

National Executive report

November 20, 2002 to May 14, 2003

du 20 novembre 2002 à 14 mai 2003

rapport de l'exécutif national

working
together

unis et
solidaires

Fédération canadienne des étudiantes et étudiants
Canadian Federation of Students

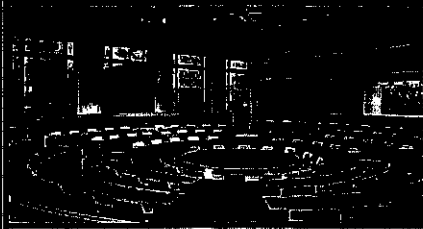
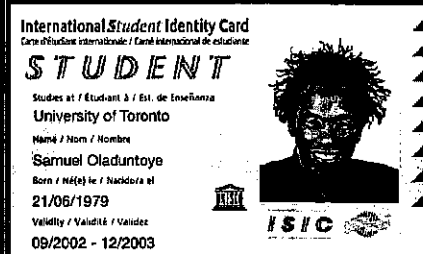
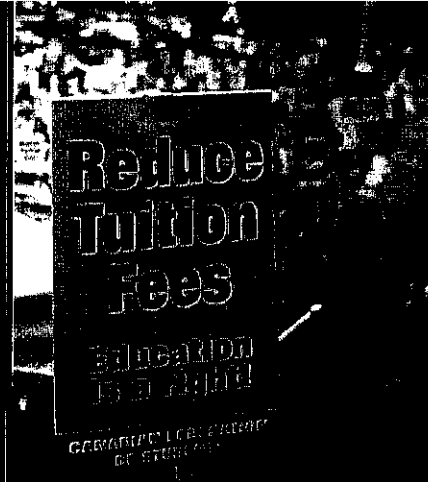




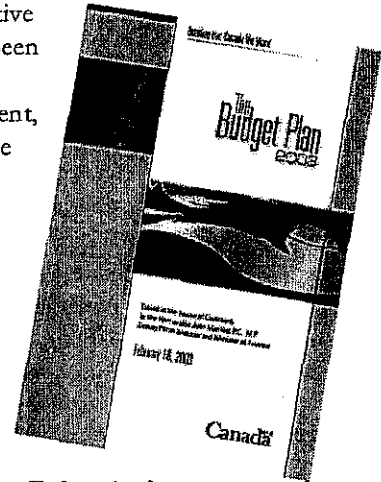
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CAMPAIGNS AND GOVERNMENT RELATIONS

Federal Budget Process

As reported in the previous National Executive report, the Federation's national office has been actively participating in the federal budget process. Meetings with Members of Parliament, including presenting recommendations to the Standing Committee on Finance, were undertaken throughout Fall 2002. Reported below is an update on activities since the November 2002 annual general meeting.



Meeting with Finance Minister's Staff

On January 16, 2003, National Chairperson Ian Boyko met with Finance Minister John Manley's Executive Assistant Tony

Macerollo. Boyko and Macerollo discussed the Federation's submission to the Standing Committee on Finance. Macerollo provided useful feedback about which recommendations the government would likely consider for the 2003 budget, and the areas on which the Department remained firmly entrenched. Other long-term policy plans for post-secondary education were also discussed, and Macerollo indicated that the federal government was unhappy with the unaccountability of the current transfer payment system. A post-budget meeting with Macerollo is scheduled for June 2003.

Postcard Campaign

La Fédération étudiante universitaire du Québec (FÉUQ) representatives approached the Federation in December 2002 about the possibility of a joint campaign to highlight the legacy of Prime Minister Jean Chrétien with respect to federal funding for post-secondary education. During Chrétien's first mandate (1993-1997), the federal Liberals were responsible for some of the deepest cuts to social programme spending in Canadian history. During that time about \$5 billion dollars was cut from transfer payments to the provinces for post-secondary education. The postcards highlighted the federal government's record on transfer payments and called for an immediate investment in the 2003 federal budget to make up for cuts experienced in the 1990s. The campaign was launched at a joint press conference on February 3, 2003 on Parliament Hill. More than 20,000 postcards were distributed to member locals.

2003 Federal Budget

On February 10, 2003, Finance Minister John Manley tabled the 2003-2004 federal budget. As in previous years, the Federation was invited to participate in the secured reading of the budget just prior to its release. National Chairperson Ian Boyko attended the reading and was able to garner considerable media immediately following the budget's presentation in the House of Commons.

Most new funding announced for universities and colleges will go to research directed at commercialisation, with the exception of a modest amount for resuscitating graduate student research. While the 2003 federal budget partially compensates for past funding cuts, it does not reverse the trend in which a greater share of costs for post-secondary education has been shifted to students and away from public funding. A detailed membership advisory was prepared the week following the budget announcement.

Federal Granting Councils

The 2003 federal budget increased funding for the three research granting councils, but this increase offers little to researchers and students in the social sciences and humanities. The Canadian Institute for Health Research (CIHR), the Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC) all saw their base budgets increased by ten percent beginning in 2003-2004. For both CIHR and NSERC this will mean an additional \$55 million per year; SSHRC's budget was only increased by \$15 million. While funding for NSERC will reach \$605 million in the next fiscal year, the already over-stretched SSHRC budget will increase to only \$175 million, barely enough to maintain the status quo for federally sponsored research in the humanities and social sciences.

Although 55 percent to 60 percent of students and faculty in Canada fall within SSHRC's mandate, SSHRC receives only 12.5 percent of the funding for the three granting councils. As a result of this persistent underfunding, over 40 percent of applications that were recommended

to receive SSHRC standard research grants in 2002 could not be funded. In recent years, SSHRC has been able to support only 3.5 percent of the graduate students within its mandate, in contrast to rates of 20 percent for NSERC and 14 percent for CIHR.

To remedy these inequities, the Federation has long advocated higher increases to SSHRC as a step towards equalising funding between the three granting councils. An immediate injection of \$97 million into the SSHRC budget, as recommended in the Federation's 2002 submission to the Standing Committee on Finance, would have been a solid start towards fair and proportional funding for research in the social sciences and humanities.

Canadian Graduate Scholarships

The Canada Graduate Scholarships programme is probably the most promising new programme for students announced in the 2003 budget. When fully implemented in 2007-2008, Canada Graduate Scholarships will spend \$105 million annually to support 2,000 masters and 2,000 doctoral students each year. Scholarships at the doctoral level will provide students with an annual award of \$35,000 for three years, while those at the masters level will receive \$17,500 for one year.

The scholarships will be administered as a new programme through the research granting councils, and allocated in proportion to the distribution of the graduate student population within the disciplines. 60 per cent will go to graduate students in the social sciences and humanities, 30 percent to natural sciences and engineering students and 10 per cent to students doing health research.

This proportional allocation of funding is in line with the Federation's 2002 recommendations to the Standing Committee on Finance and marks a significant improvement in funding for graduate students in the social sciences and humanities. If the Social Sciences and Humanities Research Council (SSHRC) continues to support graduate students at current levels, the addition of the Canada Graduate Scholarships will increase the total number of federally supported PhD students in the social sciences and humanities by eighty-

five percent above current levels. For the first time in 15 years, federal scholarships will also be available to social sciences and humanities masters students. SSHRC cancelled scholarships for masters students in 1988, and funded only 100 masters students annually at the time. Based on the proportional funding formula proposed, the Canada Graduate Scholarships will fund 1,200 humanities and social sciences masters students per year by the time the programme is fully implemented.

Though the Canadian Graduate Scholarships are clearly a step in the right direction, the multi-year phase-in will limit the number of current graduate students who will benefit from the programme. A low first year allocation of \$25 million will likely mean that less than 1,000 graduate students will be funded in 2003-2004.

In the long-term, the Canadian Graduate Scholarship programme must be expanded if it is to succeed in addressing the financial needs of Canada's growing graduate student population and the urgent faculty renewal required at Canadian post-secondary institutions. By 2011, enrolment in Canadian graduate programmes is expected to increase by anywhere from 20 percent to 30 percent. This enrolment increase means that real growth in federal scholarships as a result of the Canadian Graduate Scholarship programme will be in the range of 25 percent to 40 percent, a figure less impressive than the 70 percent absolute increase cited in the 2003 budget documents. Canadian post-secondary institutions will require 30,000 new full-time faculty members to cope with increased enrolment in 2011, and another 20,000 to replace retiring faculty across Canada.

Indirect Costs of Research

The 2003 budget allocates \$225 million annually to help fund the "indirect costs" of research. Indirect costs of research are the additional costs borne by Canadian universities, colleges, and research hospitals for incidental and maintenance expenses associated with research projects funded by the granting councils. The 2001 budget included a one-time allocation of \$200 million for indirect costs of research, but this new funding is

allocated as an ongoing funding envelope that will be administered through the federal granting councils.

This increase in funding for institutions will relieve some of the stress on university operating budgets that has arisen from increased research related expenses; however there is no guarantee that this will free up any funding for other aspects of university operations. A direct reinvestment in transfer payments for core funding for colleges and universities is badly needed, and the 2003 budget does not provide it. The Canadian Association of University Teachers estimates that total increased spending for post-secondary education in the 2003 budget is only about one fifth the amount required to restore funding to the levels of the early 1990s.

There is also concern that the federal government's continued funding for indirect costs of research may be contingent on the increased commercialisation of publicly funded research. The budget plan states explicitly that the growth of commercialisation in university research will be used to measure the success of the programme when it is reviewed in three years. The Federation firmly opposes linking university research directly to commercial outcomes or partnerships with the private sector.

Aboriginal Education

The 2003 federal budget includes a \$12 million endowment to establish post-secondary scholarships for Aboriginal people. The scholarships will be administered by the National Aboriginal Achievement Foundation a private charity that provides funding to Aboriginal students for education and training. No details were provided on the number of scholarships that will be funded through the endowment, nor the dollar amount of individual scholarships.

While new money to assist First Nations peoples' participation in post-secondary education is welcome, this one-time endowment does not constitute the type of long-term investment that is required. When adjusted for inflation, annual funding through Indian and Northern Affairs Canada for Aboriginal post-

Campaigns and Government Relations

secondary education actually declined by almost \$14 million between 1998 and 2002 at the same time that tuition fees more doubled.

Reduced funding and rising tuition fees are likely a key factor in the stagnation of Aboriginal enrolment in post-secondary education since the mid-1990s.

Canadian Learning Institute

The budget sets aside a one-time contribution of \$100 million in 2003-2004 for the establishment of the Canadian Learning Institute under Human Resources Development Canada. According to the budget plan, the Canadian Learning Institute will work to “broaden and deepen data and information on education and learning” in Canada.

Consultations on the Canadian Learning Institute only began in January 2003, so no details are yet available on the mandate, structure, and governance of the Institute. Ideally, the proposed Institute will help address knowledge gaps on issues such as accessibility, participation rates, and student debt. However, the lack of available details about governance and mandate of the new body is a cause for concern. The Institute could be used to implement key performance indicators or, like the Millennium Scholarship Foundation, provide political rationale for federal government education policy.

Debt Reduction in Repayment

The Debt Reduction in Repayment programme was designed to reduce the principle on a student's debt after she had exhausted five years of Interest Relief. Since its introduction in the 1998 budget, the Debt Reduction in Repayment programme has helped approximately 600 students, or about one-tenth of one percent of people repaying student loans. Then Finance Minister Paul Martin promised that the programme would help 12,000 each year. The programme was supposed to forgive 50 percent or \$10,000 of Canada Student Loan debt, whichever is less.

After calls by the Federation for increases to the income thresholds for eligibility for debt

reduction, several news stories brought notoriety to the failing programme in spring 2002.

The federal government responded by pledging to relax the eligibility requirements for debt reduction. The federal government has removed the 50 percent cap on the initial reduction, and has introduced the possibility of receiving an additional \$5,000 forgiveness after 12 months, and another \$5,000 after 24 more months if the borrower is still experiencing financial difficulty.

Unfortunately, while back-end programmes like Debt Reduction in Repayment can begin to address the student debt crisis, they do little to improve the accessibility of colleges and universities. Front-end measures like reduced tuition fees and needs-based grants do far more to improve accessibility.

Convention Refugees

The right to have access to the Canada Student Loans Program has been extended in the 2003 budget to convention refugees. The Federation lobbied with the Maytree Foundation to ensure that refugees could enjoy the same rights as landed immigrants and Canadian citizens.

It is estimated that approximately 1,000 refugees will apply for student loans before they attain landed immigrant status. The cost associated with lending \$4 million annually is nominal, which raises questions about why the federal government waited so long to extend eligibility.

Interest Relief

Under the Interest Relief programme, the federal government will pay the interest accruing on Canada Student Loans held by eligible borrowers for 30 months, with the possibility of an additional extension of 24 months. Eligibility for the programme is based on net income. Before now, people repaying student loans who have missed three consecutive monthly payments were considered in “default” and ineligible for further debt management measures, including Interest Relief.

The 2003 federal budget has modified Interest Relief restrictions to allow borrowers with loans in default

and borrowers who have declared bankruptcy to apply for Interest Relief. Though the impact of this change will affect few people in repayment, it should help those most in need of debt management assistance.

Interest Relief is an expensive programme for the federal government because of the relatively high usage of the programme. It is also another back-

end measure that provides only short-term and minor assistance, for those who qualify. The very existence of the programme raises questions about the revenue generated from students in the form of interest payments. Since 2000, all new Canada Student Loans are directly financed by the federal government, which means that interest payments on post-2000 student loans go directly into federal government coffers.

In-study Earnings

Under previous existing guidelines, Canada Student Loans regulations stipulated that students could earn only \$600 without suffering a penalty. If a student borrower were to earn more than \$600, eighty percent of those earnings would be deducted from the student's Canada Student Loan. The Canadian Federation of Students has been lobbying for an exemption of \$1,700 per semester, with the eventual elimination of claw backs on in-study earnings. The 2003 federal budget elevated the in-study earnings exemption from \$600 per year to \$1,700 per year. This will allow students to earn an additional \$1,100 before 80 percent of earnings are clawed back from student loans.

Canada Health and Social Transfer

Beginning April 1, 2004, the Canada Health and Social Transfer (CHST) will be broken into two transfer payments: the Canada Health Transfer (CHT), and the Canada Social Transfer (CST). The Canada Health Transfer will maintain a 62 percent share of the CHST in 2004 and beyond, and the Canada Social Transfer will receive the remaining 38 percent.

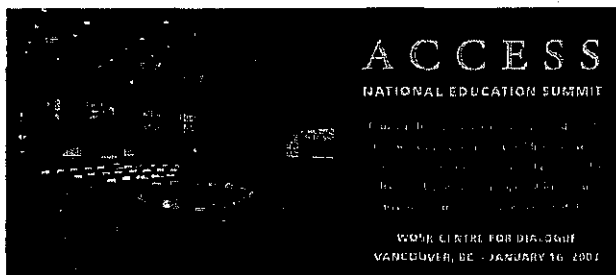
The Federation has lobbied for a separate transfer payment allocated specifically to post-secondary education. Under the new arrangement, the Social Transfer will still combine core post-secondary

education funding with social services funding. The new CST is an improvement from the previous structure, in that it takes transfer payments one-step closer to a structure

under which post-secondary education funding is in its own distinct envelop. Unfortunately, the budget did not contain much needed funding increases for transfer payments. Canada's post-secondary education system is more than \$3 billion poorer than it was nine years ago when the Chrétien government began social spending cuts. Modest reinvestment in transfer payments in recent years has stemmed the tide, but not compensated the system for years of under-funding.

National Accessibility Summits

In the first four months of 2003, the Federation and the Canadian Association of University Teachers (CAUT) co-hosted a series of public forums across the country on access to post-secondary education in Canada. Regional forums were held in Vancouver on January 16, 2003, with other summits taking place in Winnipeg (February 26), Sydney (March 4), Toronto (March 18), and Sudbury (March 25). The campaign culminated with a National Summit in Ottawa on April 3, 2003. The Summits brought together students, academics, labour unions, civil society groups, and other non-governmental organisations representing a diverse range of communities, and provided an opportunity to discuss the obstacles that prevent people from pursuing a post-secondary education, and to propose concrete measures to break down these barriers.



These Summits were a critical response to the marginalisation of students, faculty, and civil society organisations at the federal government's "Innovation Strategy" consultations. Though government sponsored "innovation summits" had been undertaken since May 2002, these invitation-only events provided merely token representation to those at the centre of the post-secondary education process. At the same time, private businesses, entrepreneurs, and college and university administrators were significantly over-represented at the federal summits.

In direct contrast to the federal government's summits, the Federation and CAUT hosted forums were open and designed to facilitate maximum input from participants. Students, faculty members, unions, parents, first nations groups, civil society organisations, and others concerned about access to post-secondary education in Canada will be invited to participate.

The logistical planning for the summits

presented several challenges. In particular, the loose relationship between the CAUT national office and their provincial affiliates made planning for the regional summits difficult. The enthusiasm shown by the respective provincial offices varied dramatically from region to region. In addition, the regional summits were more costly than first anticipated. For example, travel costs to the Sydney summit were considerable because the summit included the region of Newfoundland and Labrador. In order to insure vibrant participation from these regions substantial travel costs were unavoidable.

Key issues discussed at the Federation's Summits included the accessibility and affordability of post-secondary education, government funding for post-secondary education, improving participation rates in higher education (especially amongst traditionally marginalised groups) and aboriginal peoples access to and representation within post-secondary education.

Reports were compiled after each regional Summit and presented at the National Summit in Ottawa. A copy of the regional and national reports will be presented at this meeting.

Innovation Strategy and Skills Agenda

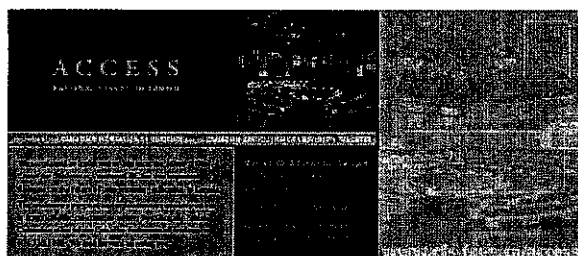
Meeting with Social Sciences and Humanities Research Council Representatives

On March 24, 2003, National Chairperson Ian Boyko met with Andrea Budgell and Yves Pelletier from the Social Sciences and Humanities Research Council (SSHRC) to discuss the implementation of initiatives for research contained within the 2003 federal budget. Pelletier said that all of the

awards allocated under the new Canadian Graduate Scholarships in the first year of the programme (fall 2003) would be distributed to Masters students in the first year of the programme (Fall 2003).

This will represent an immediate influx of 800 scholarships for Masters students, a group that has not had direct federal support since the late 1980s. The grants will be awarded through SSHRC based on the vetting of individual research projects, rather than on an institutional quota basis.

According to Pelletier and Budgell, the 10 percent increase to the operating grant of SSHRC was a disappointment. Both SSHRC and the Federation had recommended an investment of \$97 million for 2003-2004, yet the increase only amounts to approximately \$15 million, versus the \$55 million awarded to the Natural Sciences and Engineering Research Council and the Canadian Institutes for Health Research in the 2003 federal budget. SSHRC has been struggling to offer a very minimal number of research awards for faculty, and applications are increasing at a pace much faster than budgetary increases. This withering of social science and humanities funding research by



Industry Canada has led many within the Council to discuss restructuring SSHRC.

One possibility is that SSHRC could be converted into a collection of institutes, in the same way that the old Medical Research Council was transformed into the Canada Institutes for Health Research in the late 1990s. The hope is that SSHRC might better be able to demonstrate its relevance to policy-makers if it had identifiable institutes to fund numerous projects under one umbrella (i.e. the Institute for Studies in Globalisation). Pelletier also mentioned the possibility of changing the Ministry responsible for SSHRC from Industry Canada to Human Resource Development, since HRDC is one of the top users of research funded by SSHRC. Finally, Pelletier and Budgell indicated that there is some momentum within granting council circles to create a new minister responsible for university and government research, perhaps elevating the Secretary of State for Science and Technology to a Cabinet position.

Student Financial Assistance

Meeting with Canada Student Loans Program Director General David Cogliati

National Chairperson Ian Boyko met with David Cogliati on March 25, 2003 to discuss changes to the Canada Student Loans program (CSLP) introduced in the 2003 federal budget. Cogliati explained that the changes to the Debt Reduction in Repayment programme's eligibility requirements and the change in the definition of default from 90 to 270 days are policy changes that can be implemented immediately. The other two changes, Canada Student Loan eligibility for Convention Refugees and the elevation of the in-study earnings exemption, are regulatory changes tied to the loan year, which means that provincial practices must also be altered before the changes can be implemented properly. It is the Department's hope that all of the changes can be implemented by August 2003 in all provinces except British Columbia, New Brunswick, and Nova Scotia, which have indicated that it may be too late to meet deadlines for the 2003-2004 loan year.

Cogliati also indicated that the Department of Finance is reviewing the possibility of raising CSLP loan limits, a measure recommended in the federal government's most recent budget report of the Standing Committee on Finance. He suggested that the increase in loan limits would be coupled with grants directed at "underrepresented groups". When pressed about why the Department seemed anxious to plunge students farther into debt, Cogliati said that some finance officials see offering more public (subsidised) loans as a superior alternative to more private loans for ever-increasing tuition fees. Boyko pointed out that the federal government has a more urgent responsibility to curb increasing costs, and that more financial assistance should only be offered in non-repayable grants paid for by the elimination of "wealth-fare" programmes like the Registered Education Savings Plan and the Canada Education Savings Grant.

In addition to increased loan limits, significant revisions to student loans for students studying part-time were excluded from the 2003 budget. Cogliati said that the Department of Human Resources was unable to convince Cabinet that part-time loans filled a demonstrable need or would not replace employer-sponsored training. It is the Federation's belief that this research could be a priority on the agenda of the newly formed Canadian Learning Institute.

With regard to long-term planning for the Program, Cogliati suggested that there were several factors converging that could spawn a broad review and restructuring of public student financial assistance. It was Cogliati's opinion that with much of the inter-provincial health-care funding disputes nearly settled, post-secondary education could gain the attention of the federal government and the provinces. In the next 12 to 18 months, Canada will have a new Prime Minister, more than half of the provinces could have new Premiers, the transfer payment mechanism to the provinces will be split, and the service provider contract with Edulinx will enter into an optional year and may be re-tendered. Cogliati suggested that future federal budgets might do substantially more than tinker with the existing loans programmes.

Meeting with Assistant Deputy Minister of Human Investment Programs Andrew Treusch

Federation National Chairperson Ian Boyko and Researcher Michael Conlon met with Assistant Deputy Minister of Human Investment Programs Andrew Treusch on April 17, 2003 to introduce Treusch to the Federation's proposals for the Canada Student Loans Program. Treusch took over for Margaret Biggs as the Assistant Deputy Minister of Human Investment Programs in January 2003.

Due to Treusch's relative inexperience in the position, the Federation representatives took this opportunity to start a dialogue with him about the important challenges facing student financial assistance. Treusch was provided with background papers presenting the Federation's analysis of needs-based assistance and federal programmes. A package of third party research documenting the diminished accessibility of colleges and universities was also prepared for the Assistant Deputy Minister.

"From Debt to Dedication" – Dennis Mills, MP (Toronto-Danforth)

On February 24, 2003 Researcher Conlon met with Toronto MP Dennis Mills and two of his assistants to discuss Mills' plan to reduce student debt. It was at this meeting that Mills introduced his proposal entitled "From Debt to Dedication." The plan calls for a national strategy to pay students \$15 per hour to work for elected officials at the federal, provincial, and municipal level. Students could earn up to \$3500 per year to pay for tuition fees or to pay down student debt. The overall cost of the programme would be \$1 billion annually. Despite average levels of student debt that hover near \$25,000, Mills and his assistants claim that this plan would eliminate student debt. In addition, they claim that the plan would revitalise the political process in Canada by involving youth.

In subsequent discussions with Mills' office, Federation representatives attempted to outline some of the structural flaws with the proposal. In particular, the Federation argued that the plan would not address the crisis of accessibility

because it is a back-end programme rather than an up-front national system of grants. The Federation further argued that the programme accepts high levels of student debt and looks to manage rather than eliminate or reduce debt. Federation representatives suggested that if the federal government is looking to invest \$1 billion in post-secondary education it would be ill advised to dump funds into a scheme such as Mills'. Mills' assistants were resistant to such critiques and were upset when informed that it was very unlikely that the Federation would support the idea.

Millennium Scholarship Foundation

In January 2001 the Millennium Scholarship Foundation (MSF) 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 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 annual research budget to fund partisan analysis that attempts to justify increased student debt and deregulated tuition fees.

Through the winter of 2002-2003, the Foundation continued to release politically tainted research and promote regressive post-secondary education policies.

Politicians and University Presidents use Millennium Scholarship Foundation Research to Justify Tuition Fee Increases

As anticipated, research released by the Foundation in the fall of 2002 is now being used by politicians and college and university presidents in attempts to justify tuition fee increases and high student debt loads. Most often cited is the

Foundation's September 2002 "factbook" entitled *The Price of Knowledge: Access and Student Finance in Canada*. *The Price of Knowledge* is largely a compendium of previously released 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.

In a March 3, 2003 speech to the Canadian Club in Toronto, Ontario Minister of Training, Colleges and Universities Diane Cunningham used Foundation research in an attempt to justify the Ontario Conservative government's record of increasing tuition fees. Citing research from the Foundation's *Price of Knowledge* factbook, Cunningham stated that she is "...proud to defend a policy of a fair student contribution to their own education... [s]ome claim that this policy compromises accessibility. The facts prove otherwise". In an April 2003 remark to a students' union representative at Local 24, Ryerson University President Claude Lajeunesse also cited Foundation research to support his claim that proposed tuition fee increases at Ryerson were not a danger to accessibility.

Meeting with Millennium Scholarship Foundation Staff

On December 9, 2002, Federation Researcher Michael Conlon and National Chairperson Ian Boyko attended a meeting with Millennium Scholarship Foundation Public Relations Officer Sheamus Murphy and Researcher Sean Junor at the Foundation's headquarters in Montréal. The meeting was called by the Federation to discuss the Foundation's vacant "Board of Members" position and the poor strategy with respect to the Nova Scotia government's handling of Millennium bursaries.

A Board position, traditionally held by a student, will become vacant in the coming months. The Federation has been a vocal critic of the process by which students have been appointed to the Millennium Foundation's governing bodies. By hand picking students to fill Board positions, the Foundation is assured that only uncritical and unaccountable students are involved in decision-making. In fact, the incoming Board members must be nominated for these patronage positions by a current member of the Board, thus ensuring a closed appointment process. Boyko and Conlon registered the Federation's continued dissatisfaction with this governance procedure, and the Foundation's response was that a change in the legislation governing the Foundation would be required to alter the existing appointment process. The Federation will continue to pursue this matter in meetings with Federal government representatives.

Conlon and Boyko also challenged Murphy and Junor on the Millennium Foundation's inept handling of problems with the government of Nova Scotia's use of Millennium bursaries. In November 2002, the Foundation finally spoke out publicly against the Nova Scotia government's long-standing failure to reinvest displaced revenue from student bursaries back into post-secondary education. Though the Nova Scotia government had promised to use Millennium Scholarship funding to increase overall support for students, it has instead used the money to replace existing student aid programmes, leaving students no better off financially than they were before the introduction of Millennium Scholarships. The Foundation's representatives reluctantly agreed that involving democratically elected students would be a wiser strategy than the one that was employed recently in Nova Scotia.

"Access and Student Finance in Canada": The New Round of Millennium Scholarship Foundation Research

The Millennium Scholarship Foundation released a total of five new research reports in February and March 2003, grouped together under the general theme of access and student finance in Canada.

Campaigns and Government Relations

In contrast to the Foundation's messaging from the fall of 2002, some recent Foundation media releases have acknowledged the existence of financial barriers to access. This change in the Foundation's messaging undoubtedly reflects the effectiveness of the Federation's communication and lobbying activities in challenging the Foundation's skewed interpretations of research on post-secondary access. Growing media scepticism has been evident in questions put to Foundation representatives at recent press conferences, and also in Federation discussions with reporters regarding the Foundation.

Researchers Michael Conlon and Rob Duffy met with Foundation representatives Sheamus Murphy and Natasha Sawh on February 25, 2003 in Ottawa to preview and discuss new Foundation research. The reports were released in sequence from late February through to mid-March 2003.

Investing Early: Intervention Programmes in Selected U.S. States

The first of the new Foundation reports, entitled *Investing Early: Intervention Programs in Selected U.S. States*, was released in the last week of February 2003. *Investing Early* is for the most part a compilation of assessments of "early intervention" programmes in the United States prepared for the Foundation by researchers from the Institute for Higher Education Policy, an education policy think tank in the US. "Early intervention" is a generic term used to describe a range of academic preparedness and counselling programmes aimed at encouraging students from groups with historically low post-secondary participation rates to attend college and university. While these programmes are not in themselves a problem, public statements by Foundation representatives have suggested that early intervention programmes can improve access on their own, even in the absence of increased financial aid and reduced tuition fees.

The Foundation's claim that early intervention programmes represent an alternative to increased financial aid is not supported by empirical evidence. The US Congress' Advisory Committee on Student Financial Assistance explicitly deals

with this issue in its 2002 annual report, *Empty Promises: The Myth of College Access in America*.

According to the report, almost half of academically qualified lower income high school graduates in the United States are already unable to attend university because of financial barriers. In the words of the Committee: "additional efforts to increase academic preparation or enhance information about college and financial aid cannot overcome these daunting barriers", and "additional academic preparation and information are not the answer...need-based grant aid is essential". Further, the Advisory Committee found that "the primary cause of today's college access and persistence problem is the excessive level of unmet financial need and associated work and loan burden for low and moderate income high school graduates."

The Role of Guidance in Post-Secondary Planning

The Role of Guidance in Post-Secondary Planning was prepared for the Millennium Scholarship Foundation by the Canadian Career Development Foundation and released on March 3, 2003. This report advocates better resources for academic guidance in high schools, stopping short of drawing conclusions about access to post-secondary education. However, as with the Foundation's research on early intervention, there remains a danger that college and university presidents or governments could misuse this research in attempts to downplay the significance of financial barriers to post-secondary education. By overemphasising the effects of early intervention programmes and academic counseling, the Foundation is implicitly asserting that better dissemination of information is a superior strategy for improving access than the reduction of financial barriers.

Canadian College Student Finances

Data collected in this study of college student finances shows that lower costs at colleges lead to higher participation rates among lower income students. Not surprisingly, this report found that "lower education and living costs lead to lower debt levels among college students." The study

also found that “colleges have higher participation rates for groups typically underrepresented at universities.” Rather than framing this report as evidence that universities are less affordable and that access across the post-secondary system is not equitable, the Foundation only concluded that “colleges are playing a critical role in improving the accessibility of post-secondary education in Canada”. While colleges and universities both offer valuable forms of education and training, available evidence suggests that the decision to attend a college rather than a university appears to correlate closely with students’ socio-economic backgrounds. In a truly accessible post-secondary system, individual preference and aptitude would determine educational choices, not the level of tuition fees.

Making Ends Meet: 2001-2002 Student Financial Survey

Released at a press conference in Toronto on March 10, 2003, *Making Ends Meet* was the major release in the Foundation’s latest round of research. The report was produced by Ekos Research Associates and based on income and expenditure data collected in a survey of Canadian college and university students conducted over the 2001-2002 academic year.

Despite some methodological problems and attempts by the Foundation to downplay some results, the data collected in the Student Financial Survey confirms the Federation’s assertion that students in Canada are experiencing growing difficulties meeting education-related expenses, and that students are increasingly reliant on loans to finance their education. More than 70 percent of students surveyed were found to finance their education through public and/or private loans, and many students faced significant monthly budget shortfalls. Direct education expenses (tuition fees and ancillary fees) were the single biggest expenditure faced by students, accounting on average for 24 percent of students’ expenditures during the school year.

Millennium Scholarship Foundation representatives at the press conference made little effort to deny the existence of student financial hardship. However,

Foundation researchers proved unwilling to make the obvious connection between financial hardship and rising tuition fees. Instead, the Foundation used the release of this report as an opportunity to advocate increased student loan limits. The Foundation blames “low” loan limits rather than high tuition fees for the growth of financial barriers to post-secondary education. The Federation challenged this interpretation, and garnered significant national media coverage.

Assessing Canada’s Student Aid Need Assessment Policies

This final installment of the Millennium Scholarship Foundation’s latest round of research was released on March 21, 2003. In the report, former Alberta government student aid administrator Fred Hemmingway outlines various shortfalls and problems in the current student financial aid system in Canada, including unmet need, unrecognised need, unrealistically high parental contribution requirements, and students’ growing reliance on private debt to make ends meet. Hemmingway also outlines some of the potential consequences of inadequate student aid, including decreased persistence amongst students from lower income backgrounds and prolonged completion times for degrees as students are forced to work longer hours to meet financial needs. The report draws attention to the particular difficulties faced by students with higher than average financial need, such as those rural students who must relocate to attend a post-secondary institution and students with dependants.

To Hemmingway’s credit, he identifies inadequate assistance limits (not just loan limits) and increased educational costs as root causes of the problem. However, the Foundation used this analysis as another opportunity to advocate for increased student debt. In the media release for this report, Foundation staffperson Alex Usher claimed “this study shows that stagnant loan limits have created serious problems of unmet need among certain groups of students.” Again, for the Foundation the cause of the problem is not high tuition fees and inadequate needs-based grants, but lack of an “opportunity” for students to accumulate even higher debts.

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Early Intervention & Academic Counseling Pilot Project In Manitoba

Since October 2002, the Millennium Scholarship Foundation has been alluding to plans for “controlled experiments” to assess the effectiveness of early intervention and improved academic counselling in improving access to post-secondary education. As mentioned earlier in this report, two of the Foundation’s recent research releases also focus on these themes, and Foundation Director Norman Riddell has stated on more than one occasion that he believes no new money should be invested in student financial aid until the role of non-financial barriers is investigated.

On April 30, 2003, the Foundation announced it had signed a memorandum of understanding with the Province of Manitoba to establish a pilot project that will “attempt to identify whether better information about career options and the advantages of post-secondary education can encourage more high school students to pursue the wide variety of post-secondary programmes available.” The project will cost \$1.5 million, and involve 1000 grade 9 to 12 students over a seven-year period, beginning in September 2003. According to a backgrounder released by the Foundation, students from two other unspecified provinces may also be involved in this project.

While improved academic and career counseling is not a negative goal, previous statements and misrepresentation of research by the Foundation suggest that this project could be an attempt to shift the focus of public debates on accessibility away from financial barriers to post-secondary education. Despite the Foundation’s claims, there is very little hard evidence to suggest that the implementation of such programmes in the United States has been effective in improving access to post-secondary education in that country. Further, a 1999 review of Upward Bound, a large federal funded early intervention programme in the United States, found that the programme “had no impact on the chances students attended college.”

The Millennium Scholarship Foundation’s failure to publicly acknowledge these widely known

critical assessments of early intervention programmes in the United States highlights the selective nature of the Foundation’s approach to research. The Foundation’s promotion of early intervention and counselling seems designed to direct public attention away from the very real barriers of increased tuition fees and growing student debt. In doing so, the Foundation provides governments with a convenient rationale for the continued underfunding of post-secondary education and student aid programmes.

International Students

The Federation holds 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. Participation in the Advisory Committee allows the Federation to collect information regarding developments in federal immigration policy, regulations, and programs. Membership on the Advisory Committee also puts the Federation in a stronger position to lobby the federal government on immigration issues that affect international students.

Work Permits for International Students

Between November 2002 and January 2003, Citizenship and Immigration Canada issued a few clarifications and revisions of regulations that govern on-campus work eligibility and post-graduation work permits. An e-mail outlining this information was circulated to Federation members on January 23, 2003. The following two sub-sections provide a brief summary of these changes and clarifications.

On-Campus Work Permits

At the November 2002 national general meeting, discussions arising from the international students constituency group alerted the Federation to an apparent change in the terms and conditions section of recent study permits issued by Citizenship and Immigration Canada. Whereas earlier permits had specified that international

students “may accept employment on the campus of the institution at which registered in full time studies”, new permits stated that students were “prohibited from engaging in employment in Canada”.

Following enquiries by the Federation about this discrepancy, the Department confirmed that the language suggesting that students are “prohibited from engaging in employment” is a mistake and committed to changing the wording on future permits. The Federation continues to raise the issue, and has been assured that the language will be corrected during a review of regulations and procedures to take place in the summer of 2003.

Off-Campus Work Permits

Background

The Advisory Committee on International Students and Immigration is currently investigating the possibility of expanding off-campus work eligibility 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 pre-published 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. The Federation also presented a submission to the House of Commons Standing Committee on Citizenship and Immigration on February 11, 2003 in Halifax.

The Federation put forward the following recommendations: that work permits should be valid for one year and renewable for every year of study in Canada; that for the last year of study in Canada, the work permit should be valid until the end of the validity period of the study permit to allow students to work off-campus for a period following their graduation; and that permits should be open (not employer specific).

The Federation also recommended that off-campus work permits should allow students to work full time on holidays and to work during the school term. The ACISI Working Group has suggested a limit of 20 hours of permissible work per week during the school year, but the Federation continues to advocate for full and equal access to employment for international students through the entire duration of their study permits.

Recent Developments

In principle, the federal government officials and stakeholders in the post-secondary education community all appear to support the idea of permitting international students to work off-campus on a part-time basis.

However, the development and implementation of regulations to govern off-campus work seems to be stalled by wrangling between the government and institutions over who is responsible for the financial and staffing resources necessary for monitoring such a programme.

As a result, Citizenship and Immigration Canada has announced that it is negotiating with provincial governments to establish pilot projects that will assess the viability of off-campus work permits.

Citizenship and Immigration Canada plans to use knowledge gained from pilot projects to develop national regulations, procedures, and administrative processes for off-campus work permits.

The level of debate around monitoring and compliance suggests that it will take at least a year, and perhaps significantly longer before permits are available nationally.

Study Permits for Post-Graduate Work

Citizenship and Immigration Canada contacted the national office of the Federation in January 2003 to announce an extension to study permits for post-graduate work. Changes to immigration regulations have been proposed to give recent college and university graduates an extension that will allow them to apply for a post-graduate work permit within 90 days of notification of graduation.

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At present, many students find that their study permit expires sooner than 90 days after graduation, which means that they are no longer considered students by Citizenship and Immigration Canada and therefore cannot legally continue to search for work.

As an interim measure, Citizenship and Immigration Canada has implemented a procedure whereby applicants whose study permits expire less than 90 days after graduation can apply for a one-time study permit extension in order to allow them to continue searching for work for a full 90 days.

Extended Post-Graduation Work Permit Pilot Project in New Brunswick

Citizenship and Immigration Canada is conducting a pilot project that will allow international students who graduate from colleges and universities in New Brunswick to extend the length of their post-graduation work permits.

The joint federal-provincial project was announced in March 2003, and came into effect on April 1, 2003. In other provinces, current regulations permit international students to accept a job related to their studies for a maximum of one year after successfully completing their studies without having to obtain approval from Human Resources Development Canada. With this new initiative, work permits for international students in New Brunswick can be renewed for a second year. Citizenship and Immigration Canada has stated that it is exploring similar initiatives in other regions.

Study Permit Processing Time

Citizenship and Immigration Canada is partnering with provinces, colleges, and universities to establish pilot projects aimed at speeding up the student visa application process. The 2003 federal budget allocated \$4 million towards developing improvements to application processing. According to Citizenship and Immigration Canada, longer processing time at visa issuing offices correlates with allegedly high levels of fraud and high refusal rates of applications at particular issuing offices.

While faster study permit application processing is clearly desirable, Citizenship and Immigration Canada's approach could increase structural barriers to access for some students abroad. Pilot projects being conducted in British Columbia and Alberta both provide incentives to institutions to tighten their eligibility criteria and screening processes for international student recruitment.

In order to access the streamlined application process, universities and colleges may have an incentive to avoid offering acceptance to "high-risk" applicants, which can include applicants with limited financial resources or students from regions with a higher rate of rejected applications. The approach to streamlining applications being pursued by Citizenship and Immigration Canada could lead to international student recruitment becoming increasingly focused on students' wealth and/or country of origin rather than on students' academic abilities.

The Federation will use its membership in ACISI to monitor and assess the development, implementation and results of these pilot projects. Through participation in ACISI and through other lobbying efforts, the Federation will continue to ensure that the Canadian government hears the interests and concerns of international students.

Meeting with the Office of Heritage Minister Sheila Copps

On March 3, 2003, National Researcher Michael Conlon met with Ian Capstick, Special Adviser to Sheila Copps. Capstick outlined Minister Copps' vision for post-secondary education in the context of her recently announced candidacy for the leadership of the federal Liberal party. Capstick said the Minister was committed to working with the provinces to lower tuition fees and to implementing a national system of grants. However, Capstick also suggested that Copps' platform would include significant new tax measures to address the increased cost of post-secondary education.

The Federation argued against using tax measures as a public policy lever, reminding Capstick that by definition tax credits invariably benefit those in the highest income bracket. Capstick was furnished with the Federation's latest analysis of existing tax credits for post-secondary education to back the claim that significant federal revenue is already being provided to those who need it the least. The Federation concluded by arguing that such funds would be much more effective if they were used to create a comprehensive, needs tested system of grants. Capstick agreed to take the Federation's research and analysis to Copps' campaign policy committee.

Missing Pieces IV

For the fourth consecutive year, the Federation was approached by the Canadian Centre for Policy Alternatives to contribute to the publication of *Missing Pieces*, an annual pan-Canadian review of the state of post-secondary education. *Missing Pieces* is the Canadian Centre for Policy Alternatives' most widely read publication, and participation in the project provides the Federation with a valuable opportunity to communicate student perspectives on post-secondary education. This year the Federation contributed provincial overviews of developments in post-secondary education in Nova Scotia, British Columbia and Newfoundland and Labrador. A full version of the report was released on May 1, 2003.

Canadian Consortium for Research

The Federation is a member of the Canadian Consortium for Research (CCR). Founded in 1976, it consists of 22 organisations that represent researchers in all disciplines across Canada, and is an important voice for university research at the national level.

Researcher Rob Duffy represented the Federation at meetings of the Consortium on January 22 and February 26, 2003. The January 22 meeting focused primarily on members' expectations regarding the 2003 federal budget.

The February meeting incorporated member organisations' assessments of the 2003 federal budget and the Consortium's Annual General Meeting. A review of lobbying efforts concluded that the Consortium had succeeded in making some impact on research policy at the federal level over the past year, especially in regards to helping secure funding for research granting councils and for indirect costs of university research in the 2003 budget. Paul Ledwell of the Canadian Federation for the Humanities and Social Sciences was re-elected as Chair of the Consortium.

National Opinion Coalition

In March 2001 the Federation joined the National Opinion Coalition with Vector Research. The Coalition is a co-operative polling group that conducts four polls per year. Each partner is allotted several questions per poll of specific interest and members then agree upon a broader set of public policy questions of interest to all participating organisations. There are several standing 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 liberalisation, and Registered Education Savings Plans. 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 the trade liberalisation of health care and education dropped after the Summit of the Americas in Quebec City.

The data collected from this year's polling has been effectively used to counter the "research" of the Millennium Scholarship Foundation. In addition, the recent poll on private, for-profit post-secondary institutions will be used in upcoming lobby meetings with Canada Student Loan officials.

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In the February 2003 poll, the Federation asked several questions designed to test support for increases to core funding, a national system of grants as well as the federal government's ongoing subsidy to the private education industry through the Canada Student Loan Program.

The Federation's questions also tested the federal government's record on providing access to education. In response to the latter question, respondents voiced a fear of the rising cost of education and what was largely seen as the absence of the federal government in post-secondary education policy.

This fear was particularly acute among those earning less than \$40,000. In response to the question about loans for private education less than 50 percent of respondents support the practice. However, support for subsidies to private education providers is highest in the Atlantic Provinces.

Tri-National Coalition Conference

National Researcher Michael Conlon attended the sixth annual Tri-National Coalition Conference in Defence of Public Education held in Toronto May 9-10, 2003. The conference brought together teachers, students, professors, and union activists from Canada, the United States, and Mexico. The Coalition, formed in 1993, was created to defend public education against the privatisation agenda that motivates the North American Free Trade Agreement (NAFTA). Several provisions of NAFTA undermine the ability of national governments to protect public education from private, for-profit "competition." Though formed in response to NAFTA, the work of the Coalition has expanded to cover other trade agreements such as the General Agreement on Trade in Services (GATS). In addition, the coalition has been instrumental in defending the rights of education workers to organise and oppose government policy.

The Federation presented a paper during a plenary session about the Federation's campaign on trade issues. The conference resolved to carry out a series of research projects including: a roster of

for-profit educational companies pushing for the expansion of trade agreements, an analysis of the World Bank's latest policy on education and literacy, and the role of technology in regressive educational policy. Finally, it was agreed that members of the Coalition would help organise for a hemispheric day of action to coincide with the next round of Free Trade Areas of the Americas (FTAA) negotiations taking place in Miami on November 20-21, 2003.

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 have offered a formal response to the Project's analysis of the GATS. Direct involvement in the Project provides the Federation with access to an extremely valuable resource for research, government relations and campaign work.

Federation representatives attended a meeting of the Project in Ottawa on April 7, 2003. Project members met with ten officials, including senior negotiators to the World Trade Organisation from Canada's Department of Foreign Affairs and International Trade (DFAIT).

TIRP members used the meeting to seek clarification of the Canadian government's claims that public services and culture were not included in Canada's offer during GATS negotiations, and that the GATS would not hamper the expansion of public services.

When asked about any penalties or consequences of denying market access to public services and culture DFAIT negotiators repeatedly responded with the following statement: "it is difficult to engage in speculation."

Eventually, DFAIT officials conceded that some health services, such as those funded through private health insurance, would not fall under the definition of "health service", but would instead be classified under "financial service" and that such services would in fact be included in the Canadian offer.

Federation representatives asked for a more comprehensive definition of public education, but DFAIT officials responded by saying that the provinces had been asked to provide their own schedules for inclusion in the Canadian offer.

The Canadian government has maintained that Canada's services would be protected under the following horizontal exemption: "supply of a service or its subsidisation within the public sector is not in breach of [the General Agreement on Trade in Services]."

Although TIRP representatives asked for more information to establish the scope and meaning

of this safeguard, DFAIT officials remained elusive, claiming the exemption was "self-explanatory." The next Project meeting is scheduled for September 2003.

United Nations Educational, Scientific, And Cultural Organisation

The United Nations' Educational, Scientific, and Cultural Organisation (UNESCO) is holding a second World Conference on Higher Education (+5) in June of 2003. This meeting is intended to build upon the first World Conference on Higher Education held in 1998. Numerous national students' unions sent delegations to the 1998 conference, including the Federation. The World Bank had a prominent position at the 1998 meeting and students, faculty members, and other academic organisations had to lobby to minimize the effect of the Bank's attempts to promote the privatisation of post-secondary education, especially in least developed nations. This agenda coincided with an aggressive campaign by the World Trade Organisation to build support for trade in services leading up to its now famous meeting in Seattle in 1999.

Federation representatives attended the general meeting of the Canadian Commission for UNESCO in Ottawa on April 8, 2003. Preparation for the June 2003 "World Conference on Higher Education +5 years" (WCHE+5) event was the main agenda item. Representatives of the Fédération étudiante universitaire du Québec and the Fédération étudiante universitaire du Québec were also in attendance.

At the meeting, participants were informed that, because the WCHE+5 event had been classified as a "low-level" meeting by the United Nations, there would not be official delegations from member states; rather national "groups" would be participating. It was announced that the Canadian group would include a maximum of five individuals. The Federation raised the concern that, without the participation of government delegations empowered to make commitments, the WCHE+5 event would be charged with

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evaluating progress on the action plan from 1998, but would not have the tools to take action in areas where follow-up had been weak.

The Federation argued that the low status accorded to the WCHE+5 meeting was evidence that the United Nations' role in developing international education policy was being supplanted by other bodies such as the World Trade Organisation.

Since the meeting, it has been confirmed that the Federation will be included in the Canadian group to the WCHE +5, along with two representatives of the Canadian Commission for UNESCO, and one representative each from the Fédération étudiante universitaire du Québec and the Association of Universities and Colleges (Canada).

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.

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 and 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 annual Solidarity Network Assembly was held in Memramcook, New Brunswick, from January 16-19, 2003. The annual Assembly is an opportunity for representatives of national, provincial, and local organisations to meet and solicit support for work that they are undertaking. The Assembly also provides a forum in which to learn from each others' experiences and discuss various strategies and tactics for implementing campaigns. Since its inception the Solidarity Network has focused on bringing together as diverse a group of participants as possible for the Assembly.

This year, the Assembly had its broadest representation to date. Many different labour unions, First Nations groups, social justice organisations, and environmental groups, as well as equality-seeking and citizens' organisations were represented. The Assembly presents a valuable opportunity to solicit endorsements for campaigns and strengthen the work of the Federation. Nova Scotia Chairperson David Hare represented the Federation at the Assembly.

As a result of the growing success of the Assemblies, the Solidarity Network Executive Committee has decided to begin a series of regional workshops. These workshops will be designed to address current issues and empower attendees with tools necessary to carry out campaigns. The Solidarity Network hopes to hold the first regional workshop in the fall of 2003. The Federation has been asked to help develop the focus of the regional workshops.

Common Frontiers & Common Front on the World Trade Organization

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.

The Common Front on the World Trade Organization (WTO) was created shortly after the WTO meeting in Seattle in 1999 as a vehicle for national organisations to work on issues of global trade. Like Common Frontiers, the Common Front on the World Trade Organization brings together student, labour, human rights, environmental, religious, economic, and social justice organisations. The Federation has been a member of the Common Front on the WTO since its inception.

Common Frontiers and the Common Front have begun to coordinate their efforts and are in the process of scheduling a series of meetings for summer 2003. These meetings will be focusing on the WTO meeting scheduled for September in Cancun and the next round of Free Trade Area of the Americas (FTAA) negotiations currently scheduled for November in Miami. The meetings will focus on developing research, lobbying and action campaigns paying specific attention to the impact of international free trade on education, culture, energy, the environment, farming, food, healthcare, human rights, indigenous peoples, water, and workers.

coordinating events across the country in opposition to the American aggression towards Iraq. National days of action were called for November 16-17, January 18, February 15, and March 15. Many Federation members participated in the days of action. The Federation also signed an open letter to Prime Minister Jean Chrétien along with other organisations urging him to deliver an anti-war message to United States of America President George W. Bush.

Canadian Peace Alliance

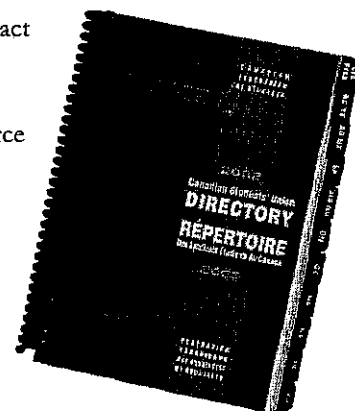
The Canadian Peace Alliance was founded in 1985 and is the largest umbrella peace organisation in the country. The Federation is a long-standing member of the Alliance. Starting in November 2002 the Canadian Peace Alliance began

COMMUNICATIONS

2003-2004 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 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. At this time, the Federation also begins to research and gather resource information, in order to ensure that the Directory can be printed as early as possible, maximizing its utility. This year, surveys for information were sent to member locals and non-member students' unions in mid-April for the 2003-2004 Directory. It is hoped that this earlier start will result in a higher response rate, primarily because it will provide more time for follow-up contact. It is the goal of the National Executive to have the Directory printed and delivered by no later than mid-August.



Production Costs and Sales

Over the last few 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:

Directory Sales	
Year	Total Sales
2000-2000	334
2000-2001	407
2002-2002	423
2002-2003	508

However, while a number of member locals have made a concerted effort to purchase additional copies of the Directory for their offices, campus resource centres, and student media outlets, the increase in orders does not offset the

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production costs of the Directory. The unit cost of the Directory is relatively high because of the size of the publication and the small number of Directories that are printed.

This year, the price structure for the Directory for member locals was:

- \$15.00 each for four or less Directories
- \$12.00 each for five or more Directories

For the 2003-2004 Directory, the National Executive has revised the current price structure as an incentive for members to purchase multiple copies of the Directory. The price structure for the Directory for member locals will be:

- \$20.00 for one Directory
- \$17.50 each for two Directories
- \$15.00 each for three Directories
- \$13.50 each for four Directories
- \$12.00 each for five or more
- \$10.00 each for ten or more

Enhancements

Over the course of the last four years a number of new sections have been added to the Students' Union Directory, including contact information for government agencies that administer the student financial assistance programmes and other government agencies.

This year, the National Executive resolved to expand the 2003-2004 Directory to include a new section with contact information for teaching assistants' organisations at each institution. It is hoped that the additional section will increase sales while increasing the utility and broadening the scope of the Directory.

Currently, the cover of each Directory is coated with a varnish-like substance to protect it from everyday use. However, when preparing the 2002-2003 Directory for mailing, a significant number of copies were scuffed. It was determined that the printer had packed the books carelessly before shipping them to the national office. The most damaged copies were used in the Federation and Travel CUTS'

offices. The National Executive has requested that the printer improve its packing and shipping methods and use a better quality varnish to extend the life of the Directory.

2003-2004 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 evolved to provide 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 National Executive hopes to distribute the 2003-2004 Communications Kit on CD-Rom shortly following the national general meeting. This will enable most locals to use the material in the production of their handbooks and orientation materials.

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 create a mutually reinforcing web presence.

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, without outside assistance, English and French content could not be updated.

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.

In spring 2002, AKA New Media, a Toronto-based company, began developing a new national web site for the Federation. The National Executive

hoped to launch the new site on January 1, 2003, however other priorities have delayed the launch. The re-design is complete, and the process of repopulating the site with updated content has commenced.

The National Executive recognises the necessity of ensuring that the site is comprehensive and of professional caliber when re-launched, while maintaining a constant, updated Internet presence. It is expected that the new site will be launched shortly.

MEMBERSHIP DEVELOPMENT

Membership Growth

This past year the Federation experienced more growth in membership than at any point since its founding years 1981-84. In November, five students' unions were granted full membership and at this meeting another four are being considered for membership. The total number of member local unions now exceeds 70. With the acceptance of the Memorial University of Newfoundland Graduate Students' Union, every student at a public post-secondary institution in Newfoundland and Labrador will now be a member of the Federation.

New Full Members

At this general meeting, the plenary will consider ratifying four new full member locals. In the case of one of these locals – the Okanagan University College Students' Union-Kelowna – it constitutes a return to the Federation, while the other three – the University of Saskatchewan Graduate Students' Association; Memorial University of Newfoundland Graduate Students' Union and the Okanagan University College Penticton Campus Students' Association – are joining the Federation for the first-time.

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 de-federation 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.

Membership Development

In early August, the council of the Association voted to apply for prospective membership in the Federation. Membership was granted by the semi-annual BC general meeting that month and ratified at the November 2002 national general meeting.

On February 4-6 this year, in accordance with Bylaw 1.5, 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	878 (60%)
Opposed	586 (40%)
Spoiled Ballots	11

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that the Okanagan University College Students' Association-Kelowna be ratified as a full member.

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. Membership was granted by the November 2002 national general meeting.

On February 4-5 this year, in accordance with Bylaw 1.5, 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	104 (95.41%)
Opposed	5 (4.59%)
Spoiled Ballots	0

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that the Penticton Campus Students' Association be ratified as a full member.

Graduate Students' Union of the Memorial University of Newfoundland

In August, the Board of Directors of the Graduate Students' Union voted to apply for prospective membership in the Federation. Membership was granted by the October 2002 semi-annual Newfoundland and Labrador general meeting in October and ratified at the November 2002 national general meeting.

On February 18-20 this year, in accordance with Bylaw 1.5, a referendum was conducted in which the members of the Union voted on full membership in the Federation. The result was as follows:

In Favour	170 (50.15%)
Opposed	169 (49.85%)
Spoiled Ballots	2

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that the Graduate Students' Union of the Memorial University of Newfoundland be ratified as a full member.

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. Membership was granted by the November 2002 national general meeting.

On March 18-20 this year, in accordance with Bylaw 1.5, 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	319 (95.5%)
Opposed	15 (4.5%)
Spoiled Ballots	0

In accordance with Bylaw 1.2-b-vi, the National Executive recommends that the University of Saskatchewan Graduate Students' Association be ratified as a full member.

Application for Prospective Membership

Prospective membership is a trial membership of limited duration through which a students' union experiences the rights and responsibilities of membership in the Federation. Prospective membership commits the students' union to holding a binding referendum on full membership in the Federation. Since the previous national general meeting, the National Executive has received one application for prospective membership.

Northern Lights College Students' Association

The Northern Lights College is located in the Peace River Valley, just east of the Rocky Mountains in northeastern British Columbia. The College has two main campuses located in Dawson Creek and Fort St. John. Approximately 2,400 full and part-time students attend the College.

On May 10, 2003, the council of the Northern Lights College 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.

Other Membership Issues

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 were 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 2002. 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.

PROGRAMMES

Discount Programme

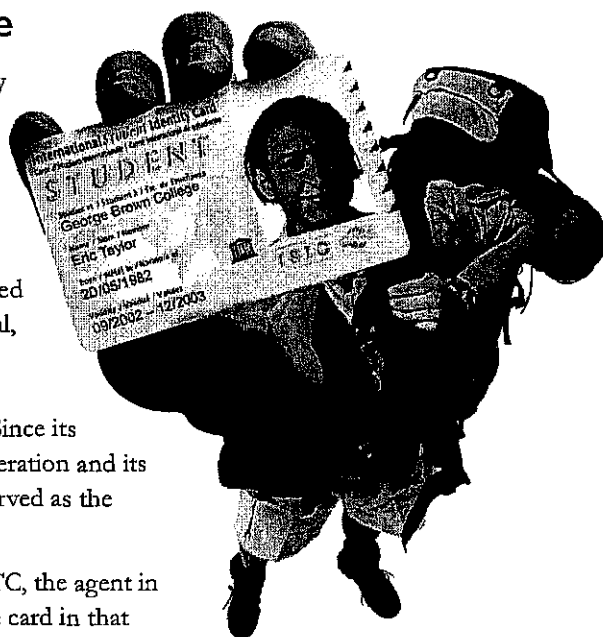
The International Student Identity Card is the only internationally recognised form of student identification. The Card is produced and distributed by the International Student Travel Confederation (ISTC) and endorsed by the United Nations Educational, Social and Cultural Organisation (UNESCO). The UNESCO 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.

International Student Identity Card Distribution in Canada

Prior to 1993, roughly 15,000 International Student Identity 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 per cent discount on all domestic Greyhound tickets.



Programmes

Discount Solicitation

Preparations for the 2003-2004 discount programme are already well-underway. Local discounts will remain the central focus 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. As reported in November, discount solicitation for 2002-2003 was successful, with more than 3,500 local discounts secured across Canada. The rise in discounts is a continuing trend; the number of discounts has substantially increased three years in a row. The Federation has identified the need to continue to improve the quality of discounts, in addition to increasing the number of discounts. The type of business and its relevance to and use by students, combined with the level of savings, will determine the quality of a discount.

The proportion of renewals with businesses that have previously participated in the programme was very high for 2002-2003. The trend for 2003-2004 seems to be even more positive. In previous years, discounts were solicited on a year-to-year basis. However, the process of renewing discounts detracted from the ability of solicitors to approach new businesses to secure better discounts. For 2003-2004, discount solicitors are being encouraged to solicit discounts for multiple years. This will reduce the resources the Federation must commit every year to renewing existing discounts and also provide increased continuity to the programme and its users.

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. One of the challenges facing the discount programme's expansion is that many of the Federation's for-profit competitors enter into long-term exclusive contracts with discount providers.

Promotion

Over the last few years the Federation has worked to increase promotion of the International

Student Identity Card (ISIC). Images, text and advertisements have been included in a variety of Federation publications to ensure that tools for promotion are readily available to member locals. Since 1999, a variety of high quality ISIC images, customised for each member local association, have been included on the Federation's annual communications kit compact disk which is distributed to member locals. As in previous years, the 2003-2004 common handbook will prominently feature information about the programme. The Federation is considering the development of a kit for member locals to use to promote the programme to members. The kit would include ideas for local promotion throughout the year.

The Federation has developed a poster, to which ISIC application forms can be attached, for use at campuses that are too small for the Federation to supply ISIC issuing equipment. The posters explain that the completed application form, along with a photo and payment (where applicable), can be sent to the national office for processing. The posters were distributed on campuses in mid-January and will be re-issued in August.

Each year, the International Student Travel Confederation produces a variety of marketing materials for its members to use to promote the Card. 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. 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 Card. The Federation will place an order this summer with the ISTC for promotional materials for the 2003-2004 issuing year.

The Federation also promotes the Card in Studentsaver promotional materials. Stickers and decals which are distributed to participating businesses include images of both the Studentsaver Card and the International Student Identity Card. This year, Studentsaver promotional materials will be expanded to include counter-top tent cards for use by both discount providers and locals.

Via Rail Coupons

In late December, VIA Rail announced that it wished to provide a \$16.00 VIA Rail travel voucher to students who purchase the Card from VIA Rail stations. Representatives of the Federation argued that the voucher should be provided to students whether they purchased the card or received it free of charge. The Federation also argued that the voucher should be provided to students who received their card from a Travel CUTS outlet or students' union office.

Ultimately, VIA agreed to allow the vouchers to be distributed through Travel CUTS outlets and selected students' unions. VIA's concern with students' unions issuing the voucher is primarily technological. The software that Travel CUTS uses to issue the cards is tied to the company's computer reservation system and agents can ensure that no one receives more than one travel voucher. Unfortunately, Cardmaster, the software used by the Federation to issue the cards, is unable to track the vouchers in the same manner. The National Executive is currently working with Travel CUTS information technology department to develop a version of the travel company's card issuing software for use by local students' unions.

In the interim, the vouchers were distributed on a trial basis at a few students' unions. The National Executive will evaluate the effectiveness of distribution at the July National Executive meeting.

Web Promotion

Last year, the Federation identified key areas for improvement of the Studentsaver website. These included improving the site's reliability, ensuring that the design of the site reflects that discounts are available with both the Studentsaver card and the International Student Identity Card, and making the site more user friendly. As a result, the studentsaver.ca discount website and

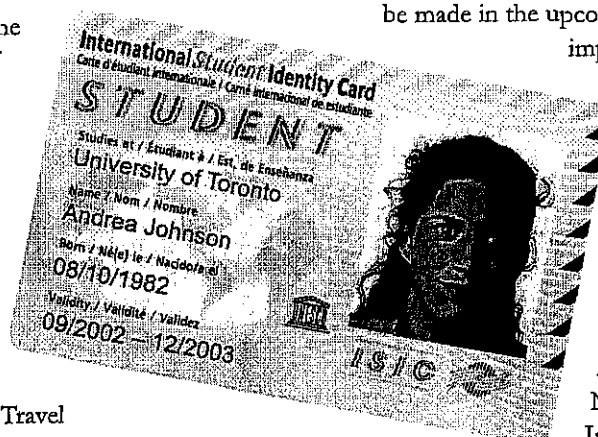
corresponding database have been re-designed. These changes coupled with the growing reliance on the Internet have resulted in a steady increase in the number of hits that studentsaver.ca has received over the past year. In order to maintain this momentum and build the value of the programme, further improvements to the site will be made in the upcoming year. Design

improvements will focus on increasing the Federation's profile on the site and reducing the number of categories in order to make it easier to search the site.

As reported in November, the International Student Confederation (ISTC) is

preparing to launch its Discount Manager Database. The promotion of both ISIC and the Studentsaver discounts will be aided by the launch of this site. The ISTC's goal is to list each of the nearly 100,000 discounts available with the ISIC around the world on this website. Member organisations such as the Federation are responsible for providing an accurate list of discounts available in their countries. The Federation will provide a list of Canadian discounts once domestic discount solicitation is complete. This comprehensive database will allow Canadian students to learn about discounts available with the ISIC around the world by searching one website. The launch of the site has been delayed because the ISTC has faced difficulties integrating the dozens of different formats in which discount listings have been submitted by ISTC members.

In addition to the worldwide discount database, the ISTC website has been redeveloped to provide more comprehensive travel information. The site includes a variety of tools useful to the student traveler including travel information, including much of the content of the Lonely Planet series of travel information books, daily cultural event listings in cities



Programmes

around the world, a currency converter, an Automated Teller Machine (ATM) locator and a list of the nearest ISTC member retail travel agent offices. These resources will be available to students free of charge.

Guidebook

The Federation is preparing for the production of the 2003-2004 discount guidebook. The Federation has compiled all of the discounts in a national discount guidebook since 1999. For 2002-2003 the guidebook had a new design that was the same size and shape as the international discount guidebook. The Federation has decided, based on the popularity of last year's more portable book and improved design, to proceed with a similar guidebook. The November 2002 national general meeting resolved that regional listings of discounts would be sorted by category. This layout, combined with the use of icons, will make searching for discounts easier. Businesses that offer a substantial discount will be highlighted in the guidebook in order to ensure that students are aware of the best discounts available. The improved visibility may serve as an incentive for business to participate in the programme.

Last year an additional 121,000 copies of the booklet, with an ISIC 2003 Canadian Benefits Guide cover, were printed and distributed by Travel CUTS offices and VIA Rail stations to individuals purchasing the ISIC. Due to increasing financial pressures within the company, the number of books produced will likely not be increased for the 2003-2004 year.

In an effort to ensure programme awareness and continuity with students and local businesses the design of the Studentsaver card will remain unchanged for 2003-2004. Investigations are underway into the possibility of producing a card made of plastic as opposed to the current card that is made of laminated paper. Plastic cards are appealing to both students and retailers as they are more professional and durable. However, upgrading to a plastic card would likely prove costly.

Programme Awareness

Gauging the level of use of the discount programme is a challenge. Anecdotal feedback from member locals and individual students about the quality of discounts and promotional materials has provided only a limited analysis of the programme's strengths and weaknesses. A high level of contract renewals each year, as well as an overall increase in discounts are an indirect indication that participating retailers are satisfied with the effectiveness of the program. In order to more accurately assess both the awareness of the programme and the quality of discounts, the feasibility of creating and distributing focus surveys to member locals is being investigated.

Effective local promotion of the discount programme is key to improving awareness of the programme and ensuring that discounts are widely used. Some member locals do a good job of securing discounts and promoting the programme to their members while others need to be encouraged to improve in these areas. To ensure that Federation members receive the maximum benefit from the discount programme, it is important for member locals to recognise that the discount programme is a service of their students' union which requires the same level of care and attention as services initiated at the local level. This must extend beyond simply hiring discount solicitors in the summer to promoting the programme throughout the year. Suggestions for the on-going promotion of the programme are being compiled and include: soliciting discounts for on-campus food and beverage establishments, integrating local discounts into orientation events, and "discount of the month" campaigns.

Technology Development

Printed International Student Identity Cards

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 ISIC 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 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 Cards to printed ones has been completed.

Card Printing Software

At this point there are no issuing offices that provide handwritten Cards. However, providing the on-going technical support required for the equipment and software has been a challenge. The 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 have arisen 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. In addition, last year 20 new label printers were purchased for distribution to member locals. Unfortunately, the newly purchased ISIC label printers are not compatible with the current Cardmaster software. The International Student Travel Confederation was asked to upgrade the software to eliminate the incompatibility problems the Federation has been experiencing. However, most of the Confederation's members are large organisations equipped to develop in-house software for issuing of Cards.

Over the last six months, the frequency of problems with the older printers has grown and, despite ongoing training sessions, only a limited number of Federation representatives have the requisite technical skills to assist member locals with their printing difficulties. The Federation has decided that in order to resolve the situation with both the older and newer printers, the Cardmaster software needs to be replaced. A short-term solution is designing software that permits the relatively simple function of printing the necessary information using the label printers.

This new software, unlike Cardmaster, would not rely on a database. In the medium to long term, the software used with the label printers would be web-based, which would serve to facilitate and centralize record-keeping. Work is underway to determine the feasibility of designing a new piece of software or alternatively redesigning the software that Travel CUTS outlets are using to prepare ISIC labels. The current Travel CUTS software is intertwined with the CUTS booking system and would require work in order to separate out the label printing function for use in Federation and member local offices.

Part-Time Students

Historically, the Federation has fought the International Student Travel Confederation policy which restricts the International Student Identity Card 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 as, if not more than, full-time students from access to the discounts available with 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 prepared a brief, which will 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 Card. The Federation will continue to pursue access to ISIC benefits for part-time students at the upcoming meeting of the ISTC. On a more positive note, the ISTC has agreed to allow the Card to be issued to students who are unable to study full-time due to disabilities.

homes4students

In many cities and towns across Canada vacancy rates have reached record lows, making it very difficult for students to find affordable accommodation. In response, the May 2002 national general meeting resolved that the Federation establish an online student housing database as a means of at least partially addressing the problem.

In order to fulfill this mandate, the Federation acquired a previously existing database and website, homes4students.com.

This site is designed to allow students the opportunity to search for available accommodation, find roommates and sublet their existing accommodation.

Programme Development

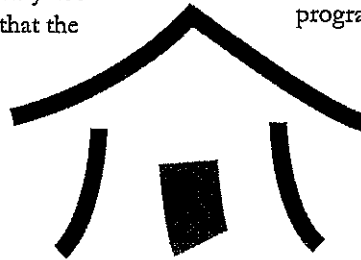
When the Federation acquired homes4students.com late last summer, the site was somewhat underdeveloped. In some cities, such as Halifax, student and landlord use of the site was high. In other parts of the country use was much weaker. In addition, the existing database was incapable of handling the volume of users and postings to meet current or anticipated future needs.

In order to ensure that homes4students.com would meet the needs identified by the Federation, the National Executive adopted a three-part plan improving the existing service. The first part involved a complete overhaul of the website and database. This work was required in order to provide useful search functions and ensure that the site was capable of sustaining an increased volume of users. The work was completed mid-way last semester.

The second part of the plan is to ensure that the programme is accessible to both students seeking accommodation and those who have properties to rent or sublet. Students and landlords are allowed to both post to and search the site at no cost. As the site's profile grows it is anticipated that many

more property owners will post rental units on homes4students.com as an alternative to paying to run advertisements in newspaper and rental magazines.

The final step is to increase awareness of the program on campuses across the country.



Website

The homes4students.com website has been re-developed over the past six months in an effort to ensure that it can sustain a high

level of traffic and provide the requisite

information in an

easy to use manner. The Federation employed Web Networks to do the redevelopment work. Efforts were made to ensure that the appearance of homes4students.com would be consistent the updated appearance of the Federation's main site.

The revised site was re-launched at the end of March. Currently, the site has 7000 registered users and approximately 2000 listings. Since the re-launch the site has seen a steady increase in the number of hits per month reaching a high of nearly a half a million hits in April.

The revised site allows users to quickly search by city, type of accommodation, number of bedrooms, date available. It also identifies if accommodation has particular features, such as laundry facilities and parking, and if it is wheelchair accessible.

In addition, information on tenant rights organisations and tenant/landlord legislation is being compiled for inclusion on the site.

Advertising Solicitation

In order to offset the costs of the service, advertising for the site is being solicited. Currently, Travel CUTS, Monster.ca, and Goodlife Fitness are being profiled as sponsors with banner ads in a restricted area of the site. Homes4students.com advertising solicitation will continue throughout the summer.

Promotion

An initial run of posters aimed at raising member awareness of homes4students.com was produced and distributed to member locals in early April. Member locals were encouraged to put the posters in high traffic areas, around off-campus housing offices and on students' union notice or housing boards. A write-up on the service, for possible inclusion in student handbooks, is being developed and will be included in the Federation's handbook kit. In addition, member locals are being encouraged to establish links to the site from their own websites.

Ultimately, the success of the service will depend on a steady and significant growth in the number of landlords posting on the site. In the months ahead the Federation will be working on strategies for promoting the site to landlords and landlord associations.

National Student Health Network

Introduction

The National Student Health Network is the fastest growing provider of student Health, Dental and Accident insurance in Canada. Over the past three years the Network has tripled in size, making it one of the largest Student programmes in Canada. The Federation offers the lowest price and highest level of service in the industry.

Background

In the early 1980's, many students' unions began developing accident, health and dental plans for their members. Initially, the plans were designed by insurance people (brokers and insurers) 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. In other words, the plans did not consider the unique needs of 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 consortium — the National Student Health Network.

The Network was formed with the philosophy that these plans should be created specifically for students and provided by students.

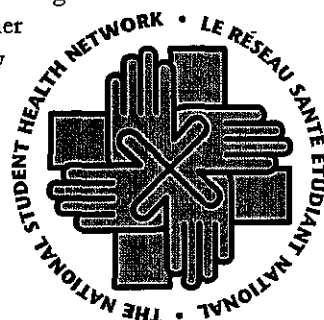
The collective buying power of the Federation allowed students' unions to improve the coverage and also reduce the cost of their plans. In some cases, students' unions were able to cut the cost of their health and dental plans in half.

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 providers to regularly cover oral contraception and the first to offer spousal benefits to same-sex partners.

Cost Savings

The Network operates as a consortium of student's unions to take advantage of the Federation's large membership base. Several years ago, the Federation completed an extensive review of the Network's pricing structure, services and business partners. The review was conducted with the goal of lowering the cost and increasing the services provided by the Network. It was also hoped that the Network would be able to establish new, industry-wide standards for increased transparency in the fees charged by brokers in the student market.

Annually, Network members realise approximately \$1,000,000 in savings through the increased buying power provided by the Network. Since the review of its services, the Network has saved



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students' unions over \$5,000,000. In addition, students' unions who conduct business with other brokers have been able to generate more than \$1,000,000 in savings by using the information gathered by a Network conducted audit to expose over-billing by the Students' Union's current broker.

A secondary benefit of the Network is that the Federation has ability to conduct workshops to provide members with the skills necessary to resist the high-pressure sales tactics employed by other brokers.

Achievements

Over the last three years, the National Executive has focused on improving the quality of service offered by the Network. One such service has been to audit, upon request, the plans of Federation member locals 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 order to win new clients and increase their profits. In the past two years alone, the Federation has exposed nearly a million dollars in over-billing by brokers through audits of member locals' plans.

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. Although 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 two years, fourteen students' unions have transferred to become part of the Network.

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 allows individual members to opt-out electronically from Network health and dental plans.

The electronic opt-out forms are available from the local students' union website.

One-Time Opt-Outs

The Federation has continued development of programmes that will require students to opt-out only once during their time at a particular institution. The systems vary from local to local depending on the institution's student registration software. Members may opt-in at any time if they lose their pre-existing coverage.

Electronic Opt-Ins

The Network has developed software which will enable plan administrators to electronically opt-in both individuals and family members. The format is simple and assures that the information the carrier needs is transferred immediately.

Electronic Forms and Documents

The Network continues to transform all of the forms, identification cards and descriptive materials to an electronic and "easy to understand" format. This ensures that all of the plan information can be easily accessed by members of the Network and can be used by local students' union executive members and staff for promotional purposes.

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 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 seek reimbursement from the insurer. Because students often face difficulties paying the full cost of a particular drug or service up front and find it difficult to wait for reimbursement, many students do not receive ideal coverage during the first month of the academic year.

The Federation and its primary insurance provider have developed a solution to this problem and anticipate that several members will be able to take advantage of it effective 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 gathering of the local directors and staff who administer plans provided through the Network. It is an opportunity for members to provide 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 will be held in June in Toronto. Most members of the Network will send representatives to the meeting. Although the meetings primarily deal with the administrative aspects of health and dental insurance plans, members of the Network will also discuss potential improvements in plan design and services.

2003-2004 Handbook Project

Member locals in British Columbia have coordinated a 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 Handbook Project significantly reduces the unit cost of handbooks for member locals and ensures consistent profile of local, provincial and national work of the Federation.

Each handbook consists of a unique local section, a common provincial and national section and common calendar and time management pages. Students' unions have provided local content in text format, which has then been formatted by the Federation to be consistent with the overall design of the handbook. 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. Over 112,000 handbooks were produced. For 2003-2004, 37 students' unions in six provinces are confirmed to participate. Over 150,000 handbooks will be produced.

Following the distribution of handbooks in fall 2002, member locals were invited to provide feedback at national and provincial general and executive meetings of the Federation. Based on cost and time implications, the Federation and the handbook printer evaluated each of the requests. The 2003-2004 handbook will include the

following design enhancements: full colour pages in the provincial and national sections, full bleeds in the calendar section, and tear-off corners on the calendar pages. Member locals will have the new option of including a plastic ruler. Although originally suggested as an addition, vinyl compact disk holder and tabbed dividers will not be offered because the cost and the length of time required to produce them are prohibitive.

Student Work Abroad Programme (SWAP)

Although the last two years have seen a dramatic decline in global travel sales, the Student Work Abroad Programme was relatively unaffected and in some cases, benefited from traveller's safety related concerns. For instance, when the events of September 11, 2001 made many people uncomfortable with traveling to the United States, many SWAP participants simply chose to take



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their working holiday in another country. Similarly many students from abroad who wished to take a working holiday in North America chose to take that holiday in Canada instead of the United States.

Unfortunately, it appears that the recent outbreak of Severe Acute Respiratory Syndrome (SARS) in Toronto will have a significant financial impact on SWAP for the current year. SWAP generates approximately forty percent of its revenue from fees paid by partner organizations, which send students to Canada. With fewer students from abroad choosing to come to Canada because of fears of contracting SARS, SWAP's revenue will experience a corresponding decrease. As a result, the Federation is forecasting a net financial loss for SWAP's operations during the current year. The Federation is guardedly optimistic that SWAP will again generate a small surplus in 2003-2004.

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 (Board Chair)	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

Financial Issues

2002-2003 Year-to-date

At the previous general meeting it was reported that the company's sales figures were slightly lower than projected. Unfortunately, Iraq, coupled with the recent outbreak of Severe Acute Respiratory Syndrome have exacerbated the problem. Sales are now expected to be approximately thirty percent lower than initially projected. In addition, the company has not been able to reduce expenses sufficiently to offset the loss of revenue. As a result, a substantial loss is now being projected for the company during the current fiscal year.

2003-2004 Outlook

The company's downturn in sales is reflective of the industry as a whole. Most travel agents have seen their sales levels drop by 30% over last year. Further, it appears that this downward trend in sales will continue well into the coming fiscal year. As a result, the Travel CUTS Board anticipates another loss in 2003-2004.

Operational Issues

Update on Canadian Offices

Most institutions' enrollment during the summer is far below enrolment levels during the fall and winter semesters. As a result many on-campus Travel CUTS offices experience a significant decline in sales during the summer months. In order to minimise the impact of this decline in sales, the company will be closing two or three smaller campus offices during the summer.

All of these offices will be located in large urban centres in which there are several Travel CUTS offices students may use. In addition, all of the offices will re-open by September 1.

Update on U.S. Operation

Surprisingly, the company's United States offices have experienced a decline far less dramatic than most travel agents in the United States. At this time, it is not clear why the company's United States offices have not been affected as anticipated.

Since the last general meeting

the company has opened offices in Seattle, San Jose, Portland and New York. In addition the company's offices, which previously operated under the name "the Adventure Travel Network", are now doing business as Travel CUTS.

Update on United Kingdom Offices

For approximately twenty years, Travel CUTS has operated within the United Kingdom. The company's United Kingdom operations grew from a small office designed to assist Canadian travellers in London into a full service travel agency with millions of dollars in sales each year. For much of that time, the profit levels of the United Kingdom operation matched or exceeded those of the Canadian operations.

Unfortunately the travel industry in the United Kingdom has changed significantly in the last several years. Commission levels have dropped, the level of cash deposits required by the airlines has increased and rental costs for retail space have increased substantially.

These industry-wide changes have eliminated the United Kingdom operations profitability and required the company to subsidise the operations for nearly three years. Coupled with the worldwide decline in travel sales, it is no longer feasible to operate the company's United Kingdom operations. The process of winding-up the operation has commenced and it is anticipated that it will be completed prior to June 30.

It is important to note that neither Travel CUTS nor its United Kingdom operations are in any danger of failing to meet its financial obligations. Instead, the Board has made a business decision to cease operations in the United Kingdom. By being proactive and closing the operations long before there is any danger of the operations becoming insolvent, the company is able to minimise the impact of the office closures on both the company and its customers.

Further, it is able to retain relationships with many of the business partners who worked closely with the United Kingdom division.



Improvements in Technology

Although the company is likely to experience a financial loss this year, the nature of the travel industry has forced it to continue to develop the technology that supports the company's sales efforts. The company is continuing to make improvements to its fare database to ensure that students are offered the lowest possible fares and that the time required to search the database for that fare is kept to a minimum.

In addition, the company has begun developing software to allow it to sell travel directly from its web site. Students are now able to purchase Westjet, Canjet and Tango flights directly from Travel CUTS' web site. Once the new software is developed, all flights and fares available through a Travel CUTS office will become available through the company's web site. The Travel CUTS web site is quite popular and the fares that are offered by the company are among the lowest available. As a result, the company is quite optimistic that its on-line sales engine, when completed, will be quite successful.

Unfortunately, such sites are costly to develop and require a substantial amount of time to perfect. To-date the company has not established a deadline to complete the development of the software.

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	Lorisha Cook
Alberta Representative	vacant
British Columbia Representative	Summer McFadyen
Francophone Students' Representative	Chris Mazeroll
Graduate Students' Representative	Andrea Rounce
Manitoba Representative	Margaret Carlyle
National Chairperson	Ian Boyko
National Deputy Chairperson	James Pratt
National Treasurer	Jess Turk-Browne
Newfoundland and Labrador Representative	Keith Dunne
Nova Scotia Representative	Donald Andrews
Ontario Representative	Rick Telfer
Prince Edward Island Representative	Phil MacDonald
Québec Representative	Caroline Kim
Saskatchewan Representative	Kyall Glennie
Students of Colour Representative	Joseph Zanger Bright
Women's Representative	Christa Peters

2003-2004 Term

Most positions on the National Executive have been elected for the upcoming year. At the fall 2002 national general meeting, Ian Boyko (Local 48) was re-elected as National Chairperson, James Pratt (Local 1) was re-elected as National Deputy Chairperson and Jess Turk-Browne (Local 78) was re-elected National Treasurer for the 2003-2004 term.

Steve Beasley (Local 61) has been elected as the British Columbia representative for 2003-2004. Margaret Carlyle (Local 8) has been re-elected as the Manitoba Representative. Rick Telfer (Local 47) will remain as the Ontario Representative. Tobias Whitfield (Local 83) has been elected to serve as the Québec representative. Former Nova Scotia Component Chairperson Dave Hare (Local 11) has been elected as Nova Scotia Representative. Lacey Abbott (Local 46) has been elected as the Newfoundland and Labrador Representative. Lorisha Cook (Local 75) will remain as the Aboriginal Students' Representative.

At this meeting, elections for the positions of the Alberta Representative, Saskatchewan Representative, Prince Edward Island Representative, Students of Colour Representative, Francophone Students Representative, Women's Representative, and Graduate Students Representative on the National Executive for the 2003-2004 term will be conducted.

Federation Staffing

Changes Since the Previous Meeting

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

Prairies Organiser Elizabeth Carlyle, was granted a six-month extension to her leave of absence in order to continue her work with the International Union of Students. To assist with campaigns, membership development and programmes work during the remainder of Carlyle's leave, the National Executive hired Jennifer Nembhard in early January on a six month contract. Jennifer was active in the Federation in the mid-1990's while an elected director of the University of Winnipeg Students' Association.

In June 2000, Internal Coordinator Lucy Watson transferred to the Vancouver office to assist with campaigns, membership development and programs work as the BC Organiser. Watson returned to her position as Internal Coordinator in mid-February 2003.

Development of a Second Staff Position for the Prairies

For the past few years the Federation has relied on a single organiser, based in Winnipeg, to resource the member locals in the prairies. However, in the past two years 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 November 2002 national general meeting resolved that research into hiring a second Prairies Organiser be undertaken. Negotiations have been entered into with the

Canadian Union of Public Employees-Local 1281, the union that represents Federation employees, to develop a job description for the second Organiser position and to commence the hiring process in the coming weeks.

Federation National Congresses

The Federation holds two national congresses each year, one in May and one in November. In addition, the Federation's two national caucuses, the National Aboriginal Caucus and National Graduate Caucus, hold national meetings each February/March.

May 2003 National General Meeting

For the first time since May 1998, when the national general meeting was held at York University, the meeting is being held on a member campus. This decision was necessitated by a lack of hotel space due to a variety of conventions and festivals taking place in the National Capital Region (NCR) at this time. However, the National Executive feels that Carleton University will prove to be at least as good a meeting site, in part because of new residence facilities and the availability of larger meeting space.

The National Executive is grateful for the support and assistance being provided for the general meeting by the Local 1-Carleton University Students' Association and Local 78-Carleton University Graduate Students' Association.

November 2003 National General Meeting

The fall 2003 national general meeting will be held either November 19-22 or November 26-29. The National Executive will be finalizing the dates at its next meeting in early July. The general meeting will take place at the Hotel Jacques Cartier in Gatineau, directly across the Ottawa River from downtown Ottawa.

The hotel has been the site of the previous few national general meetings. The National Executive is confident that recent renovations at the hotel will better fulfil the Federation's meeting requirements.

National Caucus General Meetings

The Federation's National Aboriginal Caucus consists of all member local associations composed in whole or in part of aboriginal students. Each year during the winter semester a national general meeting of the caucus is held. This year the meeting was held from February 27 to March 1 at Douglas College in the Greater Vancouver area. Fourteen member local associations were present at the meeting, with another two present-by-proxy. This constituted a small decline in participation over the previous two years.

The Federation's National Graduate Caucus consists of all member local associations composed in whole or in part of graduate students. Each year during the winter semester a national general meeting of the caucus is held. This year the meeting was held March 7-9 at the University of Saskatchewan. Seventeen of the twenty-one eligible member local associations attended the meeting.

National Congress Decision-Making

Many national organisations that hold annual congresses, conferences or conventions conduct the entirety or the vast majority of each meeting in plenary sessions during which all decision-making is undertaken. Throughout its history the Federation has taken a different approach. Rather than deliberating at length on all issues in a full assembly of all delegates, the Federation divides the plenary into standing committees that meet concurrently, thereby allowing for more detailed deliberations on all issues. The sub-committees then report on their deliberations to the full assembly on the last day of the general meeting.

Currently, delegates are selected to participate on plenary sub-committees by provincial component meetings, caucuses and constituency group meetings. There are currently twenty-two voting seats on committees. With the recent growth in Federation membership and with it a corresponding increase in the number of delegates at national general meetings, more and more delegates are excluded from sitting on a committee at general meetings.

At the national general meeting a year ago, delegates debated a proposal from Local 44 to allow each member local to have a voting seat on each plenary sub-committee. Proponents of the change argued that the committee selection process itself was overly cumbersome, monopolising much of the first meeting of provincial components, caucuses and constituency groups, and that the composition of the committees did not reflect the composition of the plenary. Opponents of the proposal argued that it could result in committees with over seventy voting members that would be too large to function properly. Ultimately, there was no widespread agreement amongst delegates on whether the change should be made. Instead, the plenary directed that a thorough review of the plenary sub-committee selection process be undertaken by the National Executive.

The National Executive engaged in some preliminary discussion on the matter during the past year, but is still in the process of gathering information from other national organisations on the process they use at their national congresses and conventions. The National Executive hopes to complete its findings in time to present recommendations to the fall 2003 national general meeting.

Technology Upgrades

Recent Upgrades

In 1997 the Federation entered into a five-year lease for a high speed, high volume photocopier. Although at the time most new photocopiers coming on the market were digital, the technology was not widely-available in high speed, high volume copiers. As it turned out, the copier was a far more substantial machine than the Federation required. Over the course of the lease, the Federation's copying volume dropped roughly 70 per cent as the Federation moved more and more to electronic communication. Worse still, the copier had virtually no finishing capabilities and would only print on letter and legal-sized paper.

With the expiry of the lease late last year, the Federation was able to replace the high volume copier with more specialized equipment costing far less than the previous machine. The Federation purchased both a regular copier that meets the current volume and speed requirements of the Federation, and a colour copier that has allowed the Federation to bring in-house most of the colour copying that the Federation previously out-sourced. Both machines are networked to the office computers allowing the Federation to mostly phase-out the more costly laser printing in the office.

Equipment Replacement

The Federation was also forced last month to purchase some computer equipment to replace equipment lost during an overnight burglary in mid-April. The burglars gained entry to the building in which the Federation rents office space and broke into two other offices before breaking into the Federation's premises. Fortunately, the Federation's alarm security system was activated 30 seconds after entry, scaring off the perpetrators before very much could be taken.

The Federation's office insurance is expected to compensate for most of the loss.

Immediate Needs

The Federation's current fileserver was purchased in April 2000. At the time it was anticipated that the server, and the network software would serve the Federation's technological needs for at least a five-year period. Unfortunately, over the last twelve months a growing number of incompatibility issues have arisen with the Novell Netware server software. This has caused significant problems when used with software designed for Macintosh computers. In addition, approximately six months ago, upgrades for the Federation's Novell server software were discontinued. In order to ensure that the workstations in the national office are fully functional, the National Executive is reviewing options for replacing the server and network software over the summer months. One of the key criteria is ensuring that the server operates on the same platform as the workstations.

The National Executive will also review whether any of the older computers in the national office need to be replaced.

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 done properly.

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 has now been scheduled for late summer and fall 2003. In the coming months, the elected officials and staff in the National Office will be devoting considerable time and energy to doing research and working with the Federation's legal counsel in preparation for the trial. The National Executive and the Federation's legal counsel continue to have a great deal of confidence in the Federation's case.

FINANCES

Budget Management

Two years ago in fiscal 2001, the Federation had, from a financial standpoint, the strongest year in its history. Membership fee, ISIC sales and Travel CUTS referral fee revenue all reached new highs.

At the May 2001 national general meeting, the Federation budgeted for a comparable level of revenue in fiscal 2002 and budgeted to spend accordingly. Unfortunately, the referral fee projection, and with it the spending plan, were rendered obsolete four months later by the events of September 11, 2001. Nine-eleven had a devastating impact on the entire travel industry worldwide including the student travel industry. Facing the loss of nearly all (net) revenue from Travel CUTS, the fall 2001 national general meeting was given the unenviable task of cutting spending by nearly \$500,000 to compensate for the loss of revenue.

Though managing the spending cut of \$500,000, and doing so entirely in the last seven months of the fiscal year, was a difficult challenge, the reduced spending targets in the revised budget were ultimately achieved and the Federation suffered no net loss on the year.

Anticipating a modest recovery in the student travel industry this fiscal year, the Federation budgeted for a small profit from its travel operations during fiscal 2003. Unfortunately, the state of the student travel industry has worsened. The war in Iraq and, more recently, the outbreak of sudden, acute, respiratory syndrome have lead to further downturns in student travel that make it unlikely that the revenue target will be achieved. In addition, the Federation has seen revenue from ISIC sales decline as well. Though much of the loss will be offset by higher than projected revenue in other areas such as membership fees, the National Executive has taken measures to curtail spending during the last quarter of the fiscal year. Certain capital spending is being delayed and vacant staff positions are being left unfilled until the next fiscal year. On a positive note, overall spending during the first three-quarters of the year was somewhat below projection which will also help offset the lost revenue.

The National Executive is confident that no deficit will result for fiscal 2003.

Membership Fees Collection

For the current fiscal year (July 1, 2002 to June 30, 2003), \$1,533,847 in membership fee revenue has been remitted to-date. Roughly \$250,000 remains outstanding. Once received, actual fees for the year will exceed the original budget projection by approximately ten percent.

The higher than anticipated membership fee revenue is primarily due to enrolment increases, particularly in Ontario. Although the impact of the so-called "double cohort" will be at its greatest during the 2003-2004 year, it is obvious that it has already had an impact on enrolment and, with it, Federation membership.

Programme and Travel CUTS Revenue

ISIC Revenue

International Student Identity Card (ISIC) sales revenue is roughly 20 percent lower than at the same point a year ago. Some of the drop is related to the downturn in student travel, though most appears to be the result of this year's increases in Federation membership. Students such as the undergraduates at the University of Toronto and the University of Windsor, who would have previously purchased ISICs, are now receiving them as a benefit of membership in the Federation. The total number of Cards issued free by Travel CUTS to Federation members is approximately 30 percent higher than at the same point a year ago.

ISIC sales revenue, net of the cost of sales and commissions, will likely be between \$60,000 and \$90,000 below projection. Fortunately, this loss of revenue will be offset by additional membership fee revenue starting in fiscal 2004.

National Student Health Network

The National Student Health Network is intended to operate on a break-even basis. Though the programme inevitably generates small surpluses in some years and small losses in others, over time it is essentially revenue neutral. After incurring a \$38,815 loss during the 2000-2001 year, the program generated a \$22,321 surplus during the 2001-2002 year.

The Federation budgeted for a similar surplus – \$24,550 – for the current year. Although gross revenue was expected to increase, it now appears that the increase will be roughly \$10,000 lower than projected. On the expense side, there are several areas in which expenses

have increased due to the addition of several new Network members. In particular, bank charges and postage charges have increased significantly as a result of a substantial increase in the number of opt-out cheques being issued. It now appears that any surplus this year will be much smaller than the \$24,550 projected in the budget.

Revenue from Travel CUTS

This year the Federation projected to receive \$1,025,000 in referral fee revenue, an increase of \$30,000 from the 2001-2002 actual of \$995,000, and to reinvest \$875,000 back into Travel CUTS. After three-quarters, gross referral fee revenue stands at \$704,589. Even though the last quarter is traditionally CUTS' strongest, it is clear that the \$1,025,000 target will not be reached. It is more likely that the final number will be only slightly above \$900,000.

Student Traveller Magazine

The Student Traveller magazine is published each fall and spring by the Federation. After running small surpluses for several years, the magazine lost \$23,029 last year. 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.

This year the Federation budgeted to break-even on the publication. Although final numbers have not yet been determined, indications are that the publication will indeed break-even on the year.

Student Work Abroad Programme

The Student Work Abroad Programme (SWAP) is a Federation service that is administered by Travel CUTS. In recent years, the programme had been generating healthy surpluses. For example, the programme generated surpluses of \$99,202, \$101,803 and \$60,052 in each of the past three fiscal years.

The initial 2002-2003 budget adopted last May projected a surplus of \$45,000; however, that estimate was reduced to \$15,000 in the revised budget passed in November. Because most

SWAP activity takes place in the last quarter of the fiscal year, it is too early to determine whether that target will be surpassed.

Expenditures

With approximately six weeks left in the current fiscal year, virtually all spending to-date has been within the targets established in the budget. No extraordinary expenses that would change this forecast are anticipated.

During the latter part of this fiscal year, expenses were incurred in two areas not contemplated in the 2002-2003 budget:

Splitting of Local 83 Fees

Local 83-Concordia University Graduate Students' Association joined the Federation in 1994. At the time, no provincial Federation fee had been established for Québec member locals. In 1987, a provincial fee was established and the Association commenced collection and remittance of the new fee; however, the following year, the newly elected leadership of the Association disagreed with the process for implementing collection of the provincial fee and cancelled its collection. In the years since, Local 83 has not collected and remitted any provincial membership dues.

This situation has strained the resources of the provincial budget and contributed to tensions between member locals within the province. Consequently, at its January meeting, the National Executive resolved to divide equally the 2002-2003 national membership fees remitted by Local 83 between the provincial and national budgets of the Federation, while efforts to implement provincial fee collection are undertaken. It is hoped that this approach, whereby the burden is shared by all Federation members, will also contribute to a swift resolution of the situation and that Local 83 will begin to collect and remit the provincial membership fee.

homes4students

Early this year Federation acquired homes4students.com, an on-line housing service. In order for the database to be capable of

handling large volumes of users and postings, it was necessary to have it redesigned. In addition, costs were incurred promoting the site.

Audit

The audit for fiscal 2002 should be completed by early next month. Delays have been exacerbated by late reporting and remittance of membership fee revenue.

2003-2004 Budget

The draft 2003-2004 budget projects some significant changes from the current year's budget. On the revenue side, membership fees are projected to be roughly 15 percent higher a result of the growth in the Federation's membership during this past year. However, this is projected to be largely offset by a reduction in the net revenue from Travel CUTS and related service activity.

On the expense side, the National Executive is proposing a spending plan that is fairly consistent with the 2002-2003 spending plan, with a few exceptions. As noted above, work on redesigning and promoting the homes4students.com website is already underway; however, additional design, promotion and maintenance costs will be incurred in the coming year.

Over the past three years, the number of member locals participating in the National Student Health Network has nearly tripled, while staffing of the service has remained the same. The draft budget allocates funds for an additional half-time person for the service.

During the past eighteen months the cost of domestic air travel in Canada has climbed steadily. Obviously, this is cause for considerable concern for the Federation given the amount of air travel associated with national general meetings, National Executive meetings and on-campus representation. Figures for travel in the draft budget anticipate further increases air travel costs.

One area in which the draft budget projects far less spending is membership drives and referenda. Last year the Federation ran nine membership

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drives in five different provinces. The direct cost of the campaigns and the cost of related fieldworking was considerable. This year, with only one new prospective member as of this point, far less has been budgeted to be spent.

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. In 1992, 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 mid-January when the previous year's Consumer Price Index (CPI) is announced by Statistics Canada. Notice of the change 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 Fiscal Year	Adjusted 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
2003-2003	\$3.42
2003-2004	\$3.50

As the table illustrates, the Federation's national membership fee for the upcoming academic year will \$3.50 per student per semester, 87.5 percent higher than the fee was in 1981. By comparison, inflation during the same period has been 102 per cent during the same period.

Each year, the National Executive is faced with the challenge of trying to ensure that all member locals arrange with their respective institutions collection of the adjusted fee. 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 noted in previous reports, one member local, the York Federation of Students, has not adjusted 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 \$400,000 in membership fees that should have been collected and remitted by the Local since 1995 have not been. The National Executive has engaged in lengthy discussions concerning measures to get the proper membership fee collected by the local, but has not yet arrived at a solution.

APPENDIX I

MEETINGS WITH AND SUBMISSIONS TO GOVERNMENT

MEETING: Marie Tobin, Director General of Innovation Policy, Industry Canada
DATE: November 27, 2002
SUBJECTS: Federal government's Innovation Strategy

MEETING: MP John Godfrey, Post-secondary education caucus
DATE: November 28, 2002
SUBJECTS: Federal government's Innovation Strategy, House of Commons
Standing Committee on Finance recommendations for 2003 federal
budget

MEETING: Millennium Scholarship Foundation
DATE: December 9, 2002
Subject: Foundation's threats to cut off funding to Nova Scotia

MEETING: Tony Wohlfarth, Commissioner, Canada Employment Insurance
Commission
DATE: December 13, 2002
SUBJECTS: House of Commons Standing Committee on Finance
recommendations regarding EI exemptions

MEETING: Tony Macerollo, Executive Assistant, Minister of Finance
DATE: January 16, 2003
SUBJECTS: 2003 Federal Budget, student financial assistance, university research

MEETING: Millennium Scholarship Foundation
DATE: February 4, 2003
SUBJECTS: Release of early intervention research

MEETING: Federal Budget 2003 advanced reading
DATE: February 18, 2003

MEETING: MP Dennis Mills
DATE: February 24, 2003
SUBJECTS: Mills' proposal: "From Debt to Dedication"

MEETING: Department of Heritage
DATE: March 3, 2003
SUBJECTS: Policy development for Liberal leadership

MEETING: Social Sciences and Humanities Research Council
DATE: March 24, 2003
SUBJECTS: Canada Graduate Scholarships, the future of SSHRC

Appendix I - Meetings with Government

MEETING: David Cogliati, Director General, Canada Student Loans Program
DATE: March 25, 2003
SUBJECTS: Implementation of measures introduced in 2003 federal budget, loan limits, part-time loans, Council of Ministers of Education Canada working group on student financial assistance

MEETING: MP Denis Mills' office
DATE: March 28, 2003
SUBJECTS: Mills' proposal: "From Debt to Dedication"

MEETING: NDP Leader Jack Layton
DATE: April 1, 2003
SUBJECTS: Millennium Scholarship Foundation, Bankruptcy and Insolvency Charter challenge

MEETING: MP John Herron, PC post-secondary education critic
DATE: April 8, 2003
SUBJECTS: Tax credits, RESPs & CESGs, Post-secondary Education Act, needs-based grants, Millennium Scholarship Foundation, loan limits, 1998 changes to the Bankruptcy and Insolvency Act

MEETING: Department of Foreign Affairs and International Trade
DATE: April 8, 2003
SUBJECTS: General Agreement on Trade in Services

MEETING: Canadian Commission for UNESCO
DATE: April 8, 2003
SUBJECTS: UNESCO World Conference on Post-secondary Education +5 meeting in June 2003

MEETING: Edulinx Service Advisory Council
DATE: April 11, 2003
SUBJECTS: Service provision of the Canada Student Loans Program

MEETING: Andrew Treusch, Assistant Deputy Minister, Human Investment Programs
DATE: April 17, 2003
SUBJECTS: Loan limits, Canada Learning Institute, RESPs & CESGs, 1998 changes to the Bankruptcy and Insolvency Act

MEETING: MP Dick Proctor, NDP Post-secondary education critic
DATE: April 29, 2003
SUBJECTS: Millennium Scholarship Foundation, loan limits, RESPs & CESGs, 1998 changes to the Bankruptcy and Insolvency Act, Innovation Strategy

MEETING: Advisory Council on International Students and Immigration
DATE: May 8, 2003
SUBJECTS: International students working off-campus

MEETING: Senate Standing Committee on Banking and Commerce
DATE: May 14, 2003
SUBJECTS: 10-year prohibition on student loan bankruptcy

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:	Charlatan*
DATE:	November 25, 2002
SUBJECTS:	User fees in the UK
MEDIA OUTLET:	Times Higher Education Supplement (UK)
DATE:	November 26, 2002
SUBJECTS:	Queen's University student loans
MEDIA OUTLET:	Canadian University Press
DATE:	November 27, 2002
SUBJECTS:	Kyoto Accord
MEDIA OUTLET:	Caper Times
DATE:	November 28, 2002
SUBJECTS:	CFS/CAUT Accessibility Summits
MEDIA OUTLET:	National Post
DATE:	November 29, 2002
SUBJECTS:	Millennium Scholarships
MEDIA OUTLET:	Canadian Press
DATE:	December 2, 2002
SUBJECTS:	Millennium Scholarships
MEDIA OUTLET:	Carillon*
DATE:	December 2, 2002
SUBJECTS:	November 2002 general meeting
MEDIA OUTLET:	Globe & Mail
DATE:	December 4, 2002
SUBJECTS:	Student debt
MEDIA OUTLET:	Sherbrooke Record
DATE:	December 4, 2002
SUBJECTS:	Campus safety
MEDIA OUTLET:	Charlatan*
DATE:	December 5, 2002
SUBJECTS:	Federation's achievements

Appendix II

MEDIA OUTLET: Canadian University Press
DATE: January 3, 2003
SUBJECTS: 2003 campaign strategy

MEDIA OUTLET: Globe & Mail
DATE: January 13, 2003
SUBJECTS: Dalhousie University tuition fee increase

MEDIA OUTLET: Guelph Mercury
DATE: January 14, 2003
SUBJECTS: Local 54 protest against increasing tuition fees

MEDIA OUTLET: Muse*
DATE: January 17, 2003
SUBJECTS: MP Paul Martin's post-secondary education funding record

MEDIA OUTLET: CBC Radio – Whitehorse
DATE: January 20, 2003
SUBJECTS: Funding cuts

MEDIA OUTLET: Troubadour
DATE: January 22, 2003
SUBJECTS: Tuition fees

MEDIA ADVISORY
DATE: January 30, 2003
SUBJECTS: Postcard campaign launch

MEDIA OUTLET: Canadian Press
DATE: January 31, 2003
SUBJECTS: 2003 federal budget

MEDIA OUTLET: The Weal*
DATE: January 31, 2003
SUBJECTS: Public-private partnerships

MEDIA OUTLET: Kelowna Courier
DATE: January 31, 2003
SUBJECTS: Tuition fees

MEDIA RELEASE
DATE: February 3, 2003
SUBJECTS: Postcard campaign

MEDIA OUTLET: 940AM News – Ottawa
DATE: February 3, 2003
SUBJECTS: Federal post-secondary education funding

MEDIA OUTLET: Western Gazette*
DATE: February 3, 2003
SUBJECTS: Federal post-secondary education funding

MEDIA OUTLET: National Post
DATE: February 5, 2003
SUBJECTS: University of Manitoba law student referendum
MEDIA ADVISORY

DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Canadian Press
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Globe & Mail
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Toronto Sun
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Ottawa Sun
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Charlatan*
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Science Magazine
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Canadian University Press
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	CBC Radio – Fredericton
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Times Higher Education Supplement (UK)
DATE:	February 18, 2003
SUBJECTS:	2003 federal budget
MEDIA RELEASE	
DATE:	February 19, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Canadian University Press
DATE:	February 19, 2003
SUBJECTS:	University of Manitoba law student referendum on tuition fees
MEDIA OUTLET:	Muse*
DATE:	February 19, 2003
SUBJECTS:	Membership drive for graduate students at Memorial University of Newfoundland
MEDIA OUTLET:	CBC Radio – Toronto
DATE:	February 19, 2003
SUBJECTS:	2003 federal budget

Appendix II

MEDIA OUTLET:	Globe & Mail
DATE:	February 19, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	McGill Daily*
DATE:	February 20, 2003
SUBJECTS:	2003 federal budget
MEDIA OUTLET:	Globe & Mail
DATE:	March 3, 2003
SUBJECTS:	Student loans
MEDIA OUTLET:	Globe & Mail
DATE:	March 10, 2003
SUBJECTS:	Registered Education Savings Plans
MEDIA OUTLET:	Sun Media
DATE:	March 12, 2003
SUBJECTS:	Education tax credits
MEDIA OUTLET:	Manitoban*
DATE:	March 12, 2003
SUBJECTS:	Millennium Scholarship Foundation
MEDIA OUTLET:	CKDJ – Ottawa Radio
DATE:	March 24, 2003
SUBJECTS:	Tuition fees
MEDIA OUTLET:	Canadian Press
DATE:	April 30, 2003
SUBJECTS:	Missing Pieces IV
MEDIA RELEASE	
DATE:	May 1, 2003
SUBJECTS:	Missing Pieces IV release
MEDIA OUTLET:	Toronto Star
DATE:	May 2, 2003
SUBJECTS:	Education tax credits
MEDIA OUTLET:	freelance journalist
DATE:	May 8, 2003
SUBJECTS:	Student loans
MEDIA OUTLET:	Globe & Mail
DATE:	May 8, 2003
SUBJECTS:	International student enrolment
MEDIA OUTLET:	Times Supplement for Higher Education
DATE:	May 9, 2003
SUBJECTS:	The effect of trade agreements on education policy

* denotes student paper

