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Canadian Federation of Students Fédération canadienne des étudiantes et étudiants

## LETTER TO MEMBERS

#### Dear Members,

Since the May 2002 national general meeting, the campaigns and government relations work of the Federation has been directed at new federal initiatives for post-secondary education. In particular, the federal government's Innovation Strategy has been an important site for public policy debate about the merits of increased funding for colleges and universities. However, a well-financed and vocal minority of private sector entrepreneurs has been lobbying for a larger role for commercialisation and privatisation. In this context, the importance of the Federation's work to make genuine equality of access the top priority cannot be understated.

In order to ensure that our voice is heard in this critical public policy debate, the Federation will be co-hosting a series of regional summits on accessibility in the Spring of 2003. As a joint project with the Canadian Association of University Teachers, the summits will spearhead a local, provincial, and national dialogue about the importance of sustained federal funding of higher education and reduced tuition fees.

Over the past six months, the Federation has also experienced significant membership growth. Students at Université Sainte Anne, University of Windsor, and the University of Toronto all voted overwhelmingly to join the Federation. Our movement is gaining strength and, as Canada's national student organisation, we will continue to fight for affordable, accessible public education.

Since 1995, the Federation has achieved tuition fee freezes and reductions in six provinces. Over the past few years, the Federation has successfully lobbied for modest debt reduction measures provincially and federally and secured additional improvements in student financial assistance. In the past year, the Federation has intensified its efforts to protect academic freedom and public research for students and faculty. The Federation continues to work for a system of postsecondary education that reflects the diversity of Canadian society.

In the months ahead, we look forward to working with all of you in building on our victories.

The National Executive

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# CAMPAIGNS AND GOVERNMENT RELATIONS

### 2003 Federal Budget

As in past years, the Federation was invited to produce a submission for the Standing Committee on Finance for the 2003-2004 budget consultations. The Committee produces a report that is submitted to the Minister of Finance prior to the release of the federal budget. The Federation's submission for this year was sent at the beginning of September, and presented to the Committee in Montreal on November 7, 2002. The timing of these hearings suggests that the federal budget could be released in February or March 2003.

The Federation's submission for 2003-2004 is divided into four sections. The first section is a response to *Achieving Excellence*, the federal government policy paper that deals with graduate studies and research. The second section offers a detailed assessment of *Knowledge Matters*, the federal skills and learning policy paper. The third section puts forward recommendations regarding the Canada Student Loan Program. The final section is a critical assessment of the federal government's move toward using tax measures as a policy solution to the accessibility crisis facing Canada's colleges and universities.

The first section outlines the Federation's concerns with the Innovation Strategy's emphasis on research commercialisation. The brief highlights the threat to academic freedom posed by commercialisation and technology transfer. The Federation also challenges the under-funding of graduate students and the Social Sciences and Humanities Research Council (SSHRC). Specific recommendations to address these problems include increasing the Social Sciences and Humanities Research Council budget by \$365 million over the next six years, with an immediate infusion of \$97 million for the 2003-2004 year.

In the section on skills and learning, the Federation recommends that the federal government enact a national post-secondary education act and restore education funding lost in federal cuts to transfer payments during the 1990s. The Federation also recommends that the Millennium Scholarship Foundation and Registered Education Savings Plans be replaced with a comprehensive, national system of needs-based grants.

The brief recommends several improvements to the Canada Student Loans Program, including the reversal of discriminatory changes to the Bankruptcy and Insolvency Act. The Federation also recommends that the federal government honour the commitment made in the 1998 budget and institute an effective Debt Reduction in Repayment Program. Finally, the Federation recommends that the federal government pay the in-study interest for those students studying on a parttime basis. In the final section, the Federation demonstrates that federal tax measures for education have not offset the increased cost of tuition fees and living expenses, and that, on average, high income earners have benefited much more from these tax measures than have those from lower income brackets. On this basis, the Federation recommends that education tax credits be cancelled for highincome earners, and that the resulting savings be applied to new funding for needs based grants.

### Innovation Strategy and Skills Agenda

After delays caused by the events in New York City on September 11, 2002 the federal government's Innovation Strategy was launched on February 12, 2002. The Strategy was originally planned to be a "white paper", the most detailed type of strategy document published by governments.

As 2001 unfolded however, Industry Canada changed Ministers twice, and several irreconcilable differences of opinion emerged with Human Resources and Development Canada (HRDC), the other federal ministry that was to co-author the paper. The Strategy was down-graded to a less detailed "green paper" and released as two documents, one by Human Resources and Development Canada on skills development (Knowledge Matters: Skills and learning for Canadians) and the other by Industry Canada on innovation (Achieving Excellence: Investing in people, knowledge, and opportunity).

### PUBLIC CONSULTATIONS

Public consultations regarding implementation of the strategies were held throughout the summer and fall of this year. Each event dealt with different sector-specific issues or regional themes. The Federation was invited to participate in roundtables concerning adult learners, skills development, accessibility, as well as the national summit.

### Halifax

On June 5, 2002, the Federation participated in a roundtable discussion on "Innovation and Access: Adult Learners and Post-secondary Education", hosted by HRDC and the Canadian Association of University Continuing Education. The roundtable included representatives from Industry Canada, Human.Resources and Development Canada, the Association of Canadian Community Colleges, the Canadian Association of University Teachers, and student financial assistance officers. The Federation was represented by Nova Scotia Chairperson David Hare.

The roundtable examined the goals set out in the HRDC paper Knowledge Matters: Skills and Learning for Canadians. Discussion focused on life-long learning, and the problems faced by adult learners. The strategy was criticised by several participants for not recognising the persistent barriers facing adult learners and part-time students. Particular attention was paid to the inadequacy of the Part-time Student Loan Program and Canada Study Grants. There was a general consensus amongst roundtable participants that an overhaul of the program is required. Income threshold, in-study interest, and non-repayable forms of financial assistance should be given special consideration. Participants noted that part-time study is the only option available to many students not traditionally classified as adult learners and that the current programs do little to assist part-time students. The Federation stressed that a system of grants is a more effective way to increase participation and access to post-secondary education.

### St. John's

On September 28 Researcher Michael Conlon represented the Federation at the Newfoundland summit, along with Newfoundland and Labrador Chairperson Liam Walsh and Memorial University Graduate Students' Union President Roxanna Vernescu. The summit, held at the St. John's Trade and Convention Centre, brought together members of the academic and business communities. The primary focus of the summit was on the role entrepreneurs could play in fostering innovation in Newfoundland. Despite the basic economic realities of Newfoundland and Labrador, the rhetoric of the summit focused on isolated success stories in the business world rather than sustainable solutions for long term economic growth. Industry Minister Allan Rock gave a luncheon speech in which he emphasised the role of the private sector in the government's Innovation Strategy. The Minister said very little about the role of public institutions in fostering innovation.

#### Edmonton

On November 7 and 8, 2002, Researcher Michael Conlon attended a public consultation in Edmonton concerning access to post-secondary education. The consultation is part of the federal government's ongoing Skills Agenda. The specific focus of this roundtable was the barriers faced by those hoping to attend a post-secondary education institution in Canada. Ross Finnie of Queen's University provided the opening presentation for the conference.

Finnie's advocacy of higher student debt and higher tuition fees is well known, but during this presentation he offered more of a descriptive overview of the problem of access. The basic problem Finnie laid out was that there is a greater demand for spaces in universities and colleges than there is capacity to meet this demand. The question of access was expanded to issues of quality and capacity. This presentation focused the debate and most of the discussion centred on possible solutions to the funding and infrastructure shortage.

Among several colourful remarks, Millennium Scholarship Foundation CEO Norman Ridell stated that the women's movement has overachieved, diminishing the number of adult male role models in positions of power. Ridell's curious remarks were in response to the high dropout rates among male francophones in Quebec. Despite Ridell's observations, a rough consensus was reached on the need for more public funding. The conference closed with an unfocused and rambling speech from Human Resources Development Minister Jane Stewart. Stewart seemed unprepared to address the group and made no firm commitments about the role the federal government would play in addressing the gap in accessibility. The Minister's lack of engagement was noted by most delegates and is a worrisome signal about the priority of postsecondary education in her agenda.

#### GOVERNMENT CAUCUS ON POST SECONDARY EDUCATION AND RESEARCH

The federal government held public hearings at a meeting of the Caucus on Post Secondary Education and Research on August 20, 2002 in Chicoutimi. The Federation was invited to attend, and National Chairperson Ian Boyko presented the Federation's submission. Boyko discussed the Federation's suggestions for the implementation of the Innovation Papers. Boyko also addressed the urgent need to improve several facets of the Canada Student Loans Program, including the Debt Reduction in Repayment Program. Several members of the Caucus, including the member from LaSalle-Emard, Paul Martin, expressed an interest in learning more about the Federation's ideas to improve the Debt Reduction in Repayment Program.

#### CANADIAN CONSORTIUM FOR RESEARCH

The Federation participates regularly in the Canadian Consortium for Research, a coalition consisting predominantly of researcher organisations such as the Canadian Psychological Association and the Canadian Association of Physicists. In recent months, the Consortium has been lobbying to ensure that the implementation of the Innovation Strategy benefits public research institutions. The Innovation Strategy's emphasis on building research capacity may provide leverage for the Consortium's campaign to equalise funding for the Social Sciences and Humanities Research Council (SSHRC).

### National Summit on Accessibility

Starting in January, the Federation and the Canadian Association of University Teachers will be co-hosting a nation-wide series of public forums on access to post-secondary education in Canada. The first Regional Forum will be held in Vancouver in January 2003, with forums in Winnipeg, Sudbury, Toronto, and Sydney following soon after. The campaign will culminate with a National Forum in Ottawa in April 2003.

The Federation has been meeting with the Canadian Association of University Teachers since September to prepare for the forums. The forums will focus on providing an opportunity for campus community members to discuss the obstacles that are preventing access to postsecondary education, and to develop regionallysensitive solutions.

Key issues to be discussed will include: accessibility and affordability of post-secondary education; government funding for postsecondary education; improving participation rates in higher education (especially amongst traditionally disadvantaged groups); and the participation of aboriginal peoples in postsecondary education. The forums will also provide an opportunity to publicly challenge the misinformation about access to post-secondary education that is currently being circulated by the Millennium Scholarship Foundation.

These forums will also constitute a response to the federal government's Innovation Strategy consultations. Though government-sponsored "innovation summits" have been underway across Canada since May 2002, these invitation-only events have provided only token representation to those at the centre of the post-secondary education community. Faculty, students and other interested citizens have frequently been excluded from participating in federal summits. At the same time, private businesses, entrepreneurs, and college and university administrators have been over-represented at the federal government events.

In direct contrast, the Canadian Federation of Students-Canadian Association of University Teachers Access Forums will be inclusive and designed to facilitate maximum input from participants. Students, faculty, administrators, labour, parents, First Nations groups, and a diverse range of other stakeholders will be invited to participate.

### Canada Student Loans Program

### STANDING COMMITTEE ON HUMAN RESOURCES DEVELOPMENT AND PERSONS WITH DISABILITIES

On June 4, 2002, National Chairperson Ian Boyko appeared before the all-party Standing Committee that oversees both the Canada Student Loans Program (CSLP) and training-related programs administered by Human Resources Development Canada (HRDC). In his submission, Boyko expressed the Federation's desire to have access to the federal government's contracts with Edulinx Corp. and BDP, the private companies contracted to administer the Canada Student Loans Program. Boyko also outlined steps for improving service provision for Canada Student Loans.

At the meeting, Canada Student Loans Program Director General David Cogliati made a presentation in which he remarked that the federal government might reconsider graduated interest relief. Graduated interest relief would be different from the existing system of relief in that eligible borrowers would receive more interest relief for larger loans. The idea was originally shelved by the banks during the risk-shared student loan era because of its perceived complexity. Boyko told the committee that money would be better spent on implementing changes to make the Debt Reduction in Repayment program work effectively. Debt Reduction in Repayment actually reduces the principle of a loan, whereas graduated interest relief merely provides a short-term escape from interest payments.

## MEETING WITH DIRECTOR GENERAL DAVID COGLIATI

On August 7, 2002, National Chairperson Ian Boyko and Researcher Michael Conlon met with David Cogliati, the Director General of the Canada Student Loans Program. The Federation requested the meeting to discuss the development of the Council of Ministers of Education-Canada (CMEC) task force on student debt that Cogliati co-chairs. According to Cogliati, the task force has been directed to discuss income contingent repayment schemes. Although the task force has not broached the issue of income contingent repayment schemes yet, it has briefly discussed the ineffectiveness of using funds to support the Canada Education Savings Grant. The provincial representatives on the task force have also agreed that increased transfer payments from the federal government are an important step towards providing adequate funding for students.

In addition, Federation representatives discussed the recent change in the regulations used by Human Resources Development Canada to classify students as disabled. In the past the Ministry simply reviewed a student's status upon graduation. However, Justice Canada recently informed Human Resources Development Canada that this practice violates the federal government's own guidelines. According to the guidelines, a student's status should be determined 6 months after graduation. Since being informed of the error, the Ministry has been attempting to track down all students who may have been incorrectly classified.

The Federation asked to be apprised of these efforts and also for a review of the existing process. The Federation pointed out the highly arbitrary nature of the current provisions, which would see someone who becomes disabled one day after the six-month period excluded from the programs available to disabled students.

Federation representatives also discussed the status of the Debt Reduction in Repayment program (DRR). Cogliati assured Federation representatives that Debt Reduction in Repayment and several other measures would be dealt with in the federal government's 2003/ 2004 budget. Cogliati also suggested that a long-awaited change allowing convention refugees access to the Canada Student Loans Program would be announced. Finally, Cogliati hinted strongly that a new package of programs for part-time students was imminent.

### NATIONAL ADVISORY GROUP ON STUDENT FINANCIAL ASSISTANCE

On Monday, November 18, 2002, the National Advisory Group on Student Financial Assistance (NAGSFA) met to review and discuss short-term policy objectives that are expected to be achieved in the coming months. These include changes to in-study income exemptions, the Debt Reduction in Repayment program, the Canada Study Grant, extended debt management measures, convention refugees' loan eligibility, and part-time Canada Student Loans.

#### **In-study Income Exemption**

Human Resources Development Canada is proposing to raise the limit on the exempted income that a student may earn during the study period to \$1,700. Currently, earnings over \$600 per year are deducted from the Canada Student Loan amount. The Federation has been lobbying for a progressive elimination of this income cap, which in effect legislates students into poverty.

#### Debt Reduction in Repayment

One of the most persistent problems with the existing loans program has been the gross underachievement of the Debt Reduction in Repayment program. The program extends a reduction of 50 percent (up to a limit of \$10,000) for borrowers who have exhausted interest relief. Debt Reduction in Repayment was expected to significantly reduce the debt of 12,000 students per year, but has been applied to the debts of only 614 graduates in the three years since it was introduced.

As a result of sustained pressure by the Canadian Federation of Students, a proposal has been tabled that would make eligibility thresholds more generous and inclusive than in the original program. The current proposal recommends eliminating the 50 percent cap and lowering the threshold for what is considered an affordable monthly payment. In addition, two new \$5,000 reductions would be introduced for people who continue to experience hardship in repayment after their initial reduction.

### **Canada Study Grants**

The Canada Study Grant for Students with Permanent Disabilities was amended in the 2001 federal budget to increase the maximum amount that could be claimed to offset education-related expenses above and beyond the typical costs associated with financial need assessment. In order to qualify for the Canada Study Grant, students must qualify for the Canada Student Loans Program, but still have unmet financial need.

This method of assessment is flawed for meeting the needs of students with disabilities. Some students have enough resources to pay for tuition, shelter and food, which disqualifies them from Canada Student Loans Program eligibility, but bear significant additional education-related expenses related to their permanent disability.

The proposal tabled at the November 18, 2002 NAGSFA meeting would include these extra costs within the needs assessment for the Canada Student Loans Program. Students who have an assessed need for education and living costs, but require additional disability-related services or equipment would qualify for the grant. Human Resources Development Canada is also examining the possibility of extending the grant to all disabled students who qualify for student loans but have unmet need.

At present, however, students whose income is too high for any kind of Canada Student Loan assistance do not qualify for the grant program – regardless of how acute their need is for supplemental services. Though Human Resources Development Canada officials noted that the current income threshold to qualify for student loans is too high, no commitment was made for immediate change.

### **Extended Debt Management Measures**

Currently, students with loans in "arrears" (with defaulted payments) for less than five months may capitalise three months of accrued interest payments to the principal of the loan, and have the remaining two months of interest payments forgiven (interest relief). The Canada Student Loans Program has proposed adjusting the ratio of interest capitalisation to interest relief described above from 3:2 to 3:6. Thus, borrowers who have defaulted for up to nine months could put three months of accrued interest payments towards the principal, and have up to six months of interest payments forgiven. The Federation supports this proposal because it represents a partial recognition that it is borrowers with loans in arrears who are most in need of interest relief. A similar arrangement was included in the Federation's recommendations to the Standing Committee on Finance.

### Convention Refugee Student Loan Eligibility

The federal government has balked for almost a year at including Convention Refugees, Humanitarian-protected Persons Abroad, and Persons in Need of Protection as eligible for the Canada Student Loans Programme, despite earlier commitments to move ahead on this policy change and the insignificant costs that would be entailed. Several member locals have sent letters regarding this issue to the Ministry of Citizenship and Immigration.

Finally, nearly 18 months after this issue was first raised as a priority for the Government of Canada, the proposal has resurfaced at NAGSFA. Director General David Cogliati informed NAGSFA at the November 18 meeting that this policy has received tacit Cabinet approval and should be in place for the 2003 academic year.

### **Part-time Study**

The Federation's 2002-2003 Campaigns and Government Relations Strategy outlines a strategy to win improved financial assistance options for part-time post-secondary students. Campaign objectives include: the elimination of in-study interest on part-time student loans; the inclusion of living expenses in needs assessment for parttime loans; reforming the needs assessment process to ensure that more prospective students are eligible for the program; and increasing the portion of non-repayable assistance available to part-time students through Canada Study Grants. Following discussions at previous NAGSFA meetings and vague references to the issue in Knowledge Matters, HRDC tabled a proposal at the November 18, 2002 meeting that would harmonise some characteristics of part-time and full-time student loan programs. The CSLP is also interested in raising loan limits for part-time students in response to concerns the proposal raises about the rising costs of post-secondary education.

Despite substantial discussion about the need to improve the part-time loan system, very few concrete proposals were brought forward at the November 18 meeting. Director General David Cogliati made it clear that changes to the parttime program were still in the planning stages. He did, however, hint that changes may be announced in conjunction with the government's Skills and Innovation Agenda.

#### Designation

In 1998 the federal government introduced a policy to de-designate post-secondary institutions with high rates of default. When the idea was first introduced under the risk sharing agreements, most stakeholders opposed the policy. When the risk sharing agreements collapsed in 1999, the policy was scrapped. However, at the November 18 meeting a policy paper was presented on designation with the suggestion that a policy would be in place within 24 months. The new policy is more nuanced than the original 1998 version and takes a more constructive approach to the problem of default. The fact remains, however, that the policy will measure institutional performance based on default rates. Students at institutions with perennially high rates of default will be ineligible for public student loans.

### Millennium Scholarship Foundation

In January 2001 the Millennium Scholarship Foundation announced that approximately \$1 million would be invested into a research project on accessibility entitled "Does Money Matter?". The money was to be distributed to academic and non-academic researchers to complete specific projects approved by the Foundation board. The project was designed to assess the research gaps in the area of accessibility and the socio-economic determinants of post-secondary education.

The Federation was initially hopeful that this research project might constitute a serious attempt to address gaps in knowledge regarding access to post-secondary education in Canada. Unfortunately, the Foundation has instead chosen to use its large research budget to fund partisan analysis that attempts to justify increased student debt and deregulated tuition fees.

On April 6 and 7, 2002 the Foundation organised a conference to review the results from the past year and to develop ideas for new studies. This conference enforced the political interpretation of earlier research and signalled quite clearly that the Foundation sees its research mandate as arguing for higher tuition fees and higher student debt.

Ross Finnie, Professor of Public Policy at Queen's University, provided a keynote address and argued that students would be "happy" to pay higher tuition fees. He also insisted, using data that was over eight years old, that the student debt crisis has been exaggerated. Though he neglected to supply any data to support his position, Finnie also boldly claimed that higher tuition fees and student debt would not reduce accessibility.

Finnie's presentation was followed by an empirically weak presentation from Alex Usher, the Foundation's Director of Research. Usher followed up Finnie's remarks by arguing that tuition fees have no effect on student debt. Like Finnie, Usher used incomplete and out of date data to make the case that higher tuition fees would not cause student debt to increase.

On the whole, the conference was a brazen attempt to pass off the political views of the Millennium Scholarship Foundation as empirical data. Given the quality of the research, and the politically tainted nature of its distribution, it is also a questionable use of public funds.

## THE PRICE OF KNOWLEDGE: MILLENNIUM SCHOLARSHIP FOUNDATION "FACTBOOK"

On September 16, 2002 the Millennium Scholarship Foundation released The Price of Knowledge: Access and Student Finance in Canada. In keeping with the research output discussed above, this "factbook" is largely a compendium of already available, and often out of date, research data that has been strategically presented to suit the Foundation's political agenda. The report's implicit conclusion is that deregulated tuition fees and skyrocketing student debt have not affected access to post secondary education. Instead, the Foundation suggests that so-called "non-financial barriers", including parental education level and students' early academic preparation, are ultimately the most important factors in determining who pursues post-secondary education.

Though direct financial barriers are not the only obstacles to participation in post-secondary education, the Foundation's prioritisation of nonfinancial barriers is nothing more than an attempt to excuse the federal government's failure to improve access. By claiming that money does not matter, the Foundation is providing a rationale for increasing tuition fees and for continued federal government under-funding of post-secondary institutions and financial aid programs.

The Price of Knowledge relies heavily upon old data and the selective representation of statistics to support the Foundation's message. For example, the report includes a chart that purports to show that only 36% of high school graduates who did not go on to post-secondary education listed financial barriers as a reason. However, when this data was originally published in a report from the 2000 Statistics Canada Youth in Transition Survey, it was used to show that 70% of high school graduates who faced obstacles to continuing their education reported that their financial situation was a primary barrier. The Foundation arrives at the figure of 36% by counting all high school graduates who did not go on to higher education, rather than just those who cited barriers to their participation. In essence, the figure is comparing students who faced financial barriers with those who listed no barriers, but just did not want to go

on to post-secondary schooling. The Foundation's representation of Statistics Canada data in this manner appears to be a deliberate attempt to downplay the effects of financial barriers on access to post-secondary education. *The Price of Knowledge* contains other similar attempts to muddy or decontextualize statistics in ways that support the Foundation's political agenda.

The Federation responded to the release of *The Price of Knowledge* with a concerted media strategy. Ontario Chairperson Joel Duff and Campaigns Co-ordinator Pam Frache attended the Foundation's Toronto press conference on behalf of the Federation and succeeded in conveying the Federation's criticism of the Millennium Scholarship Foundation's research to reporters. As a result, the Federation's analysis of the report was quoted in most major national media outlets. In addition, an advisory providing analysis of the Foundation and its political research agenda was circulated to member locals shortly after the release of *The Price of Knowledge*.

### MILLENNIUM SCHOLARSHIP FOUNDATION GENERAL MEETING

The Federation's concerns about the direction of the Millennium Scholarship Foundation's research agenda were reaffirmed at the Foundation's general meeting in Ottawa on September 25, 2002, attended by Ontario Chairperson Joel Duff and Researcher Rob Duffy. Millennium Scholarship Foundation Research Director Alex Usher and CEO Norman Riddell made it clear in their respective speeches that the Foundation considers "non-financial barriers" to be the primary cause of disparities in access to post secondary education in Canada and that the Foundation's research priorities will be taking shape around this premise. Usher went so far as to insist that "fixing problems around nonfinancial barriers" is required before any more needs-based financial assistance should be considered, and defined student debt as a "quality of life issue" rather than an issue of access.

Riddell announced that the Foundation will be launching a series of pilot projects to assess the effects of "early intervention" programs on postsecondary education participation. "Early intervention" is a buzzword for academic mentoring, counselling, and preparedness programs for high school students. The Foundation expects to make policy recommendations to the federal government based on the outcomes of their studies of early intervention.

Several early intervention programs are already underway in the United States. American researcher Jamie Merisotis has been contracted by the Foundation to conduct a survey of early intervention programs in the United States. When questioned by Federation representatives, Merisotis admitted that there is no comprehensive statistical evidence that such programs significantly improve access. Merisotis also conceded that such programs could not be considered a viable replacement for new needsbased assistance, and that the usefulness of early intervention programs ultimately depends upon the increased availability of needs-based financial aid.

This contradicts the Foundation's position, which portrays early intervention as an alternative to increased student financial aid. It should be noted that the US Advisory Council on Student Financial Assistance is critical of early intervention programs in its 2002 report to the US Congress, and insists that increased funding for need-based grants is still the most effective way to increase access<sup>1</sup>.

#### CORPORATE SPONSORSHIP OF MILLENNIUM SCHOLARSHIPS

Millennium Scholarship Foundation CEO Norman Riddell announced that the Foundation will be trying to create more privately funded scholarships that allow corporate sponsors to specify which programs recipients can attend. Riddell pointed to the current Foundation administered World Petroleum Congresses Scholarship Program as a model. World Petroleum Congresses Millennium Scholarships are limited to students in fields the Congresses deemed relevant to the petroleum industry. The first 188 of these "public-private" World Petroleum Congresses scholarships were distributed in November 2002.

## MILLENNIUM SCHOLARSHIP FOUNDATION EXTERNAL EVALUATION

Federal legislation governing the Millennium Scholarship Foundation stipulates that the Foundation must undergo a yearly review by an external committee appointed to evaluate the organisation's performance. The 2002 external review committee announced at the Foundation's general meeting is largely composed of academics and administrators sympathetic to the Foundation's policy positions. Committee members include Ross Finnie, who recently coauthored a study claiming that debt was manageable for most student loan recipients. Ross Finnie has been paid by the Millennium Scholarship Foundation to present research in the past, a fact that casts serious doubt on the independence and objectivity of the review process.

### MILLENNIUM SCHOLARSHIP FOUNDATION/CANADIAN ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS (CASFAA) CONFERENCE ON NEEDS ASSESSMENT

Immediately following the Millennium Scholarship Foundation's general meeting, the Canadian Association of Student Financial Aid Administrators (CASFAA) hosted a conference to examine student financial needs assessment. The Foundation used this two-day conference as an opportunity to present drafts of two Foundation research reports dealing with student finances, which are scheduled for release in late November 2002. The conference was also an opportunity for the Foundation to "test the waters" in order to assess how receptive student financial aid administrators are to the idea of unsubsidised student loans. Ontario Chairperson Joel Duff and Researcher Rob Duffy attended the meeting on behalf of the Federation.

The first report presented was a draft of the Student Financial Survey. This Foundationsponsored EKOS survey looked at student income, expense and debt levels over the course of the 2001-2002 academic year. The draft report from the survey displays a number of methodological problems and critical information gaps, and as with earlier Foundation releases, the biggest problem is in how the data is interpreted. Despite findings that show alarmingly low average earnings from summer employment and high levels of both student loan and private debt, the report concludes that most students are "getting by" financially and are operating, on average, at a slight surplus. However, the report reaches this conclusion by including all money borrowed by students as income. By including debt as income, and by excluding students who drop out of school from the results of the survey, it becomes virtually impossible not to "get by", or even to operate at a deficit. The report also places disproportionate emphasis on the fact that many students own motor vehicles and various household electronics items. Based on the presentation at the conference, it seems likely that when the final report is released the Foundation may emphasise figures on student automobile ownership as a way of downplaying the difficult financial circumstances faced by the majority of students in Canada.

A second report, entitled Assessing Canada's Student Need Assessment Policy, was presented at the meeting. This report by former Alberta student financial aid administrator Fred Hemmingway is useful in that it shows current financial aid and student assistance is not sufficient to cover rising tuition fees and living costs.

However, the report advances mostly regressive policy options, such as unsubsidised student loans and increased borrowing limits, as solutions to the problem of unmet financial need. The elimination of borrowing limits has always been a component of both full-scale tuition fee deregulation and income contingent loan-repayment schemes. The Federation will have to remain diligent in using the issue of unmet need as an argument for less debt, not more.

Discussions at the conference offered several important clues about the Foundation's future research agenda. Comments made by Alex Usher, who acted as the conference facilitator, hint at the possibility of a major restructuring of the Canada Student Loans Program (CSLP) sometime within the next few years. Three issues came up repeatedly in Usher's statements and questions to conference attendees. First, Usher raised the idea of unsubsidised loans. Unsubsidised loans are loans on which interest accrues during study and that are not eligible for remission or other relief measures available under the CSLP. In essence, these are regular consumer loans like those provided by banks. Usher—and presumably the Millennium Scholarship Foundation—appear to be promoting the idea of unsubsidised student loans as a solution to unmet student financial need. Needless to say, unsubsidised loans would only worsen the crisis of student debt and the accessibility of post-secondary education.

The second issue was financial aid for students with dependants. Usher repeatedly raised the idea of excluding dependants of students as a factor in determining rates of student financial aid and loan-based assistance.

Finally, the Foundation advocates increasing "assistance limits" on the basis of unmet financial need.

### META ANALYSIS OF INSTITUTIONAL GRADUATE SURVEYS

On October 29, 2002, the Millennium Scholarship Foundation released a research report with data yielded from a meta analysis of institutional graduate surveys. This report perpetuates the Foundation's established pattern of initiating potentially worthwhile studies, then selectively downplaying any research findings that might conflict with the Foundation's political agenda.

The Meta Analysis of Institutional Graduate Surveys is a compilation of data from graduate surveys conducted by various post-secondary institutions across Canada. The study focuses mostly on student debt, employment outcomes, and graduate earnings. The report does not directly look at the socio-economic background of student loan borrowers, and thus fails to address key questions around who is borrowing and why they are doing so.

Some significant trends regarding student debt are obvious in the study's findings. First of all, the report finds that average student debt in 2001 was well over \$20,000, a fact long disputed by the Foundation. Though the report is heavily reliant on old data from 1996 and 2000 for it's estimates, it nonetheless arrives at a figure of \$21,200 as the average Canadian student loan debt in 2001, with the figure rising to \$22,400 for Atlantic Canada and \$22,700 for Ontario. Lower averages for Western Canada (\$20,300) and Quebec (\$13,100) helped keep the national average from being even higher. High as these figures are, they probably significantly underestimate actual student debt in 2001. Since many institutions could not provide debt figures for 2001, the report's authors relied on figures from surveys conducted as far back as 1994 in order to calculate these estimates.

The report also shows a strong correlation between student debt and tuition fees, another relationship that the Foundation has attempted to deny in the past. Students from universities with lower tuition fees (less than \$3000) averaged \$18,900 in debt at graduation, whereas graduates from schools with higher tuition fees (\$4500 or more) averaged \$23,900.

Despite the alarming evidence of a student debt crisis and the growing burden of high tuition fees, the Foundation press release for the report focused on regional variations in graduate income and was headlined "Western Canadian post-secondary graduates earn the country's highest starting salaries". Despite such a clearly political agenda, the Foundation continues to claim that it "supplies some basic yet needed variables for any meaningful debate on post-secondary education's return on investment".

### "Don't Bankrupt a Generation": Charter Challenge on Student Loan Bankruptcy

In June 1998, the federal government amended the Bankruptcy and Insolvency Act to bar students from declaring bankruptcy on student loans until ten years after the completion of their studies. This restriction discriminates against students and therefore violates the Canadian Charter of Rights and Freedoms. In fall 1998, the Federation announced its intention to launch a legal challenge under section 15 of the Charter. The Federation's challenge to the Bankruptcy and Insolvency Act is now in the final pre-trial phase.

On December 6, 2000 the Federation filed affidavits with the Ontario Superior Court of Justice and supporting materials outlining our case against the Act. In late February, the federal government filed its response material. In its response the federal government deposed a single affiant, Katalin Deczky, an employee of Human Resources Development Canada. Ms. Deczky's affidavit offers no substantive response to the Federation's constitutional arguments against the law. Rather, the federal government outlines policy measures undertaken since 1998, such as interest relief and debt management.

In lieu of a defence of the law itself, the federal government appears to be arguing that these modest policy initiatives cancel out the right of Canada Student Loan borrowers to avail themselves of the protection afforded by the bankruptcy law.

In February 2002, Researcher Michael Conlon and Saul Schwartz, Professor of Public Policy at Carleton University, were cross-examined by Department of Justice counsel. Anik Chenier, the Federation's prime affiant in the case, will be cross-examined November 26 and 27, 2002.

When the examinations for discovery are completed, all materials will be submitted to the trial judge in the Ontario Superior Court of Justice for deliberation. It is expected that the Federation's challenge will reach this final phase by January 2003, with a decision following within six months of the hearing.

The Federation continues to lobby the federal government to change the legislation. The Federation has written new Industry Minister Allan Rock requesting a meeting to discuss the law. The Federation is also attempting to influence the review process Industry Canada is currently undertaking on the entire Bankruptcy and Insolvency Act.

### **National Opinion Coalition**

In March 2001 the Canadian Federation of Students joined the National Opinion Coalition with Vector Research. The Coalition is a cooperative polling group that conducts four polls per year. Each partner is allotted several questions of specific interest per poll and Coalition members then agree upon a broader set of public policy questions that are of interest to all participating organisations.

There are several consistent questions each poll poses about voting preference and the standing of each of the five major parties. In addition, members are kept abreast of public policy developments and the results of other major national and international polls. During the past year the Federation has garnered polling data on private universities, trade liberalization, and Registered Education Savings Plans (RESP).

The Coalition also has an archive of polling data that allows the group to track the evolution of public opinion on particular issues. For example, the Coalition was able to determine that support for trade liberalisation of health care and education declined after the Summit of Americas in Quebec City.

The Coalition also allows the Federation to gauge public support for campaign demands. The monthly meetings provide an opportunity to vet the arguments and wording of the Federation's public policy initiatives with communications professionals.

### Advisory Committee on International Students and Immigration (ACISI)

After months of lobbying, the Federation has obtained a position on the Advisory Committee on International Students and Immigration (ACISI). ACISI is an advisory group that provides Citizenship and Immigration Canada with recommendations on policy pertaining to international students. Until the Federation joined the Advisory Committee this fall, the Committee had no direct student representation and was composed almost entirely of government officials, university administrators, and other institutional representatives. The Federation's participation in the Advisory Committee will enable the Federation to lobby the federal government on student immigration issues and to collect information on developments on federal immigration policy, regulations, and programs.

The Committee has recently been dealing with the issue of off-campus work regulations for international students. Canada is presently the only major host country that does not allow international students to work off campus at least part-time during the school year and full-time during school holidays. Citizenship and Immigration Canada has indicated a commitment to changing Canada's regulations in the prepublished Regulations to the new Immigration and Refugee Protection Act.

At the beginning of October 2002, the Federation sent a letter to Citizenship and Immigration Canada recommending changes to Canada's regulations regarding off-campus work permits for international students. Federation recommendations are for the most part in accord with those prepared by the Advisory Committee's Working Group on Off-campus Work for International Students. The Federation's key recommendations include: work permits should be valid for one year and renewable for every year of study in Canada; for the last year of study in Canada, the work permit should be valid for the same period as the study permit so as to allow students to work off campus for a period following their graduation; and that permits should be open, i.e. not employer specific.

The Federation also recommends that off-campus work permits allow students to work full time on holidays and to work during the school term. However, the Federation recommends going further than the Working Group's suggested limit of 20 hours of permissible work per week during the school year, and instead advocates full and equal access to employment for international students throughout the duration of their study permits. The Federation also puts forward more generous recommendations in areas where the Working Group's proposals were unfairly restrictive of the rights of international students.

Researcher Rob Duffy attended the most recent meeting of the Advisory Committee on October 31, 2002 in Ottawa. At the meeting, it became clear that Citizenship and Immigration Canada is generally receptive to the recommendations of the Working Group. However, no time frame for implementation of these changes was put forward, and Citizenship and Immigration Canada suggested that they would like educational institutions to commit to a significant role in monitoring compliance with work permits before any regulations are changed.

Citizenship and Immigration Canada also brought forward other issues currently on the federal government's agenda that pertain to international students. Amongst these are plans to streamline the visa application process, especially in regards to mandatory medical examinations. Based on the low rate of refusals of student visas on medical grounds, Citizenship and Immigration Canada suggested that in the future students from some countries may be able to postpone medical examinations until after their arrival in Canada. Countries that might be exempted were not specified, nor was a timeline for when such a change might be implemented. Citizenship and Immigration Canada also suggested that educational institutions and provincial governments could be asked to play a larger role in the processing of visa applications in order to speed up the process.

In addition, Citizenship and Immigration Canada discussed international students in relation to Canada's objective of attracting skilled workers, as outlined in the federal government's Innovation Strategy. A proposal was tabled that would allow graduates in fields currently in high demand to be eligible for a two-year work permit following the completion of their studies in Canada. International students are also being considered in relation to the federal government's objective of attracting more immigrants to areas outside Canada's main urban areas. According to Citizenship and Immigration Canada officials, the federal government is currently in discussion with the Government of New Brunswick about setting up a pilot project around this objective. The

Federation requested details on how such programs would operate, but Ministry officials were not able to provide them.

The next Advisory Committee on International Students and Immigration meeting will be held in Ottawa in March or April of 2003.

### **Public Education Network**

The Public Education Network is a coalition comprised of the Canadian Association of University Teachers, the Canadian Labour Congress, Québécois labour and teachers' groups, the Canadian Teachers' Federation and the Canadian Union of Public Employees. The Network provides the Federation with a venue to exchange research and activity updates with labour organisations representing faculty, teachers and other workers in the education sector.

Recent discussions have focused on the dearth of comprehensive national data on public education. In response to this problem, Network member organisations expressed strong interest in sharing polling data related to education, and perhaps even pooling resources for education focused polling in the future. The Network will also be arranging a meeting with Statistics Canada representatives in order to lobby for more comprehensive collection of data on education related issues. Network members expressed particular concern on the lack of research on student debt and comparative community college data.

Though the Public Education Network has been largely functioning as an information sharing network, the idea of a joint campaign on public education was raised at the most recent meeting. The Canadian Teachers' Federation introduced the idea of a Network-sponsored "Charter for Public Education", which would consist of a concise but comprehensive common platform of general principles that Network members would like to see guiding education policy in Canada. The principles put forward in the Charter would be applicable to all levels of education, from kindergarten to post-secondary education. The Canadian Teachers' Federation will prepare an initial draft of the Charter in the coming months, and a process of revision and addition will follow until a draft is acceptable to all Network members.

### OFFICE FOR PUBLIC EDUCATION

In 2001, the Public Education Network established the Office for Public Education at the Ontario Institute for Studies in Education (OISE) at the University of Toronto. When fully operational, the Office for Public Education will act as an arms-length centre for research concerning public education.

The September 10, 2002 Public Education Network meeting heard that there have been some delays with the progress of the Office for Public Education, largely due to lack of full-time staff to co-ordinate the project.

Network members decided to investigate the possibility of obtaining grant money in order to fund a full-time staff member and provide a solid base for the project. Since the meeting, Ontario Institute for Studies in Education professor Dieter Misgeld has been appointed Office for Public Education Project Coordinator, with graduate student David Phillips continuing as the Assistant Coordinator. An Office for Public Education initiated research conference will be held sometime in the coming year in order to raise the profile of the project in the Canadian education and research communities.

National Chairperson Ian Boyko attended an Office for Public Education meeting on behalf of the Federation on October 22, 2002 in Toronto. There was substantial discussion regarding the methods that should be employed to attract researchers who are currently writing about public education in Canada in order to expand the project and its networks.

It was agreed that the Office's website, http:// home.oise.utoronto.ca/~ope, will act as a repository for published articles on public education, Office for Public Education academics' curriculum vitae and research interests, campaign updates for Public Education Network member organisations, and information on events related to the study of public education. By acting as a clearinghouse for research and advocacy on public education, the site will allow interested researchers to contribute to the Office for Public Education and learn more about Public Education Network members.

### Organisation for Economic Co-operation and Development

In December 2001, Researcher Michael Conlon attended the "Seminar on Institutional Responses to Changing Student Expectations" held by the Organisation for Economic Co-operation and Development (OECD) Programme on Institutional Management In Higher Education. The Institutional Management In Higher Education was established by the OECD to play a role in shaping and monitoring policy trends in post-secondary education. In the past, the OECD has issued influential policy statements supporting income contingent loans and individualised learning accounts. OECD membership is limited to countries "committed to a market economy and a pluralistic democracy". The OECD employs over 2000 economists and researchers and is arguably the most influential public policy institution in the world.

The Federation has been critical of the OECD's support for public-private partnerships and "consumer-centred" approaches to education. In response to the Federation's criticisms, the Federation was invited to prepare a dissenting view to be submitted for publication. The Federation's contribution was accepted and appears as a chapter in a recently released book entitled *Responding to Student Expectations*. A media launch was held to promote the publication of *Responding to Student Expectations*, garnering significant coverage for the book. As a dissenting contributor, the Federation was prominently quoted in stories about the book.

The Federation was also invited to present a paper at a second Institutional Management in Higher Education conference in August 2002. At the conference, Researcher Michael Conlon presented a paper that focused on the implementation of Key Performance Indicators in Ontario and Alberta.

### **Trade Liberalisation**

The Organisation for Economic Co-operation and Development (OECD) organised a two-day conference on trade in education services in Washington D.C. at the United States Department of Commerce, May 23-24, 2002. Researcher Michael Conlon attended the conference on behalf of the Federation. Though several OECD member countries included students as part of their delegations, Canada refused to include any non-governmental organisations in its delegation.

The conference served as a survey of global trade in education as well as an update on General Agreement on Trade in Services negotiations (GATS). However, a large portion of the discussion was devoted to aggressively criticizing the arguments put forward by non-governmental organisation's that have raised concerns about the scope and mandate of the GATS. The keynote address by Pierre Sauvé of the OECD set out to dispel what he called the "myths" perpetuated by critics of the GATS. Sauvé's talk was a précis of his paper "Trade, Education and the GATS: What's In, What's Out, What All the Fuss About?"

Sauvé argues that article 1.3 of the GATS specifically excludes post-secondary education because education is, in the words of the agreement, "a service supplied in the exercise of government authority". However, the GATS permits this exclusion only for services which are "supplied neither on a commercial basis, nor in competition with one or more service suppliers". Throughout the conference, Sauvé dismissed any criticism of the current framework. He simply ignored the fact that in most OECD countries post-secondary education is a mix of public and private institutions and therefore not, according to GATS definitions, supplied "solely in the exercise of government authority".

Despite his assurances, Sauvé did admit that any disputes about the wording and interpretation of this exclusion would be settled by an unelected trade tribunal selected and answerable to the World Trade Organization. Further, Sauvé admitted that the current clause is open to several interpretations and should be tightened. These concerns mirror those outlined in the legal opinion on the GATS prepared for the Federation by the law firm of Gottlieb and Pearson. Despite these contradictions, Sauvé and the rest of the conference speakers dismissed concerns about the GATS as misunderstandings on the part of nongovernmental organisations.

In conference workshop sessions, students also pointed out that the North America Free Trade Agreement (NAFTA) dispute tribunal has made several rulings favouring the rights of corporations over the rights of sovereign governments to enact domestic legislation. At the time NAFTA was signed, critics warned that such rulings were likely if the agreement was ratified. During the debate over the ratification of NAFTA, negotiators dismissed these warnings as fear mongering. Sauvé, incidentally, was a lead NAFTA negotiator for Canada before taking his current OECD position.

In the closing plenary of the conference, a letter of protest was read by James Nesson of the National Union of Students-United Kingdom. The declaration outlined several concerns about the current rounds of GATS negotiations and drew attention to the overt attempts of conference organisers to stifle debate and dismiss legitimate questions. The Federation joined with the Canadian Association of University Teachers and national student unions from Norway, Sweden, Finland, and Australia in endorsing the declaration.

### United States Demands on Higher Education in the GATS Negotiations

In GATS negotiations, national governments make formal requests for "market access" to specific service sectors in other countries. The Federation has recently learned that the United States is aggressively demanding that American post-secondary education providers be granted full "market access" to Canada's post-secondary education sector, including the right to directly compete with Canada's public universities and colleges. Despite Canadian government assurances otherwise, public post-secondary education is now clearly on the table in GATS negotiations.

### Trade and Investment Research Project

The Trade and Investment Research Project is a consortium of progressive researchers who meet quarterly to review international trade agreements and the global literature devoted to analysing and critiquing them. The Project operates under the auspices of the Canadian Centre for Policy Alternatives and is composed of approximately 25 members, including the Federation.

The Trade and Investment Research Project is currently one of the world's key sources for research critical of international trade agreements. *GATS: How the World Trade Organisation's new "services" negotiations threaten democracy,* a report on the General Agreement on Trade in Services (GATS) by Project researcher Scott Sinclair, is used as a starting point by many groups working to stop the GATS.

The GATS is the section of the World Trade Organisation that deals with trade in services, including education, and represents a major threat to Canada's system of post-secondary education. In May 2002, the Project released a detailed response to the World Trade Organisation's defence of the GATS, entitled *Facing the Facts: A* guide to the GATS debate.

Monitoring and research conducted through the Trade and Investment Research Project is helping student organisations, environmental groups, and other civil society organisations identify issues of concern much earlier in the trade agreement negotiation process than has been the case in the past. The Project has funded reports dealing with the impact of trade agreements on a range of sectors, including healthcare, postal services, and K-12 education. Governments and trade agreement bodies like the World Trade Organisation make formal responses to studies by the Project's researchers. Direct involvement in the Project provides the Federation with access to an extremely valuable resource for research, government relations and campaign work.

Researcher Rob Duffy attended the most recent meeting of the Trade and Investment Research Project in Montréal on September 30, 2002. The meeting reviewed the Project's work over the past year, and also looked at timelines related to the World Trade Organisation, the General Agreement on Trade in Services and the Free Trade Area of the Americas negotiations. Some key upcoming dates include:

- November 2002

Brazil and USA begin sharing FTAA Trade Negotiating Committee Chairing (thus the change of government in Brazil could have a major impact on the future of the FTAA)

- November 2002

Release of the FTAA second draft

- November 2002

United Nations report on trade and development to be released

- February 2003

Potential Start of USA - Central America Free Trade Agreement talks

- March 2003

Canada's initial GATS offer supposed to be made public

- March 2003

WTO Services negotiations: submission of initial offers (by March 31)

- Sept. 10-14, 2003

WTO Ministerial Conference in Cancun

- OctoberNovember 2004

5th WTO Ministerial Meeting

- January 1,2005

Deadline to conclude WTO Doha Round of negotiations

- January 1,2005

Deadline to conclude the FTAA

### Hemispheric Day of Action Against the Free Trade Area of the Americas

The latest round of Free Trade Area of the Americas negotiations took place in Quito, Equador from October 31 to November 3, 2002. Throughout the hemisphere, student groups mobilised to raise awareness about the impact of Free Trade on public services such as postsecondary education.

At the May 2002 national general meeting, member locals were encouraged to participate in a Hemispheric mobilisation. While the original date had been established as November 17, 2002, Federation members at provincial component meetings agreed to change the date to October 31 in response to the call for solidarity from student groups in Latin America and the Caribbean.

In response to the Federation's call, the following organisations endorsed and participated in the events:

- Alternatives
- Association coopérative d'économie familiale de l'Estrie
- Association pour la défense des droits sociaux du Montréal Métropolitain
- British Columbia Teachers' Federation
- Canadian Auto Workers
- ~ Canadian Union of Public Employees (CUPE)
- CUPE Ontario
- CUPE 3906
- CUPE 3903
- Centre des médias alternatifs du Québec
- Collectif Opposé à la Brutalité Policière
- Comité logement POPIR, Montréal
- Conseil central du Montréal Métropolitain
- Convergence des luttes anti-capitalistes
- Council of Canadians
- Collectif La Nuit, Québec
- Dada a faim, Québec
- Entrée Libre, journal communautaire, Sherbrooke
- Fédération Autonome du Collégial
- Guatemalan Solidarity Group
- Independent media center
- Latin American Canadian Solidarity Association
- Le Collectifs des Bas Quartiers, Québec

- London and District Labour Council
- Ontario Secondary School Teachers' Federation
- Ontario New Democratic Party
- Sierra Youth Coalition
- Toronto and York District Labour Council

The Federation produced fact sheets on the FTAA and the GATS; designed and produced anti-FTAA posters; and post-cards addressed to the Prime Minister calling on him to protect public services like education.

Member locals participated in a range of activities on October 31, from teach-ins, to video showings, to demonstrations, to educational activities tied-in to a Hallowe'en theme.

#### **BRITISH COLUMBIA**

Locals worked with a variety of grassroots organisations on the events. Locals 18, 23, 26, 73, 76 organised educational activities on October 31 as well as a rally and march in downtown Vancouver. In Victoria, Locals 44, 75 and 89 organised educational activities with campus and community coalitions. Locals worked with a variety of grassroots organisations on the events.

#### ALBERTA

Students from the University of Alberta organised a series of lead-up events including the showing of Manufacturing Consent, theatre workshops and educational forums. On October 31, the University of Alberta Students' Union was the site of a Carnival of Resistance where students and community members could learn more about the FTAA and other trade liberalisation issues.

### MANITOBA

On October 31 Locals 8, 37, and 38 distributed stickers, postcards, and factsheets. After a free pancake breakfast, students at Local 37 played an interactive board game, "The Fair Game", which educated players about the effects of globalisation on trade. Local 8 hosted a forum about trade liberalisation and education, and encouraged students to cast their ballot against the FTAA by signing postcards addressed to Jean Chretien.

### SASKATCHEWAN

Local 9 organised a series of workshops on the FTAA. On October 31, students distributed flyers, stickers, postcards and candy, in the spirit of Hallowe'en. The University of Saskatchewan Graduate Students' Association also distributed postcards and posters.

### ONTARIO

### Toronto:

In Toronto, Locals 19, 25, 68, 84, 92, 97, and 98 organised a demonstration attended by approximately 500 people. Locals worked on leadup events that included video screenings, panel discussions and workshops. Thousands of fact sheets and post-cards to Prime Minister Chrétien were distributed, as well as Hallowe'en candies

with printed wrappers stating: Stop the FTAA. Local 54 members attended the Toronto events along with students from both McMaster University and Mohawk College. The Ontario Public Interest Research Group at the University of Toronto developed a plan of action specifically addressing issues of concern to First Nations Ottawa

In Ottawa, Locals 1 and 78 organised an FTAA graveyard, with tombstones for public social programmes, the environment and human rights. The focus was educational and fact sheets, post cards and "Stop the FTAA" candies were distributed.

As well, a demonstration was organised by the Association générale des étudiantes et des étudiants du CEGEP de l'Outaouais.

### **Thunder Bay**

Local 32 organised a screening of *Trading Freedom*, a video produced in Thunder Bay that focuses on the Free Trade Area of the Americas. On October 31, displays were set up highlighting the impact of the FTAA on issues like education, the environment, and human rights.



Post cards were distributed and students faxed their Members of Parliament and Provincial Parliament expressing students' concerns. Finally a panel discussion was organised to further raise awareness of the issues.

### QUEBEC

students and students of colour. Over 200 high school students from the greater Toronto area participated in outreach and joined the activities on October 31.

### London

In London, Local 47 along with undergraduate students from the University of Western Ontario organised a post-card campaign with the goal of distributing 8,000 postcards. On October 31, Members of Parliament and Members of Provincial Parliament were faxed letters expressing concern about the state of higher education and the impact of the FTAA negotiations. Locals 91, 83 and 79 worked with other students' unions throughout the Montreal area. This cooperation produced a demonstration with over 10,000 participants. Member locals worked with CEGEPs and other students' unions on materials, educationals, panel discussions, and finally student strikes and walkouts. At least ten CEGEPs took strike action on October 31. Quebec locals launched a national website that was translated into three languages: French, Spanish and English. In addition, Quebec locals organised a pan-Canadian list serve bringing together Federation and non-Federation students' unions.

### **NOVA SCOTIA**

Locals 7 and 11 organised educational activities and a rally at Victoria Park in Halifax on October 31. Over 200 students from post-secondary institutions in the Halifax area participated in the rally, which was addressed by speakers from the Federation, the Council of Canadians, Oxfam and Guatemala. Students also carved anti-FTAA slogans into pumpkins that were displayed at the park.

# **SOLIDARITY WORK**

### **Domestic Solidarity Work**

It has been the long-standing practice of the Federation to work in coalition with other groups and organisations on issues of interest and concern to students. The strength in numbers that the Federation realises by bringing together students from across the country is achieved to an even greater extent when members of other organisations also articulate our goals.

#### CHILD CARE ADVOCACY ASSOCIATION OF CANADA

In 1998, the Federation joined the Child Care Advocacy Association of Canada. CCAAC is made up of child care organisations, both local and regional, as well as labour unions and other interested groups.

At the 2001 general meeting, the Child Care Advocacy Association of Canada resolved to reform the structure of its board to reflect sectoral and provincial interests. The Association met on June 22 in Ottawa and discussion at the June meeting focused on implementing the new board structure. The Federation retains a seat on the board. The meeting also dealt with the Association's campaigns and government relations strategy for the coming year, though representatives were unable to agree on whether to call for a fully-funded child care system or advocate for increased funding targeted for childcare. The issue of student parents and the particular financial difficulties experienced by this demographic was also discussed.

National Deputy Chairperson Pratt was the Federation's representative at the meeting.

#### **CANADIAN HEALTH COALITION**

The Canadian Health Coalition is dedicated to preserving and enhancing Canada's public health system for the benefit of all Canadians. Founded in 1979, the Coalition includes groups representing unions, seniors, women, students, consumers, and health care professionals. The Federation is a longstanding member of the Coalition and holds a seat on the Steering Committee.

The work of the CHC most recently has focused on the Romanow Commission. On April 4, 2001, Prime Minister Jean Chrétien and then Health Minister Allan Rock announced the launch of the Commission on the Future of Health Care in Canada to be headed by former Saskatchewan Premier Roy Romanow. The Commission is mandated to consult with Canadians and recommend policies to ensure the longterm sustainability of a universally accessible, publicly-funded health system. The Canadian Health Coalition sought to influence the report through coordinating submissions and raising public awareness of the commission and the current state of health care in Canada. In an effort to focus attention on the deteriorating state of our health care system and the Romanow Comission, the Coalition organised a National Medicare Day on May 15. The day featured events at all provincial legislatures calling for the Canadian health care system to remain publicly funded and universally accessible and many Federation member locals participated in the events. The Romanow Commission will continue its work throughout the fall/winter and plans to deliver the report in late November. The Coalition will be planning a number of campaign events to coincide with the release of the report.

## OUR PUBLIC AIRWAVES – COALITION FOR PUBLIC BROADCASTING

In January 2001, the Canadian Media Guild hosted the Public Broadcasting in a Private Age forum to examine the current role of public broadcasting in Canada, potential funding mechanisms, alternative structure and governance, and the consequences of private ownership and trade agreements on public broadcasting. Following the Federation's attendance at the forum, the Guild requested the Federation's participation in a planned coalition to support public broadcasting.

At the founding meeting of Our Public Airwaves, held April 4, 2002, the Federation was asked to serve as a member of the coordinating committee. The Federation's representative on the coordinating committee is National Deputy Chairperson Pratt.

At the May 31 meeting, held in Ottawa, the discussion focused on defining the Coalition's goals and scope. It was agreed that the coalition had an important role, as there is no other organisation in Canada whose primary focus is advocating for public broadcasting. The coalition also agreed that its aim was to advocate for accountable, accessible, publicly-funded broadcasting.

National Deputy Chairperson Pratt and former National Deputy Chairperson Anthony were the Federation's representatives at the coalition meeting.

### SOLIDARITY NETWORK

The Solidarity Network, consisting of over fifty organisations, had its roots in the 1987 movement opposing the Free Trade Agreement between Canada and the United States. The Network has evolved into a forum for action in which social justice groups, labour organisations, and territorial and provincial coalitions devise common strategies against funding cutbacks to social programmes, and to coordinate support for campaigns organised by Network members. The Federation is a long-standing member of the Solidarity Network and holds a seat on the Executive Committee.

The Solidarity Network Assembly will be held in New Brunswick in January 2003. The Assembly is an opportunity for representatives of national, provincial, and local organisations to meet and solicit support for work that they are undertaking, and to learn from each others' experiences with various strategies and tactics for implementing campaigns. The Assembly presents the Federation with a valuable opportunity to solicit endorsements for its campaigns.

National Deputy Chairperson James Pratt will represent the Federation at the Assembly.

### **COMMON FRONTIERS**

Common Frontiers is a coalition of organisations that undertakes research, analysis and action to seek alternatives to the social, environmental and economic effects of free trade in the Americas. Common Frontiers brings together student, labour, human rights, environmental, religious, economic, and social justice organisations. The Federation joined the coalition in January 2001 and has held a seat on the Steering Committee since that time.

Common Frontiers met on June 5 in Kingston, Ontario. The main focus of the meeting was organising against the Free Trade Area of the Americas in the coming months. Member organisations reported on activities being planned. Initial planning discussions took place regarding solidarity activities to coincide with the mobilization against the FTAA in November 2002 in Brazil organised by the Organisation of Caribbean and Latin American Students (OCLAE).

In addition, the coalition discussed the possibility of becoming a incorporated, legal entity. This discussion included questions of where the coalition would be housed, what the decisionmaking structure would look like and how the organisation's finances would be managed. It was decided that the incorporation of the organisation warranted further discussion, but it has yet to happen.

National Deputy Chairperson Pratt and former National Deputy Chairperson Anthony represented the Federation at the meeting.

#### THE G8, THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT AND GLOBAL GOVERNANCE

The Group of 8 (G8) is an informal partnership of the leaders of the seven most industrialised nations in the world, and Russia. Members include Canada, United States, Great Britain, France, Italy, Germany, Japan and Russia. The Group was originally formed in 1975 (without Canada or Russia) to respond to the Organization of the Petroleum Exporting Countries (OPEC) oil embargo and the economic crisis in Northern countries.

The G8 is informal in that there is no permanent secretariat or administrative body, and the Group does not negotiate trade policies per say. However, G8 countries are the most industrialised and wealthy participants in the global economy. They are donors for the International Monetary Fund (IMF) and World Bank; whose policies serve the economic elite primarily in the United States, Britain, and Japan.

On June 26 and 27, the G8 leaders met in Kananaskis, Alberta, with three priorities: strengthening global economic growth; fighting terrorism; and building a new partnership for Africa's development. The summit was the subject of Canada's largest security operation in history and as a result the 2002 round was sheltered from public accountability and scrutiny.

The primary issues discussed by the leaders of the G8 nations were the New Economic Partnership for African Development and "global security." The planned discussions on the Education for All agenda, did not occur at this meeting. The Education for All agenda is premised on the belief that the best way to ensure economic development in Africa is through the privatisation of public services, such as post-secondary education. The Education for All agenda encourages governments to actively explore private sector solutions for education. It also fails to address accessibility issues related to post-secondary education.

From June 21 to 25, citizens committed to a global social and economic agenda participated in the Group of 6 Billion (G6B) People's Summit held in Calgary, Alberta, in opposition to the G8 negotiations. The Summit developed recommendations in six theme areas: democracy and economy, education, environment, governance, human security, health, and trade. The Federation endorsed the Summit, participated in workshops and discussions, and distributed Federation materials on the G8, the General Agreement on Trade in Services (GATS) and their effects on post-secondary education. Ontario Chairperson Joel Duff was the Federation representative at the Summit.

Federation member locals participated in the events in Calgary and in solidarity actions in Vancouver, Toronto and Ottawa.

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# COMMUNICATIONS

### 2002-2003 Students' Union Directory

The Federation has published the Canadian Students' Union Directory annually since 1981. Containing contact information for more than 280 students' unions, their affiliated campus organisations, and campus media outlets across Canada, the Directory serves as a valuable resource for member locals of the Federation, as well as non-member students' unions, government agencies, and non-governmental organisations.

Information contained in the Directory is solicited from individual students' unions following spring elections. Early in the spring, the Federation begins to research and gather information, in order to ensure that the Directory can be printed as early as possible, maximizing its utility. The National



Executive sent requests for information one month earlier than in recent years. This earlier start resulted in a slightly higher response rate, primarily because it provided more time for follow-up contact. However, for the 2002-2003 publication the process of collecting information was time-consuming as many students' unions were slow to complete and return their forms, requiring considerable follow-up work on the part of the National Executive. The earlier timeline enabled this year's Directory to be printed and delivered in August, rather than in early fall as it had been in recent years.

Over the last three years, the National Executive has worked to increase Directory sales. These efforts have involved improving the Directory, while working to ensure it is made available to all campus organisations that could make use of its resources. Through improvements in the content, including the addition of new sections, and a reduction in the price of the publication, some success has been achieved in this area. Over the last year the total number of orders has increased from 423 Directories in the 2001-2002 year, to 502 Directories to date this year. For the first time in many years the Federation has sold out of this year's Directory, this is partially due to increased orders but primarily due to bad timing. The information provided to the printer was based on an estimate of the number of directories ordered to that point. Unfortunately in the weeks subsequent to that, many additional Directory orders were received. For next year, the number of Directories printed must take into account anticipated orders between the time the printer instructions are provided and when the Directory is printed. As well, member locals are encouraged to order when submitting completed surveys.

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At the May 2002 national general meeting, it was resolved to investigate publishing the Directory on CD-ROM. The National Executive has begun research into this possibility. To-date one of the key challenges identified is determining a format that is both compatible with commonly used software and provides the necessary search abilities and user-friendly functions. In addition, concerns remain about the portability of an electronic Directory and whether the Directory will remain as universal a resource if it is only available with the aid of a computer. Further, once the Directory is available in electronic format there is an increased likelihood of piracy and reduced sales as duplicate copies become less necessary. Both of these scenarios could result in a drastically higher price for printed versions. For the time being, the National Executive recommends continuing to publish the Directory as a hardcopy publication while continuing to seek a suitable electronic format.

### **DIRECTORY SALES**

Year	Total Sales
2000-2000	334
2000-2001	407
2002-2002	423
2002-2003	502

### 2002-2003 Member Local Communications Kit

Most member locals utilise a number of tools, such as handbooks/dayplanners, newsletters, and ongoing promotions or campaigns to communicate with their members throughout the year. These serve as mechanisms to impart information about the work of the local, including the work that they undertake provincially and nationally as part of the Federation. To assist with the inclusion of information in such publications, the Federation began producing a Member Local Communications Kit each year. The Kit has been expanded to include not only information about Federation campaigns and services, and the state of post-secondary education, but also campaign photos, logos, and locally customized ISIC images. The format that was introduced a few years ago, a CD-Rom, enables locals to easily select the information that best suits a particular need, be that FedFacts in a handbook, an ISIC promotional poster, or simply background information for a campaign to freeze and reduce tuition fees.

The 2002-2003 Communications Kit with CD-Rom was distributed shortly following the May national general meeting. This enabled most locals to use the material in the production of their dayplanners. In a few instances, where local timelines were much earlier than this, information, when requested, and sent by email for inclusion.

### Web Site

The Federation's first web site was launched in late 1996. In 1998, the National Executive decided that the Federation's web site required substantial updating and re-organisation. Consequently, a Vancouver-based company with which the Federation had previously worked was contracted to design an entirely new site that would be easier to navigate and more consistent in its design. Efforts were made to integrate design elements from the Travel CUTS web site into the new site. It was hoped that the national and Travel CUTS sites would be sufficiently similar to be seen as "co-brands," creating a mutually reinforcing web presence.

However, the site launched in late 1998 fell short of expectations – especially with regard to its congruency with the faster, more user friendly Travel CUTS site. Although it was an improvement on the earlier site, the software platform for the new site proved to be problematic. The web site designer developed software to create searchable databases on the Federation's web site. While intended to improve the site, routine updates proved to be difficult while more ambitious changes were costly.

In 1999, as part of the Federation's effort to create a cohesive web presence for all of the Federation's activities, the Federation resolved to include a searchable database of Studentsaver discounts on the site. In fall 2000, local discounts from across the country were listed online. However, when attempts were made to update the database with 2001 discount listings, it became evident that the database was too unwieldy for such a task.

Consequently, a new database had to be developed in order to provide the discount listings online. Further, although news releases and other simple documents could be posted to the site regularly, the introductory page and many other sections remained static. Finally, English and French content was becoming more and more incongruous with each update to the site.

In December 2001, despite misgivings about the existing site's infrastructure, updates for the national campaign to freeze and reduce tuition fees and the February 6, 2002 Day of Action were identified as a basic communications priority. A temporary design was developed that allowed news releases, and other pieces of information to be posted more quickly. At that time other sections of the existing web site were updated regularly, including the introductory page.

The National Executive has focused recent discussions about the web site on the development of a web presence that could load quickly into any web browser, be easily updated, accommodate the creation of simple web pages for provincial components, and link to provincial Federation web sites where they exist. The obvious limitations of the current web site design and technology led to a decision to re-develop the site extensively.

In spring 2002, AKA New Media, a Torontobased company, began developing a new national web site for the Federation. The new site will incorporate those elements deemed necessary by the National Executive. The National Executive is expecting to launch the new site for January 1, 2003.

# **MEMBERSHIP DEVELOPMENT**

### **Membership Stability and Growth**

At this national general meeting, the plenary will be accepting several new full and prospective member locals. Once ratified, the number of member locals will exceed 70 for the first time in the Federation's twenty-one year history.

While gratifying, a larger membership base creates new challenges for the National Executive, not the least of which is keeping all member locals interested and active in the affairs of the Federation. To this end the National Executive has identified the need to further develop provincial and regional infrastructures of the Federation as means to better ensure the needs of member locals are being met.

#### **NEW FULL MEMBERS**

At this general meeting, the plenary will consider ratifying five new full member locals. In the case of three of these locals – Association générale des étudiant-e-s de l'Université Sainte-Anne; University of Windsor Students' Alliance; and the University of Toronto Students' Administrative Council – it constitutes a return to the Federation, while the other two – the Association of Part-time Undergraduate Students of the University of Toronto and the Scarborough Campus Students' Union – are joining the Federation for the first-time.

### Local 69-Association générale des étudiant-e-s de l'Université Sainte-Anne

The Association générale des étudiant-e-s de l'Université Sainte-Anne in Pointe-de l'Église, Nova Scotia, joined the Federation in 1988, but withdrew in 1996. In March, the council of the Association voted to apply for prospective membership in the Federation. Membership was granted at the May 2002 national general meeting.

On September 19-20 this year, a referendum was conducted in which the members of the Association voted on full membership in the Federation. The result was as follows:

In Favour	151	(94.4%)
Opposed	9	(05.6%)
Spoiled Ballots	1	

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that full membership be granted to the Association générale des étudiant-e-s de l'Université Sainte-Anne.

#### Local 49-University of Windsor Students' Alliance

The University of Windsor Students' Alliance consists of approximately 10,000 full-time undergraduate students at the University. The Alliance (at the time

known as the Student Administrative Council) was a founding of member of the Federation in 1981, but left the Federation in 1984. In 1987, it rejoined the Federation, but again ended its membership in 1995.

This past March the council of the Alliance voted to apply for prospective membership in the Federation. Membership was granted at the May 2002 national general meeting.

On October 8-10 this year, in accordance with Bylaw 1.5, a referendum was conducted in which the members of the Alliance voted on full membership in the Federation. The result was as follows:

In Favour	1202	(93.8%)
Opposed	79	(05.6%)
Spoiled Ballots	4	

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that full membership be granted to the University of Windsor Students' Alliance.

### Local 97- Association of Part-time undergraduate students of the University of Toronto

Roughly 10,000 students comprise the Association of Part-Time Undergraduate Students at the University of Toronto. In mid-January the council of the Association voted to apply for prospective membership in the Federation. Membership was granted at the May 2002 national general meeting.

On November 5-7, a referendum was conducted in which the members of the Association voted on full membership in the Federation. The result was as follows:

In Favour	639	(79.9%)
Opposed	161	(20.1%)
Spoiled Ballots	12	

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that full membership be granted to the Association of Part-Time Undergraduate Students of the University of Toronto.

### Local 98-University of Toronto Students' Administrative council

The University of Toronto Students' Administrative Council consists of all full-time undergraduate students attending the University. (Every full-time undergraduate student is considered a member of the Council, not just the elected officials. The governing body of the Council is the Board.)

In the decades prior to the 1980s, the Council was one of the most active students' unions in the country. The Council was a founding member of the Federation's two national predecessor organisations – the Association of Student Councils in 1969; and the National Union of Students in 1972 – and the Ontario Federation of Students in 1969. In 1981, these three organisations, along with several other provincial organisations, merged to form the Federation.

The University of Toronto Students' Administrative Council played a leading role in this restructuring of the Canadian student movement in late 1970s and early 1980s, and was a founding member of the Federation in 1981. Unfortunately, the Council's referendum on permanent membership in the new Federation, held in 1983, failed.

Over the decade that followed, the Council flirted with membership. In 1992, another referendum was held in which Council members voted narrowly against membership in the Federation. However, this past January, a special general meeting of the Council voted to apply for prospective membership in the Federation.

Earlier this month, on November 5-7 and in accordance with Bylaw 1.5, a referendum was conducted in which the members of the Council voted on full membership in the Federation. The result was as follows:

In Favour	3490	(65.5%)
Opposed	1840	(34.5%)
Spoiled Ballots	113	

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that full membership be granted to the University of Toronto Students' Administrative Council.
#### Local 99-Scarborough campus Students' Union

The Scarborough Campus Students' Union consists of the roughly 8,000 full and part-time undergraduate students who attend the Scarborough Campus of the University of Toronto.

In March, the council of the Union voted to apply for prospective membership in the Federation. Membership was granted at the May 2002 national general meeting.

In accordance with Bylaw 1.5, a referendum was conducted earlier this month, on November 5-7, in which the members of the Union voted on full membership in the Federation. The result was as follows:

In Favour	1017	(87.9%)
Opposed	140	(12.1%)
Spoiled Ballots	10	

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that full membership be granted to the Scarborough Campus Students' Union.

#### NEW PROSPECTIVE MEMBERS

Prospective membership is a mechanism through which a students' union can experience membership in the Federation for a period of limited duration. Prospective membership commits the union to a binding referendum on full membership in the Federation. The National Executive has received four applications for prospective membership since the previous national general meeting

## University of Saskatchewan Graduate Students' Association

Roughly 2000 student comprise the Graduate Students' Association at the University of Saskatchewan. In the 1980s graduate students were members of the Federation through their membership in the University of Saskatchewan Students' Union. However, in the early 1990s, the graduate students separated from the Union and formed a separate students' association consisting exclusively of graduate students. In July, the council of the Graduate Students' Association voted to apply for prospective membership in the Federation. In accordance with Bylaw 1.4-b, the National Executive has reviewed the application and is recommending that the application for membership be accepted.

#### Okanagan University College Students' Association-Kelowna

In 1981, the Okanagan University College Students' Association was a founding member of the Canadian Federation of Students. The Association was, in fact, the third local in the country to vote on full membership in the Federation, conducting the vote almost eight months prior to the official founding. Membership was passed with an eighty-two percent majority and voter turnout exceeded twenty-five percent.

The Association remained an active member for several years; however, in 1988 a referendum was held on continued membership. The Association's elected leadership, which favoured withdrawal from the Federation, held the defederation referendum during a one-hour time period in a single building at the campus. The result was a close vote opposing continued membership: 48 votes in favour; and 60 votes against.

In the years that followed, the Association had very little contact with Federation member locals. In summer 2001, though, the Association attended the Federation's BC Skills Development Weekend held each summer at Simon Fraser University, and maintained regular contact with the Federation's Vancouver office throughout the 2001-2002 academic year.

In early August, the council of the Association voted to apply for prospective membership in the Federation. Later that month the application was accepted by the semi-annual BC general meeting, pending ratification by a national general meeting.

In accordance with Bylaw 1.4-b, the National Executive has reviewed the application and is recommending that the application for membership be accepted.

#### Memorial University of Newfoundland Graduate Students' Union

Currently, all students at public post-secondary institutions in Newfoundland and Labrador are members of the Federation with the exception of the roughly 2000 graduate students at the Memorial University of Newfoundland.

In August, the council of the Graduate Students' Association voted to apply for prospective membership in the Federation. In October, the application was accepted by the semi-annual Newfoundland and Labrador general meeting, pending ratification by a national general meeting.

In accordance with Bylaw 1.4-b, the National Executive has reviewed the application and is recommending that the application for membership be accepted.

#### **Penticton Campus Students' Association**

Okanagan University College is a regional institution with four main campuses located in the Okanagan Valley in south-central British Columbia. The southern most of those campuses is located in Penticton, a city of roughly 45,000 people. The students at the Penticton campus are organised in a students' association separate from the one at the Kelowna campuses and at the other campuses of the University College.

In October, following a presentation by Federation representatives in BC, the Association's executive voted to apply for prospective membership in the Federation. In accordance with Bylaw 1.4-b, the National Executive has reviewed the application and is recommending that the application for membership be accepted.

## **Other Membership Issues**

#### LOCAL 37-BRANDON UNIVERSITY STUDENTS' UNION

In Winter 2002, the Federation was notified by the Brandon University Students' Union that ten percent of its membership had signed a petition calling for a referendum on the question of continued membership in the Federation and that the Union's Council had scheduled a referendum on the question for September 25-26.

Starting in early September, the Federation mounted a vigorous campaign at Brandon University stressing the importance of Brandon students remaining active in the national student movement. Federation campaigners included Federation elected officials and organisers, supporters from the University of Winnipeg and Lakehead University, and Brandon campus activists. During the course of the campaign, Federation representatives encountered a very positive response from most students. The response was confirmed by the results:

In Favou <del>r</del>	529	(80.3%)
Opposed	130	(19.7%)
Spoiled Ballots		6

The National Executive is hopeful that, through the course of the campaign, the Federation was able to answer any questions and alleviate any concerns that those Brandon students who signed the petition may have had about the Federation.

#### LOCAL 64-ACADIA UNIVERSITY STUDENTS' UNION

In 1995, the Acadia University Students' Union conducted a referendum on Federation membership in which the members of the Union voted in favour of continued membership. A few months later, the Federation received notice from the Union that it intended to conduct another referendum on membership in early 1996.

The National Executive at the time informed Local 64 in writing that such a referendum could not be held until 1997. The Federation Bylaws stipulate that there must be a two-year waiting period between referenda on Federation membership.

In late February 1996 the Federation received a letter from the Union claiming that it had conducted a referendum on membership and that a majority of its members had voted against continued membership. The Federation responded that the referendum, if held, had been invalid, the results would not be recognized and the Union remained contractually obligated to collect and remit Federation membership dues. The letter, and all subsequent correspondence, went unanswered. In fact, most of the Federation's correspondence to the Union since that time has been returned unopened. Even letters from the Federation's legal counsel have gone unanswered.

Last year the Federation's legal counsel advised the National Executive that, if the Federation intended to pursue legal action to recover the fees owed it by the Union, it had to file suit before June 30, 2002 due to the limitations established by statute. The National Executive resolved at the time that, if no resolution was reached before the deadline established by statute, a suit to recover the monies owed the Federation would be launched.

As expected, no negotiations occurred and, therefore, no settlement was reached. The suit was filed in late June. The Union responded by filing a counter suit. Citing the Charter of Rights, the Union is claiming that the Federation is violating its rights by harassing it. The Federation's legal counsel is extremely confident that the Union's claim is totally and absolutely without merit.

It is the National Executive's sincere hope and desire that the issue can be resolved long before it proceeds to court. However, that will require some willingness on the part of the Acadia Students' Union to discuss the matter.

## **General Development needs**

For the past few years the Federation has relied on a single organiser, based in Winnipeg, to service the member locals in the prairies. However, in the past eighteen months the Federation has gone from zero to two members in Alberta and from one active member to three in Saskatchewan, while maintaining a consistent membership base in Manitoba.

The National Executive has some had some preliminary discussions about the need to expand the staff resources in the region and is recommending that a thorough discussion of the issue occur in the Organisational Development Committee meeting.

## **Common Handbook Project**

Member locals in British Columbia have coordinated a Common Handbook project through the Federation since the mid-1990s in response to the fiscal burden the production of quality handbooks posed for many member locals. The common handbook significantly reduces the unit cost of handbooks for member locals and ensures consistent profile of local, provincial and national work of the Federation, Each book contains a common Federation section, a customized local section and a calendar section that includes significant dates. The volume of books produced allows for higher quality paper, more colour pages and fewer advertisements while achieving economies of scale in writing and editing, design, printing and binding.

These economies of scale have enabled some students' unions to eliminate local advertising from their handbook. Other locals have chosen to continue to maintain local advertising and thereby reduce their costs even further. This flexibility has proven to be a particularly attractive feature of the project.

For the 2002-2003 year, 28 students' unions from five provinces – British Columbia, Ontario, Québec, Nova Scotia, and Newfoundland and Labrador – participated in the project. Project coordination was handled once again by the British Columbia office, with support from the Ontario, Nova Scotia, and Newfoundland and Labrador offices.

The National Executive is proposing that the Organisational Development Committee discuss the role that the Federation's national office should assume in the project and possible ways to expand participation and improve the product.

## PROGRAMMES

### **Discount Programme**

The International Student Identity Card is the only internationally recognised form of student identification. The Card is produced and distributed by the International Student Travel Confederation (ISTC) and endorsed by the United Nations Educational, Social and Cultural Organisation (UNESCO). The UNESCO logo appears on the face of the Card. Since its creation in the late 1960s, the Federation and its predecessor organisations have served as the Canadian agent for the Card.

Subject to the approval of the ISTC, the agent in each country sets the price for the Card in that country. The Federation currently charges \$16.00 for

the Card, a price that has remained unchanged for close to a decade. For individual Federation members, the Federation covers the cost of cards. A portion of the fees collected for all the Cards issued in Canada is paid to the International Student Travel Confederation.

Despite continued lobby efforts, under ISTC regulations, only full-time students are eligible for the ISIC. Because of this the Federation also produces and distributes the Studentsaver Card. Studentsaver allows part-time students access to many of the discounts available with the ISIC.

#### ISIC/STUDENTSAVER CARD DISTRIBUTION IN CANADA

Prior to 1993, roughly 15,000 cards were issued each year in Canada. In 1993, student discounts requiring the ISIC as proof of student status were secured on major domestic air travel routes. This resulted in an immediate and substantial increase in Card sales. Demand for the Card received another boost in 1997 when a major student discount requiring the Card was secured with VIA Rail. In 1998, a limited discount was secured with Greyhound Bus Lines of Canada. In 1999 that discount was expanded to provide ISIC holders with a 25 percent discount on all domestic Greyhound tickets.

However, student travel-and consequently Card purchases-have declined in the post-September 11, 2001 period. In the 2002 issuing year, demand for the Card declined from the previous year by close to 20%. It is expected that demand for the Card will recover in the next year.

#### **DISCOUNT SOLICITATION**

Local discounts remain the heart of the domestic portion of the discount programme. Local discounts allow businesses in a community to support students at local institutions, while encouraging the patronage of community based businesses. Discount solicitation for 2002-2003 was successful. This year, more than 3,500 local discounts were secured. This represents an increase of 40% over the previous year. The number of discounts has increased three years in a row. Feedback has been positive with regards to the quality of the discounts but more work needs to be done in this area.

Last year it was reported that the National Executive had identified national and regional discounts as a key area for expansion. An increase in the number of national and regional participants was achieved for the 2002-2003 programme. National discounts were secured with Avis car rental, Studentphones.com, Sugar Mountain, Global Village Backpackers and Pseudio. In preparing for the 2003-2004 discount programme, the National Executive is considering measures to ensure that national and regional discount solicitation is underway as early as possible.

One of the most successful national discounts is the Studentphones discount. In the summer of 2001, the National Executive identified cellular telephones as a key area in which to pursue ISIC/ Studentsaver discounts. The Federation has since entered into an agreement with Studentphones, an Irish firm that negotiates deals for students to purchase both cellular telephones and cellular service at reduced prices. The Union of Students of Ireland, National Union of Students (UK) and Union nationale des étudiants de France have all worked with Studentphones to provide their members with cellular phone service. All three Unions expressed satisfaction with the deals that Studentphones was able to secure in their respective countries.

The Federation and Studentphones have now secured a substantial discount with FIDO Networks. Under the plan, students would receive either a free phone or six months of free air-time, and a substantial discount in their ongoing monthly rates. The FIDO network was chosen as the first network to be promoted primarily because it agreed to offer the plan without forcing students to sign long-term contracts. The Federation and Studentphones are continuing to negotiate with the country's other service networks. It is hoped that the Federation will secure discounts on at least one other network prior to the end of the year.

#### PROMOTION

In recent years the Federation has worked to increase its promotion of the International Student Identity Card. Since 1999, a variety of high quality ISIC images, customised for each member local association, have been included in the Federation's annual communications kit. The Kit is distributed to member locals in compact disk format. As well, information about the programme was featured prominently in the 2002-2003 common handbook. The National Executive has also undertaken to promote the programme on campuses and improve the ease with which students obtain ISIC application forms. Customizable posters promoting the programme with tear-off application forms will be distributed to local issuing offices shortly.

Each year, the ISTC produces a variety of marketing materials for its members to use to promote the ISIC. Such materials have included 11" x 17" posters as well as larger posters, stickers and a compact disk containing numerous electronic images for ISTC members to develop their own promotional materials. Again this year ISTC members were able to order the specific materials that they wished to use. If a particular promotional material did not fit a member's marketing strategy, the member simply did not order that particular material. Historically, the Federation has ordered large quantities of the 11" x 17" posters and used its colour printer/copier to customise the posters for each local that issues the ISIC.

The Federation also promoted the ISIC in the Studentsaver promotional materials. On the roughly 2,500 stickers and window decals distributed to businesses offering Studentsaver/ ISIC discounts, there appeared both an image of the Studentsaver Card and the International Student Identity Card. Although Studentsaver discounts had always been available with the ISIC, it is only over the last few years that the Federation has promoted this widely.

#### WEB PROMOTION

With the growing reliance on the internet as a readily available source of information, the National Executive has been working to ensure the Federation's websites are well maintained and useful. Over the last few years the studentsaver.ca website has become one of the key tools for students to identify discounts in their community or while travelling. Recently, the National Executive has identified the need to improve the promotion of the discount programme on the web. The main areas identified for improvement were the reliability of the site, the need to ensure that the design reflects the fact that discounts available with the Studentsaver card are also available with the ISIC and the need to increase the user-friendly nature of the site. To address these areas the studentsaver.ca discount website and corresponding database have been redesigned. This re-design has corrected the recurring technical problems and has improved the general reliability of the studentsaver.ca website. One of the most notable improvements is the functioning of the search criteria used for locating a discount by type or location. As well, local discount solicitors are now able to enter the information collected on contracts directly into a web-based database. This has improved the ease of both initially entering and later exporting discount information as well as providing a more user friendly interface.

The promotion of local discounts available with both the ISIC and the Studentsaver will be aided by the International Student Travel Confederation (ISTC) launch of its Discount Manager Database. The ISTC's goal is to list on its web site each of the nearly 100,000 discounts available with the ISIC. Member organisations such as the Federation are responsible for providing an accurate list of discounts available in their countries. The Federation recently provided the ISTC with the list of Canadian discounts and it is anticipated that these discounts will be added to the web site shortly. This comprehensive database



will allow Canadian students to learn of the discounts available with the ISIC all over the world by searching one web site.

#### **GUIDEBOOK**

For the third year in a row, the Federation compiled all of the discounts in a national discount guidebook. This year, 275,000 copies of the 2002-2003 National Discount Guide were printed and distributed to member locals with a Studentsaver cover and the Studentsaver card affixed. An additional 121,000 copies of the booklet, with an ISIC 2003 Canadian Benefits Guide cover were printed and distributed to Travel CUTS outlets. Last year, the booklets distributed by Travel CUTS offices were very popular and the inventory was depleted by March. Due to this demand, the increased number of discounts and the improved distribution of discounts in a wider range of cities, more booklets were produced and distributed than in previous years.

The 2001-2002 booklets were printed and bound by mid-August, 2001, however delivery was delayed due to the printer experiencing difficulties affixing Studentsaver cards to the guidebooks. The National Executive adjusted this year's timelines to ensure that booklet distribution and discount programme promotion would occur without delay during orientation events in late August and early September. As a result, there has been an increase in distribution and usage of both the ISIC and Studentsaver cards.

In an effort to improve the appearance of the 2002-2003 guidebook, the National Executive redesigned the shape and layout of the book. The narrower booklet more closely resembles the international discount guidebook. The sleek new look, as well as the addition of discount icons should make the guidebook more portable, user friendly and attractive. In an effort to ensure programme awareness and continuity with students and local businesses, the design of the Studentsaver card is basically unchanged from last year.

#### **PROGRAMME AWARENESS**

One of the ongoing difficulties faced by the National Executive is determining the level of use of the discount programme. Anecdotal feedback relayed by member locals and individual students concerning the quality of discounts or responses to promotional materials has provided only a limited analysis of the programme's strengths and weaknesses. The task of continuing to improve awareness of the programme and ensure that discounts are being utilised relies on local promotion of the programme. Some member locals do a good job of securing discounts and promoting the programme to their members, others need to be encouraged to improve in this area. The Federation's biggest challenge is to ensure that member locals recognise that the discount programme is a service of their students' union and that it requires the same care and attention that services initiated at the local level require.

#### **TECHNOLOGY DEVELOPMENT**

#### **Printed ISICs**

In summer 1998, the International Student Travel Confederation launched the "new generation" ISIC, a higher quality version of the Card with an updated appearance. Prior to 1998, the personal data on the ISICs was either handwritten or typed using a typewriter. The new version of the Card allowed for the data to be either hand-written or

computer-generated. However, the ISTC has subsequently eliminated the option of issuing hand-written cards as of September 2002, and has required its members to invest in printers for producing the computer-generated data labels for the Cards. The switch from hand written ISICs to printed ones has been completed. At this point there are no issuing offices that provide handwritten cards. The biggest challenge, however, has been providing the on-going technical support required with the equipment and software. The Eltron Label printers and the Cardmaster software were designed to function with early Microsoft operating systems. As issuing offices upgrade their computers by changing operating systems and installing new software, technical support is frequently required. Some of the difficulties that arise have been easily solved over the telephone; others have proven more difficult and require the printers to be shipped back to either the national office or the closest provincial office. The National Executive is working to compile a comprehensive set of printer drivers to assist in providing timely solutions to these problems.

In order to automate card distribution even further, the Federation purchased two Fargo Pro-L card printers in April 2000. Unlike the label printers, which only print labels to be manually placed on the ISIC, these printers print digital photos and the cardholder's information directly onto the card. To-date, the card printers have only been used at special promotional events and Federation general meetings. Ultimately, it is hoped that some locals will arrange for the ISIC to become the official student card at their institutions, employing the Fargo Pro-L card printer technology.

#### Online Travel Resources www.my360.com

The ISTC is currently developing a new web site, entitled my360.com. The site will store travel information, including much of the content of the Lonely Planet series of travel information books, a currency converter and a list of the nearest ISTC member retail travel agent offices. These resources will be available to students free of charge. Using "cookie" technology, the site will also be able to recognise each visitor, and will display the information most often requested by that visitor. In addition, students will be able to develop travel plan itineraries on-line and have access to their itineraries each time they visit the site. The ISTC is hoping to launch my360.com prior to the end of the year, and allow ISTC members to offer the features of the site through the member organisations' web sites by March 2003.

#### PART-TIME STUDENTS

Historically, the Federation has opposed the ISTC policy restricting the use of the

ISIC to full-time students. The Federation has continued to argue that many students take part-time courses out of necessity and would benefit as much, if not more, than full-time students

from access to the discounts provided by the ISIC. Unfortunately, to-date the Federation has been unsuccessful in its efforts to convince the ISTC to allow the card to be issued to part-time students.

Most of the ISTC's membership is based in Europe. The ISTC's European members believe that the majority of the discount providers with which they deal would not provide part-time students access to the discounts provided by the ISIC. This is particularly true of the airlines based in Europe. In response, the Federation is drafting a brief, to be provided to discount providers, that describes the economic and social realities of part-time students in Canada.

It is hoped that by educating discount providers about the realities faced by part-time students, more discount providers would be willing to forgo the full-time student status requirement for the ISIC. On a more positive note, the ISTC has agreed to allow the ISIC to be issued to students with a disability that prevents full-time studies.

## National Student Health Network

During the early 1980's many students' unions began developing extended health and dental plans for their members. Initially, the plans were designed by insurance brokers that were unfamiliar with the needs of students. Generally, the plans were quite expensive and failed to cover many prescription drugs and services commonly used by students.

By the mid-1980's, many of the country's students' unions had grown frustrated purchasing over-priced plans that failed to serve their members' needs and working with brokers who neither understood nor felt any loyalty to the students' union's membership. As a result of these frustrations, the members of the Federation resolved to use their collective bargaining power to form a student-owned health and dental plan cooperative — the National Student Health Network.

The Network was formed with the philosophy that a health and dental plan created for students, by students would be much more effective. And it was. The collective buying power of the Federation allowed students' unions to improve the coverage and also reduce the cost of their plans. In some cases, students' unions were able to cut the cost of their health and dental plans in half.

Through the collective ownership model offered by the Federation, member locals have direct control over the services offered by their health and dental plans. It was this control that allowed the Network to be among the first provider to regularly cover oral contraception and the first to offer spousal benefits to same-sex partners.

Over the last two years, the National Executive has focused on improving the quality of service offered by the Network. One such service has been to audit, when asked, the plans of Federation members that use other brokers to provide their plans. Because student health and dental plans are worth hundreds of thousands, if not millions, of dollars, some brokers engage in questionable practices. In the past year alone, by auditing the plans of member locals, the Federation has exposed nearly half a million dollars in over-billing by brokers.

llion Additionally, these audits have led some non-network members to leave their existing broker and join the Network. As part of the audit process, the Federation provides a quote on the students' union's existing health and dental plans. Though a students' union is not obliged to switch to the Network after receiving a quote, the Federation is bound to honour the quote provided through the Network. In the past year, eight students' unions have either left their existing broker to become part of the Network or started a new plan through the Network. This brings the total number of plans offered by the Federation to twenty-one.

#### MEMBERSHIP

#### **Returning Network Members**

This past summer, the following students' unions renewed their plans through the Federation:

Local 07-Student Union of the Nova Scotia College of Art & Design / Atlantic School of Theology

Local 11-University of King's College Students' Union

Local 94-University of Ottawa Graduate Students' Association des étudiant(e)s diplômé(e)s

Local 27-Queen's Society of Graduate and **Professional Students** 

Local 48-University of Windsor Society of Graduate and Professional Students

Local 19-University of Toronto Graduate Students' Union

Local 47-University of Western Ontario Society of Graduate Students

Local 20-Nipissing University Student Union

Northern College-South Porcupine Campus

Local 08-University of Winnipeg Students' Association

Local 44-University of Victoria Students' Society

Local 89-University of Victoria Graduate Students' Society

Royal Road's University

#### New Members

This past summer the following students' unions either negotiated their plans through the network or returned after having previously left the Network.

Local 38-Association des etudiant-e-s du College de Saint Boniface

Local 56-Wilfrid Laurier University Graduate Students Association

Local 88-Association des étudiantes et étudiants francophones de l'Université Laurentienne

Local 95-University College of Cape Breton Students' Union

Local 01-Carleton University Students' Association

Local 78-Carleton University Graduate Students' Association

Local 24-Ryerson Students' Administrative Council

Local 97- Association of Part-time Undergraduate Students of the University of Toronto

More recently, the Graduate Student Union at the Memorial University of Newfoundland held a referendum from November 18-19, 2002 to offer a health plan provided through the Network. The referendum was successful and the plan will commence January 2003.

#### **TECHNOLOGICAL DEVELOPMENTS**

#### **Electronic Opt-Outs**

In an effort to ensure that plans offered by the Network are easy to use and that students are aware of how they are administered, a system has been developed that will allow individual members to optout electronically from Network health and dental plans. The opt-out forms and database will be hosted on the Heath Lambert (the broker retained by the Federation) website, but students will be able

to directly opt-out from the Federation's website or their local students' union website.

#### **One-Time Opt-Outs**

The Federation has continued development of software that will require students to opt-out only once during their time at a particular institution. Once complete, the software will link to the college or university's registration system and note in the system that an individual is exempt from paying the health plan fee. Unfortunately, the wide variety of registration software employed by colleges and universities has resulted in difficulties in ensuring that this feature is available to all Network members.

#### **Elimination of Blackout Period**

Although most student health plans provide coverage from September 1 to August 31 of each year, it can often take a month for the Network to process the plan enrolment and opt-out data provided by a member union. During this month, students are not able to use their pay-direct cards. Instead they must pay the full cost of the prescription drugs or medical services and then get reimbursed by the insurer. Because students often do not have the money to pay the full cost of a particular drug or service, many students receive no real benefits during the first month of the academic year.

The Federation and its primary insurance provider are currently working to develop a solution to this problem and anticipate that the issue will be resolved by September 2003.

#### USER GROUP MEETING

For well over a decade, the Federation has held an annual Health Plan User Group Meeting. The User Group meeting is a meeting of the local directors and staff who administer plans provided through the Network. It provides an opportunity for members to have input into the direction of the Network.

The meeting also provides plan administrators with an opportunity to share information and experiences related to student health and dental plans. This year, the User Group meeting was held August 2-4 at the Green Shield offices in Toronto. Most members of the Network sent representatives to the meeting. Although the meeting primarily dealt with the administrative aspects of health and dental insurance plans, members of the Network also discussed potential improvements in plan design and delivery. The Federation is currently working to implement a number of these initiatives and hopes to have them in place for the 2003-2004 academic year.

#### **HEALTH PLAN REPORTING STANDARDS**

Through the Network, the Federation is able to analyse and propose changes to government legislation affecting health and dental insurance. Recently, the Federation approached the federal government about creating a uniform set of standards for health and dental insurance plan reporting. These standards would require brokers to provide uniform and transparent information on plan usage and direct and indirect costs of the plan. National standards would help to ensure that students' union directors and staff would be provided with accurate and clear information when reviewing their plans or investigating switching brokers or carriers.

## Student Work Abroad Programme

#### DESTINATIONS

Over the past two years, the Federation has made a concerted effort to expand the destinations it offers with its Student Work Abroad Programme. However, the process of establishing a reciprocal work exchange programme can be rather timeconsuming. Often, the Federation will be dealing with government officials unfamiliar with the concept of reciprocal work exchange programmes. As a result, it can take several years to educate bureaucrats in other countries about the benefits of such programmes.

Fortunately, the Federation enjoys a strong relationship with the Department of Foreign Affairs and International Trade in the area of work exchange opportunities, and is able to quickly receive government approval when attempting to ensure that students from other countries will be granted Canadian work visas.

The following are updates on the most likely destinations to be added to the Federation's Student Work Abroad Programme. Of course, it remains to be seen whether heightened security and tighter immigration laws will delay the launch of any of these new destinations.

#### Italy

The Federation has partnered

with the Italian students' travel bureau and is working to establish a reciprocal work exchange programme. Although the Canadian government has indicated a willingness to allow Italian students to pursue short-term work opportunities in Canada, current Italian labour laws preclude the short term hiring of non-Italian citizens. The Federation's partner organisation is currently seeking to have students on work exchange programmes exempted from this law. It is hoped that the Federation will be able to offer Italy as a SWAP destination in September, 2003.

#### Spain

The Federation has approached the Spanish government about establishing a work exchange proramme. The Spanish government has expressed some reservations about the ability of the country's casual labour market to absorb several hundred Canadian students each year. However, the government has also recognised that Spanish students would benefit greatly from being able to participate in a work exchange programme in Canada. As a result, it is likely that a small pilot project will be undertaken in September, 2003.

#### Netherlands

On two separate occasions, the Federation has been able to offer the Netherlands as a SWAP destination. Each time, the programme ended in failure as a result of strict work visa regulations established by the Dutch government. Fortunately, the Canadian Department of Foreign Affairs and International Trade has been intervening on behalf of the Federation.



Although all the new regulations have not been finalised, it is very likely that the Federation will be offering the Netherlands as a SWAP destination by September, 2003.

#### Mexico

The Mexican government has agreed to offer student work visas to Canadian students. However, there is concern that there will be lengthy delays between a student receiving a

job offer from a Mexican firm and the Mexican government issuing a work permit to that student. As a result, the Federation has opted to delay the launch of SWAP Mexico until it can eliminate these logistical difficulties with the assistance of the Mexican government.

#### Costa Rica

The Costa Rican government has agreed to offer student work visas to Canadian students. However, the Federation's partner organisation does not yet have support services in place for Canadian students hoping to work in Costa Rica. It is hoped that SWAP Costa Rica will be launched in the summer of 2003.

#### Ghana

The Federation has received preliminary approval for the programme from the government of Ghana. The Federation is still working with its partner organisation in Ghana to ensure that the necessary support will be in place for Canadian students.

SWAP Ghana will likely be more expensive because the orientation provided by the Federation's partner organisation to students upon their arrival will likely be four-to-five days rather than the standard 24-48 hours. British students have been participating in a similar programme for several years and the Federation has been advised by its partner in Britain that the longer orientation period is required to ensure that students are sufficiently familiar with local customs.

#### **OTHER ISSUES**

#### **Issuing of Canadian Work Visas**

Recently, the Department of Foreign Affairs and International Trade approached the Federation about the possibility of the Federation directly approving work visas to students from the United States, rather than having staff at Canadian consulates in the United States undertake this work. Initially, the Federation indicated that it was unlikely to have the necessary staffing resources to undertake this additional work.

However, given the increased scrutiny under which Canada's immigration laws have been placed, it is unlikely that the department is still interested in such a proposal.

#### International Association of Work Exchange Programmes (AWEP)

In order to ensure that the organisations with which the Federation works are able to adequately monitor the needs of Canadian students, the Federation limits its partnerships to organisations that are members of the International Association for Educational Work Exchange Programmes (IAWEP). IAWEP is a division of the International Student Travel Confederation (ISTC) and the members of IAWEP undergo the same strict financial reviews as other members of the ISTC. These reviews minimise the likelihood of the Federation being owed substantial amounts of money by a bankrupt partner organisation.

The Federation's Student Work Abroad Programme Director, David Smith was re-elected as chair of IAWEP's Steering Committee. Smith has served as IAWEP Chairperson since it was founded in 1997. Smith also serves on the Steering Committee of the International Student Travel Confederation.

# **TRAVEL CUTS**

## **Canadian Universities Travel Service Board Composition**

The current membership of the Travel CUTS Board is as follows:

At-Large Member	Jen Anthony
At-Large Member	Joey Hansen
National Executive Representative	James Pratt
National Executive Representative	Ian Boyko
National Executive Representative	Jess Turk-Browne
Staff Representative	Robert Keddy
Staff Representative	Monica Miller
Travel CUTS President (non-voting)	J. Rodney Hurd

## **General Travel Industry Issues**

#### COMMISSION

Earlier this year, all major North American airlines eliminated the commission that they pay to travel agents for domestic or trans-border (between Canada and the United States) flights. As a result, most travel agents have created booking fees or other surcharges to offset the lost revenue. Unfortunately, these charges may encourage potential customers to book their flights directly with the airline rather than use the services of a travel agent.

#### **IMPROVEMENTS IN TECHNOLOGY**

For the last several years, the world's major airlines have pressured student travel bureaus to increase the quality of the sales and financial data that is reported to airlines. As a condition of renewing their student class airfare contracts, several large airlines have demanded that exceptionally detailed sales data be provided by the travel agent to the airline. In order to produce such data, most travel bureaus are undertaking significant upgrades to their computer systems. These upgrades are quite expensive. Travel CUTS will be required to spend a significant amount of money in the coming year in order to ensure that it can produce the data required by the airlines.

#### **DEPOSITS WITH AIRLINES**

Early this year, USIT World, then the second largest student travel bureau in the world, went bankrupt. USIT had annual sales of approximately \$600 million (US) and had retail offices or affiliates in more than twenty countries.

In an effort to expand its operations, on September 1, 2001, USIT acquired Council Travel, the student travel bureau based in the United States. Unfortunately, shortly after it acquired Council, USIT learned that Council Travel was more than \$15 million (US) in debt.

The travel industry in the United States was

more severely affected by the



The Travel CUTS Board

events of September 11, 2001 than the travel industry in any other country. As a result, Council Travel sales dropped dramatically. As a result, Council was unable to generate sufficient revenue to cover its expenses. Because USIT was already undercapitalised and had recently spent approximately \$20 million (US) to acquire Council, the collapse of Council led to the collapse of the rest of USIT World.

The USIT bankruptcy was the largest retail travel industry bankruptcy in history. Although accurate numbers are not yet available, USIT owed airlines around the world millions of dollars. It is unlikely that the airlines will recoup much, if any of these funds.

In order to ensure that they are protected from a similar situation in the future, many of the world's largest airlines are now requiring travel agents to pay substantial deposits in order to have their contracts for student class airfares renewed. These deposits are draining many small and mid-size student travel bureaus of the majority of their working capital.

To-date, Travel CUTS has been spared the most onerous of these deposit requirements.

## **Financial Issues**

#### 2001-2002 PERFORMANCE

Despite a dramatic drop in sales due to the events of September 11, 2001, the company was able to generate a small profit. The profit was due primarily to cost-cutting measures based on revised projections, as well as employee lay-offs in late September, 2001.

and the company's senior management are continuing to develop strategies to increase sales for the second half of the fiscal year.

Sales in the first quarter of the 2001-2002 fiscal

year have been slower than anticipated. Although

Canada is not in a recession, and there has been

no single event that would be likely to deter

individuals from travelling, it appears that the

## **Operational Issues**

2002-2003 FISCAL YEAR

#### **UPDATE ON CANADIAN OFFICES**

The company has recently opened new offices or secured leases at McMaster University in Hamilton, George Brown College in Toronto and off-campus offices in Moncton, Calgary and Ottawa. In addition, the company has opened a small sales kiosk at the University of Ottawa.

In order to retain its market share in the face of increasing competition, the company is looking to secure additional office space in most of the country's urban centres.

#### UPDATE ON UNITED STATES OFFICES

The company has recently opened offices at the University of California-Los Angeles, the University of Illinois and Harvard University. The company has also recently launched a national call centre based in Florida.

In the coming months the company hopes to open several additional offices in the United States.

#### UPDATE ON UNITED KINGDOM OFFICES

The company's United Kingdom operations continue to struggle financially. The Board is continuing to examine options for minimising the losses incurred by the United Kingdom offices. As a part of these efforts, the company has closed one of its London offices.

# **INTERNAL AFFAIRS**

### **National Executive**

#### **CURRENT COMPOSITION**

The National Executive is responsible for overseeing the day-to-day operations of the Federation. The following are the current members of the Federation's National Executive:

Aboriginal Students' Representative Alberta Representative British Columbia Representative Francophone Students' Representative Graduate Students' Representative Manitoba Representative National Chairperson National Deputy Chairperson National Treasurer Newfoundland and Labrador Representative Nova Scotia Representative Ontario Representative Prince Edward Island Representative Québec Representative Saskatchewan Representative Students of Colour Representative Women's Representative

Anthony Nelson Jon Pendlebury Summer McFadyen Chris Mazeroll Katharine Charlton Margaret Carlyle Ian Boyko James Pratt Jess Turk-Browne Keith Dunne Donald Andrews Rick Telfer Phil MacDonald Caroline Kim Kvall Glennie Joseph Zanger Bright Christa Peters

#### 2002-2003 TERM

Three members of the National Executive have announced that they will be stepping down at the close of this national general meeting due to academic and personal commitments: Aboriginal Students' Representative Anthony Nelson, Alberta Representative Jon Pendlebury and Graduate Students' Representative Katharine Charlton. By-elections for all three positions will be held at this general meeting for the remainder of the 2002-2003 term.

## **National General Meetings**

#### MAY 2003 NATIONAL GENERAL MEETING

As reported at the last national general meeting, the Federation has experienced difficulty securing dates at the Best Western Hotel Jacques Cartier in mid-May because the hotel is reserved by other groups at this time of year. In an attempt to avoid scheduling conflicts, the Federation reserved the hotel for Wednesday, May 21 to Saturday, May 24, 2003 over a year in advance. Since that time, the

Federation has learned that an annual conference that some member locals attend, is scheduled to be held on the same weekend. The National Executive is considering whether to seek an alternative meeting site and date for the meeting.

## FUTURE NATIONAL GENERAL MEETING SITE

The November 1998 national general meeting resolved that the Federation's general meetings would cease to rotate around the country and would be held in the greater Ottawa-Hull region. Since that time the majority of general meetings have been held at the Best Western Hotel Jacques Cartier in Gatineau. Until recently, the site has met the Federation's space requirements. However, as reported at the last meeting, the number of delegates attending national general meetings has increased substantially and, as a result, meeting space that was adequate for 125 delegates is no longer suitable. In addition to the increased size of some delegations, the Federation has gained a number of new members over the last year and these additional delegations serve to exacerbate the space problem. For this meeting there are 184 registered delegates. With numbers this high, meeting space for plenary, as well as sub-committees, is limited. The National Executive is aware of the space limitations and is currently investigating other meeting sites. It is almost certain, however, that a different meeting site would be more expensive than the current site.

## **Federation Staffing**

A few changes to the composition of the Federation's staff complement have occurred during the past six months.

The November 2001 national general meeting resolved that negotiations be entered into with the Canadian Union of Public Employees-Local 1281 to amend the job description of the second researcher position in the Federation's national staff complement to include a focus on provincial issues. In July, the Federation hired Rob Duffy for the position.

Prairies Organiser Elizabeth Carlyle, requested

and was granted a six-month leave of absence. To assist with campaigns, membership development and programs work during the remainder of her leave, the National Executive is hoping to find a temporary replacement.

## Legal Affairs

In 1980, in an effort to unify the country's student movement, the two national student organisations in Canada - the National Union of Students (NUS) and the Association of Student Councils (AOSC) - voted to amalgamate by creating a new, single organisation to replace themselves. It was agreed that the new organisation - the Canadian Federation of Students(-Services) - would initially operate in tandem with the pre-existing organisations, but that over time all activities, responsibilities, assets and liabilities would be transferred to the Federation, where upon NUS and AOSC would be wound down. Among the assets and liabilities of the Association of Student Councils was its six year old student travel agency, Travel CUTS.

On October 31, 1997 the University of Western Ontario University Students' Council, which had been a member of the AOSC, filed suit against the Canadian Federation of Students-Services, Travel CUTS and AOSC claiming that the transfer of Travel CUTS from the AOSC to the Canadian Federation of Students-Services had not been properly undertaken.

In December 1998 and January of 1999, examinations for discovery, a process in which each party produces a representative to field questions from the other party, were conducted by both the Federation and the University Students' Council.

Following the examinations for discovery, the University Students' Council approached a number of students' unions about participating in the lawsuit. Although most students' unions declined the offer, three students' unions, the University of Alberta Students' Union, Queen's University Alma Mater Society and the University of British Columbia, opted to join the lawsuit. A set of examinations for discovery of the additional plaintiffs was conducted in Fall 2001 and Summer 2002. The trial will take place in Fall 2003. Staff and elected officials in the National Office will need to devote considerable time and energy to preparing research and working with the Federation's legal counsel in preparation for the trial.

The National Executive and the Federation's legal counsel have a great deal of confidence in the Federation's case.

# **FINANCES**

### **Budget Management**

A year ago the Federation was facing a great deal of financial uncertainty. Like almost everyone operating in the travel industry, Travel CUTS faced significant losses following the events on September 11, 2001 in the United States of America. For the Federation, this meant a loss of much of the revenue that the Federation was anticipating earning through the company.

At the national general meeting a year ago (November 2001), an amended 2001-2002 budget was adopted in which projected revenue was reduced by close to \$500,000 and projected expenses were cut by a corresponding amount. For the National Executive, the challenge through the remainder of fiscal year was to maintain existing activity and service while operating the Federation with far less funds.

## **Membership Fees Collection**

For the most recent fiscal year (July 1, 2001 to June 30, 2001), \$1,660,463.46 in membership fee revenue has been collected to-date. Another \$70,000 to \$75,000 remains outstanding. Once collected, actual fees for the year will exceed the original budget projection by roughly seven percent.

The bulk of the outstanding fees are owed by two member locals, University of Regina Students' Union and University of Prince Edward Island Student Union, neither of which has remitted any of 2001-2002 membership fees. The National Executive is optimistic that the fees will be received shortly.

## Programme and Travel CUTS Revenue

#### **ISIC REVENUE**

As part of amendments to the 2001-2002 budget, adopted at the previous general meeting in the wake of the September 11, 2001 events, projected gross revenue from the sale of International Student Identity Cards (ISIC) was reduced by \$100,000.

Final gross sales through Travel CUTS and other commercial outlets was \$428,942, down from \$538,108 the previous year.

#### NATIONAL STUDENT HEALTH NETWORK

The National Student Health Network is intended to operate on a break-even basis. Though the program inevitably generates small surpluses in some years and small loses in others, over time it is essentially revenue neutral. After incurring a loss of roughly \$35,000, during the 2000-2001 year, the 2001-2002 budget projected a small net surplus of approximately \$29,000. Due to slightly lower than

anticipated expenses and higher than anticipated revenues, it appears that the surplus might be as much as \$15,000 higher than projected. A final number will not be know until sometime later this calendar year when a precise accounting can be provided by the broker.

#### **REVENUE FROM TRAVEL CUTS**

The referral fee revenue Travel CUTS ultimately came in at \$995,000, up from of \$850,000 projected in the revised budget, but considerably less than the more than \$1.15 million earned the previous year.

The Student Work Abroad Programme is a Federation service that is administered by Travel CUTS. In recent years, the programme had been generating a healthy surplus. For example, the programme netted \$99,202 and \$101,803 in the 1999-2000 and 2000-2001 fiscal years, respectively. Anticipating a decline in participation as result of the events of September 11, 2001, the projected net income for 2001-2002 was reduced to \$35,000. That projection has proved to be overly optimistic. The actual surplus for the year was \$750.

The Student Traveller magazine, which is published by the Federation, but produced by Travel CUTS, was projected to net \$25,000. The National Executive is now anticipated a small loss. Many regular advertisers, hit hard by the post-September 11, 2001 downturn in the travel industry, did not have the funds to advertise in the publication during the past year.

## **Expenditures**

As reported at the previous national general meeting, no spending in any major expense category of the budget exceeded the cost projected in the 2001-2002 budget, with the exception of national general meeting travel costs. As previously reported, there were significant increases in the rates charged by the one major domestic airline in Canada. At the same time, the number of available student fare tickets was reduced, forcing the Federation to book considerably more travel on more expensive, regular economy tickets. In addition, the budget did not anticipate the federal government's money grab – the airline security tax on all tickets.

Considerable savings were realized by the keeping some vacant staff positions in the national office unfilled. The resulting savings will likely offset the unrealized revenue from the Student Work Abroad Programme and the Student Traveller.

## 2002-2003 Budget

#### YEAR-TO-DATE OVERVIEW

Roughly four and one-half months have now passed since the start of the current fiscal year. As in most years, a picture has yet to develop on the revenue side at this point; the first installments of membership are only just trickling into the national office now. It is also far too early to know what precisely to expect from Travel CUTS, though sales to-date have not been quite as vigorous as originally hoped.

On the expense side, there has been no extraordinary spending to-date. In fact some savings have been realized as a result of some staff vacancies having not yet been filled.

#### PROPOSED BUDGET ADJUSTMENTS

The revised draft 2002-2003 budget projects few significant changes from the budget adopted at the May 2002 national general meeting. The most significant change proposed is an increase in the annual investment in Travel CUTS from \$700,000 to \$900,000. There are two reasons for the proposed change. First, the senior management of the company has been identifying for some time the need to invest more heavily in technological development, particularly in the area of on-line booking options for customers. Second, the Federation needs to compensate for the loss of ISIC sales commission to Travel CUTS resulting from the University of Toronto undergraduate students' recent decision to join the Federation. Between 10,000 and 12,000 ISIC, previously sold to University of Toronto students, will now be issued at no additional charge to these new members.

### **Membership Fee Issues**

## FEE ADJUSTMENTS FOR CONSUMER PRICE INDEX CHANGE

When the Federation was founded in 1981, the national membership fee was set at \$2.00 per student per semester. At the May national general meeting held ten years ago, the Federation's member locals voted to increase the fee from \$2.00 to \$3.00. At the same time, a bylaw was adopted stipulating that, starting in 1996, the fee would be adjusted each academic year by the rate of change in the Canadian Consumer Price Index during the previous calendar year.

The adjustment for inflation is calculated in early late January when the previous year's Consumer Price Index (CPI) is announced by Statistics Canada. Notice is sent to member locals immediately thereafter. The following table shows the adjustments that have been made to the national membership fee since the annual adjustments commenced in 1996, including the adjustment for the coming year:

#### Federation Adjusted Fiscal Year Fee

1995-96	\$3.00
1996-97	\$3.06
1997-98	\$3.12
1998-99	\$3.16
1999-2000	\$3.20
2000-2001	\$3.28
2001-2002	\$3,38
2002-2003	\$3.42

As the table illustrates, the Federation's national membership fee for the 2002-2003 academic year is \$3.42 per student per semester.

Each year, the National Executive is faced with the challenge of trying to ensure that all member locals arrange with their respective institutions for implementation of the adjustment prior to fee collection commencing for the new academic year. In the first few years after the adoption of the CPI adjustment, the success rate was quite low. However, with each passing year more and more locals make the adjustment as a matter of course with less prodding by the Federation. It is the National Executive's understanding that the correct, adjusted fee is being collected by the vast majority of member locals.

#### COLLECTION OF THE PROPER BASE MEMBERSHIP FEE

As reported previously, one member local, the York Federation of Students, has yet to implement the adjustment to the base membership fee from \$2.00 to \$3.00. The local is also not adjusting the annual fee for inflation. As a result, more than \$300,000 in membership fees that should have been collected has not been. The National Executive has engaged in lengthy discussions concerning measures to take to get the proper membership collected by the local, but has not yet arrived at a solution.

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# **APPENDIX I**

# MEETINGS WITH AND SUBMISSIONS TO GOVERNMENT

MEETING: DATE: SUBJECTS:	Standing Committee on Human Resources June 4, 2002 Government contracts with Edulinx and BDP Corp.; graduated interest relief; Debt Reduction and Repayment Program
MEETING: DATE: SUBJECTS:	Human Resources Development Canada and the Canadian Association of University Continuing Education June 5, 2002 Adult learners and post-secondary education
MEETING: DATE: SUBJECTS:	Social Sciences and Humanities Research Council (SSHRC) July 30, 2002 SSHRC funding levels
MEETING: DATE: SUBJECTS:	Mark Davidson, Director of Economic Policy and Programs for Citizenship and Immigration Canada July 31, 2002 International students
MEETING: DATE: SUBJECTS:	David Cogliati, Director General of the Canada Student Loans Program (CSLP) August 7, 2002 Income contingent repayment schemes, disability classification, Debt Reduction in Repayment Program
MEETING: DATE: SUBJECTS:	Sheamus Murphy, Student Liaison Officer and Sean Junor, Researcher Millennium Scholarship Foundation August 19, 2002 Millennium Scholarship Foundation research factbook
MEETING: DATE: SUBJECTS:	Government Caucus on Post Secondary Education August 20, 2002 Federal Innovation Strategy, Canada Student Loans Program
MEETING: DATE: SUBJECTS:	Millennium Scholarship Foundation General Meeting September 26, 2002 Millennium Scholarship Foundation annual report and future direction

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## **Appendix I - Meetings with Government**

MEETING: DATE: SUBJECTS:	Millennium Scholarship Foundation/ Canadian Association of Student Financial Aid Administrators September 27-28, 2002 Student financial assistance, needs assessment
MEETING: DATE: SUBJECTS:	Industry Canada Innovation Summit in Newfoundland September 28, 2002 Canada's Innovation Strategy
MEETING: DATE: SUBJECTS:	Human Resources Development Canada October 25, 2002 Skills and learning information and indicators
MEETING: DATE: SUBJECTS:	Advisory Committee on International Students and Immigration October 31, 2002 Off campus work permits for international students, student visa applications
MEETING: DATE: SUBJECTS:	Standing Committee on Finance November 7, 2002 Federation submission to the Standing Committee for 2003 Federal Budget
MEETING: DATE: SUBJECTS:	Human Resources Development Canada Skills Agenda Summit November 7-8, 2002 Access and barriers to post-secondary education
MEETING: DATE: SUBJECTS:	Executive Assistant to Federal Finance Minister John Manley November 13, 2002 Federal budget
MEETING: DATE: SUBJECTS:	National Advisory Group on Student Financial Assistance November 18, 2002 In-study income exemptions, Debt Reduction in Repayment program, Canada Study Grant, extended debt management measures, convention refugees' loan eligibility, part-time Canada Student Loans, designation
MEETING: DATE: SUBJECTS:	National Innovation Summit November 18-19, 2002 Federal Innovation Strategy

## **APPENDIX II**

## MEDIA RELEASES, ADVISORIES, AND INTERVIEWS

The following is a list of all interviews coordinated by the National Office since the last national general meeting. For the purposes of this report, media includes television, radio, and print media.

MEDIA OUTLET: DATE: SUBJECTS:

MEDIA OUTLET: DATE: SUBJECTS: Telegraph May 20, 2002 MP John Heron's motion

CPAC May 21, 2002 MP John Heron's motion

CBC Radio - Toronto May 31, 2002 Students' summer work

CBC Radio – Thunder Bay May 31, 2002 Students' summer work

CBC Radio – Fredericton May 31, 2002 Students' summer work

CBC Radio – Winnipeg May 31, 2002 Students' summer work

CBC Radio – Yellowknife May 31, 2002 Students' summer work

CBC Radio – Whitehorse May 31, 2002 Students' summer work

CBC Radio – Regina May 31, 2002 Students' summer work

CBC Radio – Kelowna May 31, 2002 Students' summer work

## Appendix II

MEDIA OUTLET:	CBC Radio – Victoria
DATE:	May 31, 2002
SUBJECTS:	Students' summer work
MEDIA OUTLET:	CBC Radio – Vancouver
DATE:	May 31, 2002
SUBJECTS:	Students' summer work
MEDIA OUTLET:	National Post
DATE:	June 1, 2002
SUBJECTS:	Students' summer work
MEDIA OUTLET:	National Post
DATE:	June 24, 2002
SUBJECTS:	Statistics Canada study on distance and income
MEDIA OUTLET:	Globe and Mail
DATE:	June 24, 2002
SUBJECTS:	Statistics Canada study on distance and income
MEDIA OUTLET:	Southam
DATE:	June 24, 2002
SUBJECTS:	Statistics Canada study on distance and income
MEDIA OUTLET:	Edmonton Journal
DATE:	June 24, 2002
SUBJECTS:	NDP leadership race
MEDIA OUTLET:	National Post
DATE:	June 29, 2002
SUBJECTS:	Tuition fees and deregulation
MEDIA OUTLET:	The Guardian – Charlottetown
DATE:	July 3, 2002
SUBJECTS:	Canadian students studying in the USA
MEDIA OUTLET:	CBC Radio – Calgary
DATE:	July 4, 2002
SUBJECTS:	Student customs workers
MEDIA RELEASE:	Student Debt Ignored in Finance Committee Report
DATE:	November 27, 2001
MEDIA OUTLE <b>T</b> :	CBC Radio
DATE:	August 28, 2002
SUBJECTS:	Bankruptcy and Insolvency Act
MEDIA OUTLET:	The Charlatan*
DATE:	September 19, 2002
SUBJECTS:	Housing
MEDIA OUTLET:	CBC Radio One
DATE:	September 18, 2002
SUBJECTS:	Tuition Fees
MEDIA OUTLET:	The Muse*
DATE:	September 18

SUBJECTS: MEDIA OUTLET: DATE: SUBJECTS: MEDIA OUTLET:

DATE: SUBJECTS: CHST/Federal-Provincial Relations

Mount Royal September 20, 2002 Millennium Scholarship Foundation Report/fees

The Muse\* September 24, 2002 International students

Ottawa Citizen September 25, 2002 Millennium Scholarship Foundation

Canadian Press September 26, 2002 Bankruptcy and insolvency Act

The Charlatan\* September 30, 2002 Throne Speech

Canadian University Press September 30, 2002 Throne Speech

New RO September 30, 2002 Throne Speech

The Muse\* September 30, 2002 Throne Speech

**Chronicle Herald** September 30, 2002 Throne Speech

Hoe Magazine - Montreal September 30, 2002 Throne Speech

Gauntlet\* -- University of Calgary September 30, 2002 Throne Speech

CBC Radio Ontario October 1, 2002 **Double Cohort** 

Western Gazette October 8, 2002 Canadian Health and Social Transfer

Ubyssey\* October 9, 2002 Millennium Scholarship Foundation Report

National Executive Report • May 8 to November 19, 2002 59

## Appendix II

MEDIA OUTLET: DATE: SUBJECTS:

MEDIA OUTLET: DATE: SUBJECTS: National Post October 18, 2002 Queen's University loans Calgary Herald October 18, 2002 Accessibility

Xcalibur\* October 24, 2002 Free Trade Area of the Americas

Gazette\* November 1, 2002 Free Trade Area of the Americas

Canadian University Press\* November 4, 2002 Falun Gong IA OUTLET: 680 AM News

CBC Newsworld\* November 5, 2002 Corporate influence in universities

Halifax Daily November 11, 2002 Maclean's rankings

National Post November 11, 2002 Maclean's rankings

CJAD Radio Montréal November 11, 2002 Maclean's rankings

CKTB Radio St. Catherines November 11, 2002 Maclean's rankings

\* denotes student paper