: Earnings as Reported in the Survey of Nominees Compared to PEI Population as a Whole

	Nominees – Survey Results	Nominee Income as Reported through Tax Filer Data (IMDB) (2000 – 2008)	PEI Population as a Whole
Individual Average Income	\$39,000 (for skilled workers)	\$27,100 – 2 years after landing	\$29,100 (average earnings in 2008)
	\$31,000 (for nominees on average)	\$30,500 – 3 years after landing.	\$40,200 (average earnings for full time workers in 2008)
Family Income	\$34,000 (for all nominees on average)		

Source: Survey of Nominees; CIC

Exhibit 4.2: Incidence Rates and Averages, for Different Types of Earnings - all PEI Nominees

	<u>Years Since Landing</u>					
	0*	1	2	3	4	5
Incidence rate of reporting employment earnings (%)	34.39	46.23	48.39	48.48	43.75	60.00
Average employment earnings (\$)	19,300	23,200	27,100	30,500	26,300	32,200
Incidence rate of reporting self-employment earnings (%)	5.73	10.38	12.90	18.18	18.75	40.00
Incidence rate of reporting employment earnings and/or self-employment earnings (%)	38.85	51.89	56.45	57.58	56.25	60.00
Incidence rate of reporting Employment Insurance benefits (%)	-	4.72	4.84	6.06	6.25	-
Incidence rate of reporting Social Assistance benefits (%)	-	0.94	-	-	-	-

Source: CIC analysis of IMBD.

Nominees are generally self-reliant, with only 4.4 per cent of those responding to the survey reporting any reliance on employment insurance in 2010. The federal analysis of taxfiler data also found a low incidence of reporting employment insurance benefits with 4.8 per cent reporting employment insurance benefits two years after landing and just over 6 per cent three and four years after landing. This can be contrasted with the unemployment rate for PEI as a whole, which was 11.2 per cent in 2010. A total 0.9 per cent reported making use of income, disability or hardship assistance, which is consistent with findings reported by CIC's analysis of tax filer data.

The survey identified a few areas where nominees were not attaining quality of life objectives. For example, nominees generally did not feel that the Program enabled them to secure an income that would otherwise not be attainable, and they identified recognition of credentials as an impediment to success. When asked about the extent to which involvement in the PEI PNP led to specific quality of life outcomes, the top areas where respondents stated they **strongly disagreed** with statements are:

- Being nominated has provided me and my family with an income that I would not likely have been able to obtain otherwise (50 per cent disagreed);
- My professional credentials were recognized in Canada in a timely manner, allowing me to work in my field of expertise (37.9 per cent disagreed); and
- Being nominated has provided me and my family access to health and social services that I would not likely have been able to obtain otherwise (35.6 per cent disagreed).

Of the nominees surveyed who were still residing in PEI:

- 25 per cent had purchased a home in Prince Edward Island;
- 56.6 per cent purchased a vehicle;
- 6.6 per cent have had additional children since coming to the Island;
- 3.7 per cent attained additional educational qualifications in PEI;
- 3.7 per cent attained additional professional, trade or occupational qualifications;
- 2.4 per cent married or started a family; and
- 1.4 per cent completed either a graduate or doctoral program.

Business Entrepreneurs

The Program has accepted a total of 38 Principal Applicants (“PA”) under the Business Entrepreneur component of the PNP. Each applicant accepted into the Program is required to submit a deposit, which is refunded when they demonstrate that they have met program requirements. Proof of residence in PEI for one year is one of these requirements. To date, 64 per cent of those coming through the Program are meeting the 1 year residency requirements. This is reflective of a retention rate of 64 per cent in the short-term.

Exhibit 4.3: Refund and Default Rates – Business Entrepreneurs

	Total Number	Percentage
Total number of decisions	28	100%
Number of Defaults (PA <u>has not</u> met the 1 year residency requirement)	10	36%
Number of Refunds (PA <u>has</u> met the 1 year residency requirement)	18	64%
Total number of deposits	38	
Deposits outstanding (where a decision has not yet been made)	10	

The investments made by business entrepreneurs create a range of benefits at the community level that are felt locally through local purchases, employment, and the provision of new services. The survey found that:

- 26.4 per cent of entrepreneurs are still actively involved in the management of the business identified in their application or continue to own a share in it. Just over half (56 per cent) of all entrepreneurs continue to either look for new business opportunities or continue to have a role in existing businesses as a full or part owner.
- Those who are no longer involved in the business were asked to identify what had happened to the business:
 - 64 per cent had closed the business down for personal reasons
 - 27 per cent had sold the business but did not realize a profit
 - 9 per cent had closed the business down because it was not profitable.

The survey results confirmed that 36 per cent of those surveyed had closed the business down, while the remainder either continue to take part in the business or sold it. In comparison, new enterprises in Atlantic Canada typically have a survival rate of 55 to 65 per cent in the first few years – a success rate that seems to hold true for businesses established through the Immigrant Entrepreneur component.

Exhibit 4.4: Refund and Default Rates – Business Entrepreneurs

	Total Number
Total number of businesses still in operation (for those in business longer than a year)	10
Average level of investment made per business	\$200,000
Average number of full time workers per business	3.25
Average number of part time workers per business	1.25

Source: Survey of Nominees

Contribution to Provincial Priorities

Responding to Labour Market Needs

Conclusion: The majority of employers that were surveyed in the course of the evaluation felt that nominees have made a positive contribution to their business.

The Program is responsive to employers and it is meeting their needs. Given the small size of the labour market and challenges in attracting and retaining workers for some sectors of the economy, the Program provides a valued means to access skills and reliable workers that may be difficult to find within the existing local labour market.

The Skilled Worker component of the Program was specifically designed to respond to employer needs by providing them with a mechanism to secure workers. During the period covered by the evaluation, the vast majority of nominations under this component were for workers who the employer had hired through the Temporary Foreign Worker program. As a consequence, the workers applying under the Program already had direct experience working within PEI and with the employer.

Employers responding to the survey indicated a high level of satisfaction with nominees and reported that 82 per cent of those hired through the PEI PNP were still working with the employer. Employers reflected positively on the contribution of the Program and the workers secured through it:

- 78 per cent of employers agreed that having access to foreign workers through the PEI PNP allowed their organization to effectively fill vacancies that would otherwise be difficult to fill; and
- 67 per cent of employers felt that the skilled workers hired through the Program had a positive impact on business results and outcomes (i.e., enhanced competitiveness and performance).
 - 83 per cent reported that the skilled worker met or exceeded expectations
 - 73 per cent felt that nominees have integrated well in the workplace
 - 67 per cent felt that the nominees have demonstrated commitment to the business (23 per cent felt that they didn't).

In so far as the majority (67 per cent) of skilled workers continue to work within the same occupations that they were nominated for, the Program can be viewed as a success. A total of 33 per cent of employers surveyed indicated that they would be looking to the PEI PNP to help fill vacancies over the next 12 to 18 months, which suggests there is a continued demand for the Program.

Promoting Investment into Strategic Sectors of the Economy

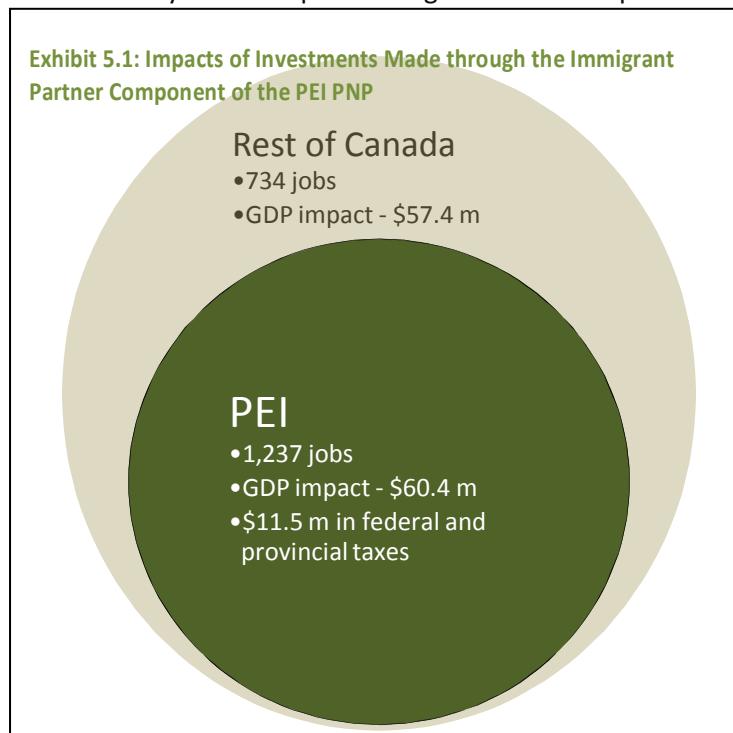
Conclusion: Investments leveraged through the Investment Partner component have been significant, exceeding \$106 million directly through the Program, generating considerable economic activity and benefits within the Province and Canada. These investments are expected to generate approximately \$222 million in direct and indirect expenditures and 1,971 full time jobs.

Over the 2007 to 2010 period (the focus of the evaluation), 2,627 nominees accepted through the Immigrant Partner component of the PNP had invested into PEI based businesses. Each Investment made by a nominee resulted in an estimated \$45,712 in net funds being made available to businesses, which have been used for debt repayment, renovations, equipment purchases and working capital.

Using the federal input-output model, an analysis of the direct, indirect and induced impacts of these investments was made. While some investments typically have benefits that are felt outside of the Province (e.g., equipment purchases from manufacturers that are located outside of the Province), many of the benefits will also be felt locally through the expenditures made by employees working with companies receiving investment units, the purchase of equipment and materials and the use of tax and other revenues by local and provincial governments to provide services. The analysis examines how expenditures flow through the local and national economy.

Based on the federal input-output model, it was expected that PEI would capture a large proportion of the investment benefits associated with PNP and they included 1,273 full time jobs, expenditures totaling \$106 million, a total impact on GDP estimated at \$60.4 million, and federal and provincial tax contributions estimated at \$11.5 million. Canada-wide, (inclusive of PEI) the benefits include 1,971 full time equivalent jobs and approximately \$222 million in direct and indirect expenditures, with a total impact on GDP estimated at \$117.8 million.¹¹

Exhibit 5.1: Impacts of Investments Made through the Immigrant Partner Component of the PEI PNP



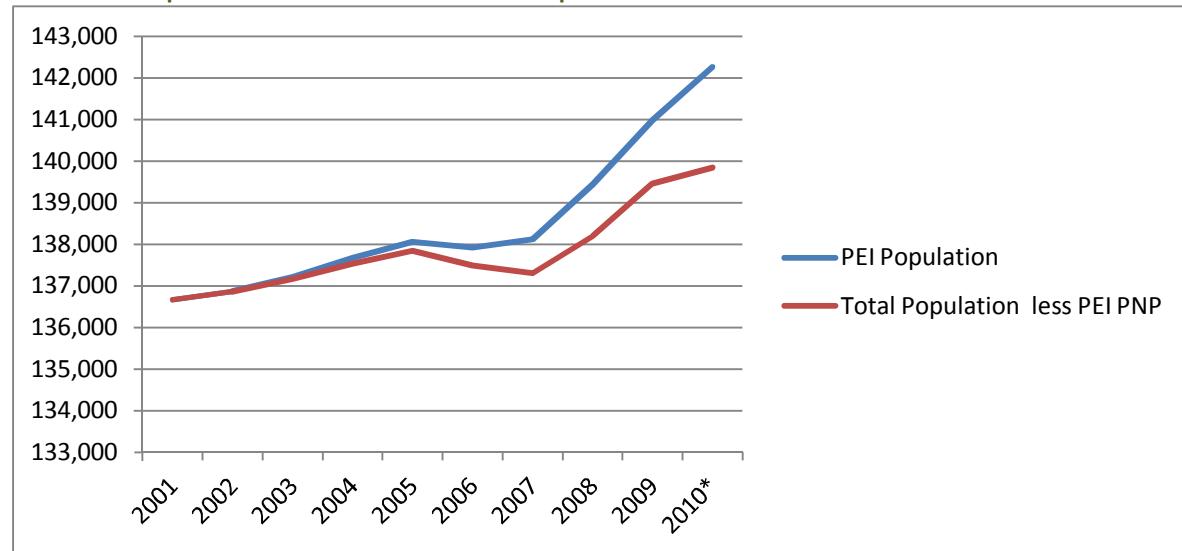
¹¹ A review of how investments were actually used by businesses is underway (review of the Use of Proceeds agreements) in a separate initiative led by IIIDI.S.

Population Growth

Conclusion: The PEI PNP has supported the Province's broader population growth targets and, with a retention rate of 37%, has been responsible for bringing 1,151 Principal Applicants to the Province. When considering the entire family unit, the Program has been responsible for bringing 3,662 newcomers to the Island who are now permanent residents.

In 2000/2001, the same year that the PEI PNP was implemented, the Province was experiencing the lowest levels of natural population growth (in the absence of immigration) since 1971.¹² Natural growth had slipped to 108 people in 2001. During the same time period, immigration was bringing in no more than a few hundred people per year. Accordingly, the Province had recognized the need to adopt strategies to increase the population, given the direct relationship between population growth and economic growth. By 2005, the Province had formally adopted population growth targets of 1.5 per cent per year, which depended on both immigration and repatriation (attracting former residents back to the Province). The PEI PNP brought 3,112 landings for principal applicants over the 2001-2010 period in addition to their families (on average, each principal applicant brought 2.18 people with them and, at the time of the survey, the average nominee family consisted of 2.64 people). This accounted for 94 per cent of all immigrants arriving during this period. Assuming the 37 per cent retention rate determined by the federal level evaluation of the PNP, the PEI PNP brought an estimated 1,151 principal applicants to the Island who chose to stay in the long-term. Including family members, the Program was responsible for bringing 3,662 newcomers to the Island who intend to stay permanently.

Exhibit 5.2: Population Trends and Incremental Impact of the PEI PNP



¹² Department of Finance and Municipal Affairs (February 2011) Prince Edward Island Population Projections 2011-2051.

Program Delivery

Nominee and Employer Satisfaction Levels with Program Delivery

Conclusion: Program participants (those employing skilled workers through the Program and nominees) reflect positively on their experience with the Program but there are opportunities for improvement.

Nominees: Generally, employers and nominees participating in the Program expressed a high level of satisfaction with PEI PNP

requirements and application processes.

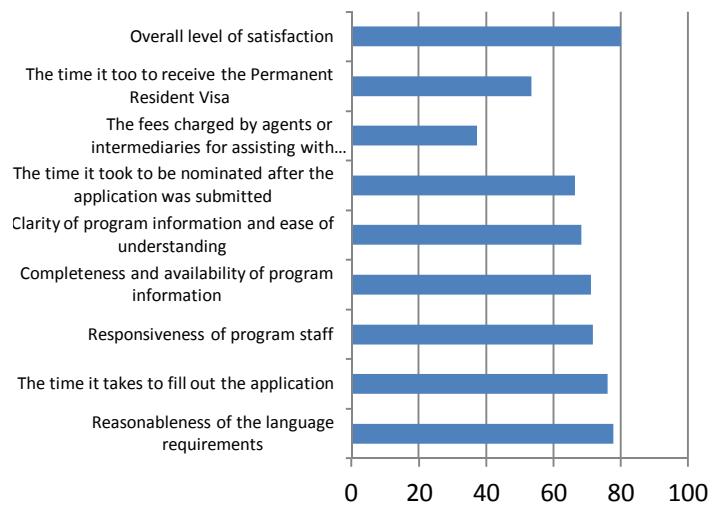
The survey of nominees found that 80 per cent of respondents were satisfied with the PEI PNP requirements and application processes. Levels of satisfaction were highest for the following aspects of the Program:

- Reasonableness of the language requirements (77.8 per cent)
- The time it takes to fill out the application (76 per cent)
- Responsiveness of Program staff (71.7 per cent)
- Completeness and availability of Program information (71 per cent)
- Clarity of Program information and ease of understanding (68.3 per cent); and
- The time it took to be nominated after the application was submitted (66.4 per cent).

Levels of satisfaction were lowest for the following factors:

- The fees charged by agents or intermediaries for assisting with applications (37.3 per cent); and
- The time it took to receive the Permanent Resident Visa after nomination (53.4 per cent).

Exhibit 6.1: Nominee Satisfaction Levels - Survey Results



It should be noted that the factors for which nominees were least satisfied are services related to the Program that are not directly within the control of the PNP.

Employers hiring skilled workers: 89 per cent of respondents were satisfied with the PEI PNP Program requirements and application processes.

- In terms of Program design and delivery, the areas of greatest satisfaction were:
 - Responsiveness of staff (95 per cent agreed)
 - Time it takes to fill out the application (89 per cent agreed)
 - Completeness, clarity and ease of understanding of Program information (83 per cent agreed).
- The areas where employers were least satisfied:
 - Fees and charges associated with the Program - 33 per cent felt that intermediary/agent fees were not reasonable; 22 per cent felt that PNP fees were unreasonable
 - Time taken to process applications – 28 per cent felt that time taken was unreasonable.

Factors Influencing the Success of the PEI PNP

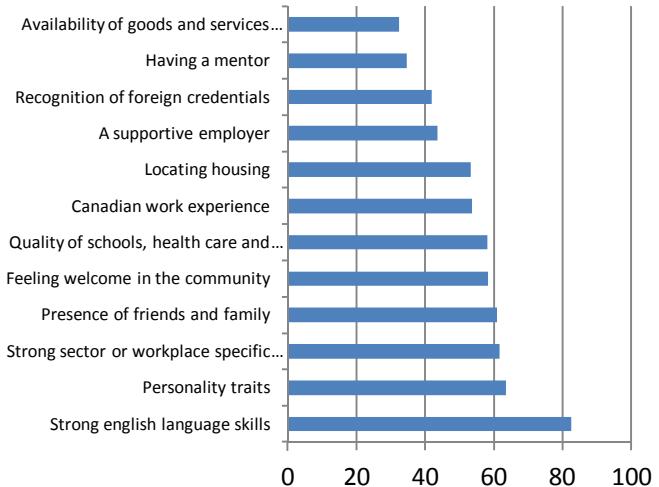
Conclusion: Strong English language skills are identified most frequently as the factor that affects success, and all nominees have sought support to improve language skills.

Nominee success is influenced by a wide range of factors, including the capacities, skills and personality traits, the broader community and the extent to which the community welcomes and supports nominees.

Nominees identified strong English language skills most often as the primary factor influencing success, with 82.5 per cent of nominees participating in the survey agreeing. The next most frequently identified factor was personality traits (63.5 per cent agreeing). Other factors most frequently identified included:

- Strong sector or workplace specific language skills (61.6 per cent agree)
- Presence of friends and family (60.0 per cent agree)
- Feeling welcome in the community (58.3 per cent agree)
- Quality of schools, health care and other amenities (58.1 per cent agree)

Exhibit 6.2: Factors Influencing Nominee Success - Survey Results



- Canadian work experience (53.6 per cent agree)
- Locating housing (53.2 per cent agree).

Nominees identified the following factors least often:

- Availability of goods and services that cater to your specific ethnic and cultural needs (32.4 per cent agree)
- Having a mentor (34.7 per cent agree)
- Recognition of foreign credentials (41.8 per cent agree)
- A supportive employer (43.5 per cent agree).

Factors Affecting the Decision to Invest in PEI

Conclusion: The decision to invest in PEI by entrepreneurs is driven by quality of life objectives including access to quality health and social services and the education system. These positive attributes are weighted more heavily by nominees than more traditional business drivers such as the business climate, the quality of the workforce, cost advantages or the nature of the business opportunity.

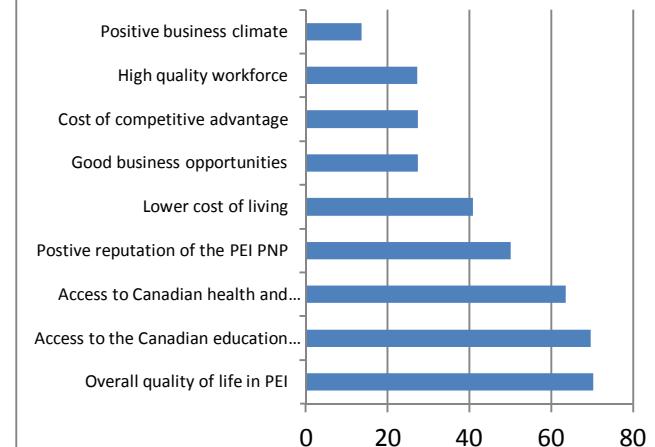
Based on the survey of entrepreneurs, the key factors identified most often that make Prince Edward Island attractive are:

- Overall quality of life (70.2 per cent agree).
- Access to the Canadian education system (69.6 per cent agree).
- Access to Canadian health and social benefits (63.6 per cent agree).
- Positive reputation of the Prince Edward Island Provincial Nominee Program (50.0 per cent agree)
- Lower cost of living (40.9 per cent agree).

The factors that were identified the least often were:

- Good business opportunities (27.3 per cent agree)
- Positive business climate (13.6 per cent agree)
- Cost or other competitive advantage (27.3 per cent agree)
- High quality of workforce (27.2 per cent agree).

Exhibit 6.3: Factors Influencing the Decision to Invest in PEI



Source: Survey of Nominees

Conclusions and Recommendations

Conclusions

Delivered by IIDI, the PNP has fundamentally transformed immigration as a tool to achieve provincial objectives. Prior to its introduction, the majority of newcomers settling on the Island gained entry into Canada through family or refugee classes, and immigration volumes were very low. The Prince Edward Island Provincial Nominee Program has provided the Province with the flexibility and capacity to develop program offerings with a strong economic focus that have increased the Island's profile and attractiveness to potential immigrants. This result, in the broadest view, has allowed the Province to make a fundamental shift in how immigration is employed to support the economic and population goals of the Province.

The benefits have been substantial:

- Investments made by newcomers have brought much needed capital into Island businesses, enabling capital investments, growth and job creation. The investments made through the Program have been estimated to total \$106 million, with a GDP impact of \$60.4 million, and federal and provincial tax contributions estimated at \$11.5 million, supporting 1,273 full time jobs.
- Skilled workers accepted through the Program have, in the majority of cases, stayed in PEI and remain with the initial sponsoring employer, helping to provide lasting solutions to labour market shortages and needs.
- The Province has seen population growth levels that simply would not have been possible in the absence of the PEI PNP. Just over 1,151 principal applicants have chosen to make Prince Edward Island their permanent home, purchasing homes, vehicles and adding new vitality to Island communities. Including family members, the Program was responsible for bringing 3,662 newcomers to the Island who intend to stay permanently.
- Lastly, the Province has seen its profile in the international sphere grow and the positive reputation this has created will have a lasting beneficial impact that could go beyond immigration.

The transition from accepting no more than a few hundred immigrants per year (with a large number of refugees) to the volumes seen in the PNP has posed some challenges:

- The English language training, settlement services, the educational system and even the health care system have been challenged to respond to the large influx of newcomers and accompanying work.
- The relatively small size of the Province in terms of its population and economy offer significant benefits that many newcomers prize. The feeling of safety and the quieter way of life in a smaller town is a draw for some. However, for newcomers who have come to find new business opportunities, the pool of opportunities is simply smaller and cannot compete with larger population centres and more diversified economies in central Canada and the West.

Recommendations

1. Promote horizontal policy coordination to ensure a “whole of government” framework to effectively and proactively draw on immigration as a tool to achieve provincial labour market, population and development objectives:
 - a Promote collaboration between agencies with a role in attracting, selecting and supporting newcomers;
 - b Promote the development of a “whole of government” strategy that clearly defines provincial policy objectives and performance targets as they relate to immigration;
 - c Raise public awareness and build support for the PNP and its role in securing prosperity in PEI. The PNP will be more successful if the community support is seen as one of the critical elements of program success; and
 - d Confirm program objectives and alignment with the IIDI mandate, and strengthen alignment between the Program and IIDI.
2. Utilize policy levers (i.e., language requirements, educational requirements, net worth, etc.) within the scope of the PNP to maximize the ability to attract, select and retain immigrants that contribute to the Islands’s prosperity goals:
 - a Continue to build stronger awareness and support for the PNP in the employer community;
 - b Develop proactive strategies for reaching potential nominees by targeting communications and recruitment efforts to countries where nominees may have stronger basic language skills and other assets which increase their likelihood of establishing in PEI; and
 - c The Business Impact program is critical given the Province’s focus on job creation and the role that small businesses have in the economy. The Province should investigate options to:
 - Promote business succession opportunities to potential immigrants;
 - Improve mentoring support;

- Engage in proactive business development and follow-up support to increase viability and sustainability of ventures; and
- Enhance applicant screening refined to ensure stronger language skills.

3. Promote the development of a performance monitoring and assessment framework that meets the emerging commitments at the national level and the more specific needs of Prince Edward Island.
 - a Performance measures and targets should anticipate the significant challenges that factors external to the Program have on program outcomes (i.e., lower rates of job retention, business success, and more false starts for newcomers).
 - b Performance measures and targets should be developed as an integrated portfolio that promotes collaboration and investment into strengthening the quality and effectiveness of immigration programs and services. An integrated perspective on attraction, selection and retention is needed.
 - c Make greater use of satisfaction surveys as part of the application and follow-up process to identify opportunities to further strengthen program performance and improve program processes.
4. Promote stronger collaboration with federal, provincial and territorial (FPT) partners in the ongoing development of program models that can meet the specific and evolving needs of smaller provinces like PEI.
 - a While the value of program flexibility is recognized nationally, there is a continued need to increase FPT partner awareness of PEI context and needs and to promote the development of programs that meet the specific needs of all regions.
 - b National criteria for assessing effectiveness and success of programs need to be supplemented with achievable and appropriate PEI performance measures and targets for success.



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