

## Governments must address the rising costs of refugee claims

By **Sergio R. Karas**

Law360 Canada (June 4, 2025, 12:50 PM EDT) -- Refugee policy is a contentious issue in every refugee-receiving country, and Canada is no exception. While there is broad consensus that Canada should protect those genuinely fleeing persecution, concerns arise when the number of asylum claims surges beyond manageable levels or when it appears that the government has lost control over the process.

After U.S. President Donald Trump introduced a travel ban in 2017, Canadian Prime Minister Justin Trudeau posted a well-known but unfortunate tweet saying that Canada welcomes people fleeing terror and war. The message was interpreted worldwide as an invitation to come to Canada, leading to a significant increase in the number of people seeking asylum. This surge, combined with weak enforcement mechanisms and growing exploitation of the system by unscrupulous consultants, placed enormous strain on Canada's refugee processing infrastructure. As a result, the financial burden of administering the refugee system has become increasingly unsustainable.



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From legal procedures and appeals to housing, health care and social support, the cost of managing asylum claims in Canada has escalated significantly, raising urgent questions about the country's fiscal capacity and long-term policy direction.

According to a 2024 report by the Parliamentary Budget Officer (PBO), the average cost of processing an asylum claim in Canada is approximately \$16,500. This estimate includes costs associated with legal processing, accommodation, health care and social support services. The range of costs per claim spans from \$9,055 to \$40,814, depending on the complexity and duration of the claim, including any appeals or judicial reviews. The PBO also reported that clearing the backlog of claims from claimants who entered through the Electronic Travel Authorization (eTA) stream would cost about \$455 million over five years. Historically, from 2013 to 2017, the annual processing cost for asylum claims stood at around \$216 million.

In Budget 2024, the Government of Canada committed \$273.7 million over five years (2024–29) for immigration and refugee legal aid, with \$72 million allocated for 2024–25 and \$43.5 million per year ongoing after that period. Funding has increased substantially over the past decade to address rising demand, up from about \$12 million annually in 2015–16 to current astronomical levels.

As an example of the rising costs of legal representation for refugee claimants, Legal Aid Ontario (LAO) issued 13,687 certificates for immigration and refugee services in 2019, covering 13 per cent of the total number of certificates issued for all lines of support. The agency spent about \$34 million a year on refugee services, of which \$18 million came from the province. The total cost of the program in recent years has been estimated at \$45 million annually. Since 2019, Ontario has largely ceased direct provincial funding for refugee legal aid, relying on increased federal transfers, which are projected to reach up to \$95.5 million in 2024–25 for immigration and refugee legal aid services. This is unsustainable.

The cost of processing asylum claims in developed countries is rising, and it has become a hot political issue. In the United Kingdom, the average cost of processing an asylum claim was approximately 21,000 British pounds in 2022–23. However, when support costs over a four-year period are included while a claim is being processed, the total rises to around 106,000 British pounds per person.

In Germany, government expenditures on asylum seekers have also been significant. In 2023, the German government spent nearly 6.3 billion euros on asylum seeker benefits. In Bavaria, the monthly cost of accommodating an asylum-seeking adult was around 1,300 euros, while for unaccompanied minors, it was approximately 4,000 euros due to the additional care required. Numerous studies conducted by renowned German economic think tanks have shown that each refugee costs Germany between 12,000 and 20,000 euros per year.

The costs of holding and processing asylum seekers in Australia are far higher. According to figures compiled by the Refugee Council of Australia for the 2018–19 financial year, the annual cost per person was over 346,000 Australian dollars (AUD) to hold someone in onshore detention. For those placed in community detention, the cost was approximately \$103,343 AUD per person per year. Allowing an asylum seeker to live in the community on a bridging visa while their claim was being processed cost \$10,221 AUD annually per person.

The recognition rate for refugee claims in Canada — which is determined by the number of accepted refugee claims divided by the total number of claims that have been decided by the Immigration and Refugee Board (IRB) on the merits — increased to 82 per cent in the first nine months of 2024, up from 64 per cent in 2018, which is very high compared to other countries. In 2023, 67 per cent of total claims in the U.K. were granted. In Australia, around 47 per cent of claims were answered positively, while in Germany, approximately 41 per cent were approved. This stark difference is concerning and should be the subject of in-depth studies.

Until 10 years ago, Canada was receiving, on average, fewer than 25,000 asylum claims annually. The growing intake of refugee claims poses a challenge to the IRB, whose current maximum capacity is 50,000 claims a year. This is also unsustainable, as the backlog will continue to increase unless the intake is curtailed. In recent years, the number of refugee claimants has reached massive proportions and has undermined public confidence in the system.

The high acceptance rate, the ability of individuals already in Canada to abuse the system by filing frivolous claims to extend their stay, and the difficulty in articulating a principled policy created the current problem. Canada is faced with an asylum claims tidal wave, while the country's fiscal position and housing crisis limit its policy options.

In the first quarter of 2025 alone, 5,500 asylum claims were filed by foreign students — a 22 per cent increase compared to the same period in 2024. This trend follows a record-setting 2024, during which 20,245 international students sought refugee status, nearly doubling the number from the previous year and marking a sixfold increase since 2019. The highest number of refugee claims from students was recorded in August 2024, with 1,785 individuals on study permits applying for refugee status. In 2024, the IRB received a record-setting total of 190,467 refugee claims. By the end of the year, 68,724 claims were finalized, with 273,000 still pending in the backlog.

Supporting a growing refugee population is straining public resources. The cost of refugee claims continues to rise, placing significant pressure on government spending. Under the Ontario Resettlement Assistance Program (RAP), as of September 2024, a single refugee in Ontario receives approximately \$811 per month. Meanwhile, a family of four (a couple plus two children) receives around \$1,328 per month, with some additional allowances.

The growing cost of administrative processing, legal aid, housing and social services raises serious questions about sustainability and accountability. Despite the billions of dollars allocated, significant delays, backlogs and inconsistent outcomes continue to plague the system. This calls for a critical reassessment of resource allocation, streamlined procedures and stronger screening mechanisms.

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