

# 53<sup>rd</sup> Semi-Annual General Meeting e Assemblée générale semestrielle

May 22 to 25, 2008 • du 22 mai au 25 mai 2008 • Ottawa, Ontario

## AGENDA

### Budget Committee

May 2008 National General Meeting

#### DAY ONE

##### 1. PREPARATION FOR COMMITTEE DELIBERATIONS

###### a. Ratification of the Committee Chair(s)

Standing Resolution 1, Section 4, *Committee Chairperson*, states that:

As its first order of business each standing general meeting committee shall either:

- ratify as the committee chairperson(s) the National Executive member(s) appointed to the committee; or
- elect a committee chairperson from within its membership.

The National Executive is recommending that National Treasurer Ben Lewis and Ontario Representative Dave Molenhuis be ratified as co-chairs for the Committee.

###### b. Roundtable Introductions

###### c. Review of the Committee Agenda

###### d. Review of the Committee's Terms of Reference

Committee members should be familiar with the responsibilities of the Budget Committee as established in the Federation's Standing Resolutions. Standing Resolution 1, Section 3.a) *Budget Committee*, states that at the spring general meeting the Committee shall:

- develop a draft budget for the upcoming fiscal year for submission to the closing plenary of the semi-annual general meeting;
- assess the availability of funds for proposed projects and/or purchases, including donations; and
- discuss the Federation's long-term financial planning.

##### 2. REVIEW OF FINANCIAL DOCUMENTS AND ISSUES

###### a. Orientation to the Finances of the Federation

- i. Revenue Sources
- ii. Areas of Spending
- iii. Funds and Fund Balances

###### b. Appointment of the Auditors

The Committee will consider the recommendation of the Audit Committee of the National Executive on the appointment of auditors for the fiscal year ending June 30, 2008.

###### c. Overview of Current Financial Realities/Pressures (In-camera)

###### d. Review of 2007-08 Budget and Year-to-date Statements

The Committee will review the 2007-08 budget and the comparative year-to-date statement of revenue and expenditures.

#### DAY TWO

**PAGE 2 — BUDGET COMMITTEE AGENDA**

53rd Semi-Annual National General Meeting of the Canadian Federation of Students(-Services)  
Thursday, May 22 to Sunday, May 25, 2008

---

**3. FINALISATION OF THE 2008-09 BUDGET**

**a. Presentation of Draft Budget**

The second draft of the 2008-09 budget, as prepared by the National Executive, will be presented.

**b. Consideration of Amendments**

~~The Committee will consider amendments to the proposed 2008-09 budget.~~

---

**4. DISCUSSION OF THE FEDERATION'S LONG-TERM FINANCIAL PLANNING**

**5. ADJOURNMENT**

# 53<sup>rd</sup> Semi-Annual General Meeting e Assemblée générale semestrielle

May 22 to 25, 2008 • du 22 mai au 25 mai 2008 • Ottawa, Ontario

## AGENDA

### Campaigns and Government Relations Forum

May 2008 National General Meeting

#### DAY ONE

##### 1. ROUNDTABLE INTRODUCTIONS AND CAMPAIGNS UPDATE

##### 2. DEVELOPMENT OF THE NATIONAL CAMPAIGNS PLAN

###### a. Presentation of Draft 2008-2009 Campaigns Strategy

The Campaigns Strategy forms the basis for the Federation's campaigns and government relations work for the year to follow. Each year, prior to the May national general meeting, the National Executive prepares a draft Campaigns Strategy for presentation to the general meeting for consideration.

A presentation about the issues addressed in the draft strategy will be provided.

#### DAY TWO

##### 3. DEVELOPMENT OF THE NATIONAL CAMPAIGNS PLAN (CONTINUED)

###### b. Revision of Draft 2008-2009 Campaign Strategy

The Committee will revise the draft of the 2008-2009 campaigns strategy for submission to the closing plenary.

##### 4. MOTIONS REFERRED FROM OPENING PLENARY

The following motions will likely be referred to the Campaigns and Government Relations Forum by the opening plenary:

###### 2008/05:N02 MOTION

Local 105/

Whereas the Polaris Institute is a Canadian think tank with a mandate to help empower citizens' movements toward democratic social change; and

Whereas the "Inside the Bottle" campaign is a Polaris Institute project designed to stimulate citizen awareness and concern about the bottled water industry; and

Whereas public ownership of water sources is the only way to ensure adequate, accessible and clean drinking water; and

Whereas enforced government regulations and guidelines of public water systems are the best and only way to ensure public trust in tap water for drinking and avoiding dependence on bottled water; and

Whereas container deposit laws are one of the most effective ways of cutting down the amount of bottles piling up in landfills and polluting the environment; therefore

Be it resolved that the Polaris Institute's "Inside the Bottle" campaign against the bottled water industry be endorsed; and

Be it further resolved that member locals be encouraged to hold events to create awareness about this campaign such as organising educationals and lobbying campus administrations to ban the distribution of bottled water at all college and university events; and

## PAGE 2 – CAMPAIGNS & GOVERNMENT RELATIONS FORUM AGENDA

53<sup>rd</sup> Semi-Annual National General Meeting of the Canadian Federation of Students(-Services)

Thursday, May 22 to Sunday, May 25, 2008

Be it further resolved that member locals be encouraged to work together and with coalition partners to plan, promote and implement the "Inside the Bottle" campaign and promote awareness of the dangers of water privatisation.

2008/05:N07

### MOTION

Local 44/

Whereas according to the Fourth Assessment Report (November 2007) of the UN's Intergovernmental Panel on Climate Change (IPCC): "Warming of the climate system is unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and rising global average sea level"; and

Whereas the impact of unsustainable human activities such as industrial manufacturing, industrial agriculture, natural resource extraction and mass transportation have exacerbated and accelerated this warming by increasing concentrations of atmospheric greenhouse gases such as carbon dioxide and methane; and

Whereas the most positive and pragmatic approach to addressing this emergency is for individuals, organizations and nations to become not just climate-neutral, but to move beyond being climate-neutral; and

Whereas 'beyond climate-neutral' means that individuals, organizations and nations work to reduce their impact on the climate to net-zero and, in addition, work to contribute to larger climate change solutions (i.e. they do more to solve the problems of climate change than they do cause them); therefore

Be it resolved that the National Executive consult and work with the David Suzuki Foundation, Aboriginal people experienced in sustainable indigenous ecological practices, and any other relevant experts in order to make all national meetings of the Federation and the operations of the national office beyond climate-neutral by May of 2010; and

Be it further resolved that material and informational support be provided to all locals who wish to make the transition to move beyond climate-neutral.

2008/05:N09

### MOTION

Local 84/

Whereas the Trade in Investment Labour Mobility Agreement (TILMA) is an inter-provincial agreement between Alberta and British Columbia to force the removal of regulations that protect local needs around trade, investment and labour mobility between the two provinces; and

Whereas provincial regulations exist to allow the provinces to create standards or policies to meet and protect locally-determined needs; and

Whereas inter-provincial agreements such as TILMA may threaten democratic decisions such as ethical purchasing or the maintenance of locally-determined labour standards; and

Whereas TILMA enhances the rights of corporations to sue provincial or municipal governments over public-interest regulations that they believe infringe upon corporate trade or investment interests; and

Whereas such disputes are adjudicated through an unaccountable panel with the power to penalise governments with fines as high as \$5 million should a regulation be interpreted as a barrier to trade or investment; and

Whereas there is a risk that TILMA will be expanded to other provinces; therefore

Be it resolved that member locals be encouraged to lobby their provincial governments to reject the Trade in Investment Labour Mobility Agreement (TILMA) or any inter-provincial trade, investment or labour agreement that seeks to remove provincial or municipal authority to protect the public-interest in favour of for-profit and corporate interests.

2008/05:N13

### MOTION

Local 76/

Whereas in 2001 Statistics Canada showed that there are 3,420,340 Canadians living with disabilities; and

Whereas in 2001 Statistics Canada showed that around 40% of Canadians with a disability have some form of post secondary education; and

Whereas in 2001 Statistics Canada estimated that the average income of a Canadian adult with a disability was \$22,228; and

Whereas the Federal government has chronically under funded post-secondary education accessibility programs for Canadians with permanent disabilities; and

Whereas the Canadian Federation of Students supports the creation of publicly funded social programming instead of the programs aimed at benefiting individuals with disposable incomes such as Registered Education Savings Plans; and

Whereas the Registered Disability Savings Plan (RDSP) passed in the December 2007 Federal Budget; and

Whereas the RDSP is intended to help parents and others to save for the long-term financial security of a child with a disability; and

Whereas any person who is: a Canadian Resident; or a parent or legal representative of a person who is resident in Canada and is eligible for the Disability Tax Credit (DTC) will be able to have an RDSP; and

Whereas the RDSP will allow funds to be invested tax-deferred until withdrawal; and

Whereas RDSP contributions will be eligible for the new Canada Disability Savings Grant (CDSG) at matching rates of one hundred, two hundred or three hundred percent depending on household income, up to a yearly maximum of \$3,500 to a maximum lifetime CDSG limit of \$70,000; and

Whereas RDSP contributions will be eligible for the new Canada Disability Savings Bond (CDSB) for individuals whose household is classified as low income (\$20,883) to moderate income (\$37,178) up to \$1000 a year, maximum lifetime CDSG limit of \$20,000; and

Whereas amounts withdrawn from a RDSP will not be taken into account for the purpose of calculating income tax benefits delivered through the income tax system; therefore

Be it resolved that the federal government be lobbied to increase the Canada Disability Savings Bond for individuals classified as low-income to create financial parity with savings opportunities available in the RDSP; and

Be it further resolved that the federal government be lobbied to make withdrawals from the Registered Disability Savings Plan (RDSP) for the use of post-secondary education tax exempt and able to be withdrawn before the 10 year "assistance holdback" period has elapsed without penalty.

Be it further resolved that the federal government be lobbied to not classify the RDSP as an asset when calculating clients' eligibility for their monthly disability assistance; and

Be it further resolved that member locals be encouraged to write letters to their federal Member of Parliament with the same requests as outlined above.

**2008/05:N14**

**MOTION**

Local 5/

Whereas terrorism organized in the U.S. against Cuba has killed 3500 civilians to date including the in air bombing of Air Cubana flight 455 in 1976 that killed all 73 innocent civilian passengers; and

Whereas five unarmed men, known as the "Cuban 5", Gerardo Hernandez, Ramon Labanino, Antonio Guerrero, Fernando Gonzalez and Rene Gonzalez, were sent to Miami to peacefully gather information about groups responsible for this U.S. sponsored terror; and

Whereas when the "Cuban 5" handed over the information they had gathered to the FBI and the U.S government they were quickly arrested by the U.S. government; and

Whereas upon their arrest the "Cuban 5" were kept in solitary confinement for 17 months without access to legal representation or information about the charges to be laid against them and later given a trial by jury in the City of Miami, a city with the largest anti-Cuban community and mafia in the U.S.; and

Whereas the "Cuban 5" have been unjustly imprisoned in the U.S. for peacefully defending their people against U.S. sponsored terrorism; and

Whereas the "Cuban 5" have been imprisoned in the U.S. for over nine years; and

Whereas their sentences range from 15 years imprisonment to two life sentences plus 15 years based on charges of "conspiracy to Commit Murder" and "conspiracy to Commit Espionage"; and

Whereas the wives of two of the "Cuban 5", Olga Salanueva and Adriana Pérez, the wives of René González and Gerardo Hernández, have been continuously denied visitation rights, now for the eighth time, on the basis that they are a so-called "threat to National Security", and that the

## **PAGE 4 – CAMPAIGNS & GOVERNMENT RELATIONS FORUM AGENDA**

53<sup>rd</sup> Semi-Annual National General Meeting of the Canadian Federation of Students(-Services)

Thursday, May 22 to Sunday, May 25, 2008

---

daughter of Rene Gonzalez, Ivette Gonzalez, had been granted the right to see her father for the first time only after eight years; therefore

Be it resolved that the international campaign to "Free the Cuban 5" be supported; and

Be it further resolved that campaign materials be developed in support of the "Cuban 5" and member locals be encouraged to implement the campaign; and

Be it further resolved that a letter be written to U.S. President George W. Bush and Condoleezza Rice demanding visitation rights for their family members and the "Cuban 5"'s immediate release from prison.

**2008/05:N15**

### **MOTION**

Local 68/

Whereas the Canadian Peace Alliance (CPA) is the main umbrella peace organisation in Canada, comprising more than 150 labour, faith, community and social justice groups; and

Whereas the CPA works to build a broad-based and inclusive movement for peace in communities across Canada; and

Whereas students and youth have been an integral part of the movement for peace, both historically and today, in high schools, colleges and universities across Canada; and

Whereas the Canadian Federation of Students has participated in the movement for peace, opposing the wars in Iraq and Afghanistan, supporting US war resisters and campaigning against racism and Islamophobia; therefore

Be it resolved that the commitment to the movement for peace be re-affirmed by formally joining the CPA; and

Be it further resolved that member locals be encouraged to become active in the movement for peace locally and, where possible, to join existing peace organisations; and

Be it further resolved that an annual membership fee of \$600 be made to the CPA; and

Be it further resolved that provincial components of the Canadian Federation of Students be encouraged to join the CPA.

**2008/05:N16**

### **MOTION**

Local 68/

Be it resolved that member locals that refuse to allow anti-choice organisations access to their resources and space be supported; and

Be it further resolved that a pro-choice organising kit be created that may include materials such as a fact sheet, buttons, contact information for local pro-choice organisations and research on anti-choice organisations and the conservative think-tanks that fund them.

**2008/05:N18**

### **MOTION**

Local 88/

Whereas food services in most universities and colleges in Canada are pitiful; and

Whereas a clear majority of universities and colleges are badly rated in surveys with regard to food services, especially in the survey done by the Globe and Mail and Maclean's; and

Whereas students have the right to access food services that provide healthy choices on campus so they can lead healthy lives, and this requires much more than a meagre selection of "healthy choices;" and

Whereas students make up the majority of consumers of food services in Canada universities and colleges; and

Whereas students should be consulted before food services agreements are made with third parties; and

Whereas students have the right to access the agreements made with third parties regarding the provision of food services on university and college campuses; therefore

Be it resolved that member locals be encouraged to submit a request for access to information to their university or college in order to obtain a copy of the contracts that were signed with food services providers; and

Be it further resolved that member locals submit a copy of the above-mentioned contracts to the Federation's National Office; and

Be it further resolved that the above-mentioned contracts be reviewed to inform member locals on the best strategic approaches for potential campaigns regarding food services; and

Be it further resolved that a national campaign be undertaken to lobby Canadian universities and colleges and food service providers so that they may raise standards significantly for food services; and

Be it further resolved that promotional materials be produced for the lobby campaign; and

Be it further resolved that the necessary funds be allocated to implement this lobby campaign; and

Be it further resolved that the lobby campaign advocate for sustainable food services.

**2008/05:N25      MOTION**

Whereas education is an inherent right guaranteed to Aboriginal people through Treaties and the Canadian Constitution; and

Whereas Status First Nations and Inuit people are funded to pursue post-secondary education through a program called the Post-Secondary Student Support Program (PSSSP); and

Whereas funding to the PSSSP was frozen in the mid-1990s; and

Whereas funding increases to the PSSSP have been capped at 2 percent annually despite massive population growth within Aboriginal communities; and

Whereas the Assembly of First Nations estimates that in the last six years, over 13,000 eligible students have been denied funding to pursue post-secondary education due to funding shortfalls; and

Whereas at the National Aboriginal Caucus general meeting, delegates resolved to adopt a campaign to pressure the federal government to lift the cap on spending for the PSSSP and to substantially increase funding available for Aboriginal students; therefore

Be it resolved that member locals be encouraged to lobby Members of Parliament to increase funding for the Post-Secondary Student Support Program; and

Be it further resolved that member locals be encouraged to lobby provincial government officials to pressure the federal government to increase funding to the Post-Secondary Student Support Program; and

Be it further resolved that member locals be encouraged to adopt an awareness campaign at their campuses about inadequate funding for the Post-Secondary Student Support Program.

**2008/05:N26      MOTION**

Whereas the Federation adopted the *Stolen Sisters* campaign in support of ending violence against Aboriginal women; and

Whereas the *Stolen Sisters* campaign raises awareness about missing and murdered Aboriginal women, and the need to bring their perpetrators to justice; and

Whereas the number of cases of missing and murdered Aboriginal women continues to rise; therefore

Be it resolved that member locals be encouraged to adopt the *Stolen Sisters* campaign at their campuses; and

Be it further resolved that member locals be encouraged to write letters to local police forces, provincial government officials, and Members of Parliament urging them to take action to stop violence against Aboriginal women and to bring perpetrators to justice.

**5.      OTHER BUSINESS**

**6.      ADJOURNMENT**





# Tuition and Ancillary Fees

## Background

The Federation has garnered widespread public support for affordable tuition fees. Polling consistently shows that an overwhelming majority of Canadians favour freezing or reducing tuition fees.

In the last decade, every province has frozen tuition fees for a period of time. Currently, tuition fees are frozen in Saskatchewan, Manitoba, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland & Labrador. The challenge for the Federation is to maintain the momentum towards lower tuition fees in provinces in which freezes and reductions have been established and to create pressure on other provincial governments to reverse recent increases.

Despite progress on tuition fee regulation, many universities and colleges have moved to circumvent government policy by increasing fees for certain campus services. These ancillary fees are often subject to less regulation than tuition fees, and represent a critical issue facing students.

In most provinces, international students have been the target of the largest fee increases. Tuition fees for international students now average \$13,985 per year, approximately three times the amount charged to Canadian students.

## Policy Proposals

The Federation's proposals include, but are not limited to:

- The progressive reduction of tuition and ancillary fees at public post-secondary institutions across the country;

## Campaign Goal

The Federation seeks to eliminate financial barriers to post-secondary education.

- The elimination of differential fees for international students; and
- The elimination of all undemocratically imposed ancillary fees.

## Implementation

**Research:** The Federation will continue to assemble research demonstrating the negative impacts of financial barriers on access to post-secondary education. Information will be collected describing alternative systems of post-secondary education in countries where no tuition fees exist. In particular, the Federation will rebut the research disseminated by proponents of higher tuition fees such as the Millennium Scholarship Foundation and the Educational Policy Institute.

**Government Relations:** The Federation will continue to lobby for the restoration of federal transfer payments for post-secondary education in meetings with federal officials. The positive benefits of coupling federal reinvestment with legislation that calls for the reduction of tuition fees will be articulated to federal and provincial governments. The Federation will advocate for the elimination of differential fees for international students.

**National Awareness and Media:** The Federation will develop and implement a communications plan that illustrates the need for a national strategy for tuition fee reductions. The

Federation will also continue to expose the regional and provincial disparities in accessibility across the country.

The Federation will continue to highlight models of universally accessible post-secondary education from other countries, such as Ireland and Scotland.

**Membership Mobilisation:** The Federation will support regional student mobilisations which seek to freeze, reduce, or eliminate tuition fees.

**Coalition Work:** Member locals will be encouraged to solicit support for tuition fee reductions through the continued development of local coalitions. Special effort will be undertaken to seek the support of professional associations.

# Environmental Sustainability

## Campaign Goal

The Federation seeks economically and environmentally sustainable campuses and communities.

with sustainability initiatives; and pressure the federal government to do the same.

**Government Relations:** The Federation will work with the Sierra Youth Coalition to lobby the federal government.

## Background

In recent years, the true impact of human activity on climate change has become more clear. Accordingly, environmental sustainability has become a top priority for Canadians, and polls reveal that Canadians have high expectations for government action.

As with the peace and civil rights movements, students have played a critical role in the environmental movement for decades. Through organisations such as the Sierra Youth Coalition, students are mobilising across Canada to put climate change and other environmental issues on the political radar.

Government under-funding of universities and colleges has contributed to ecologically harmful practices on campus, including the privatisation of food services and research, and the commercialisation of public spaces.

December 2007 marked the 10<sup>th</sup> anniversary of the Kyoto Protocol. Although Canada committed to reducing its emissions by 6% by 2007, greenhouse gas emissions have actually increased by 25%.

At the United Nations Climate Change Conference in Bali in 2007, Canada's negotiator, Pierre-Marc Johnson, admitted that Canada lacks credibility on climate change.

## Policy Proposals

The Federation's proposals include, but are not limited to:

- Increase federal funding for public transit to improve accessibility and service;
- Meet Kyoto Protocol commitments and re-establish Canada as an international leader in climate negotiations;
- Adopt official sustainability standards for all new public buildings and upgrading the energy efficiency of existing public buildings, including universities and colleges;
- Adopt strong industry standards for energy conservation and renewable energy;
- Commit to funding sustainable initiatives on university and college campuses.

Member locals will be encouraged to lobby provincial governments for provincial sustainability standards for all public institutions, as well as increased funding for campus sustainability initiatives.

**Membership Mobilisation:** A sustainable living guide, outlining concrete ways students can take action in their lives and on their campuses, will be developed and distributed to member locals in fall 2008. A short guide to "greening" students' union activities will also be distributed in fall 2008.

**Coalition Work:** The Federation will partner with environmental organisations to implement the campus tour. Member locals will be encouraged to work with local environmental groups on campus and in the community.

## Implementation

**Research:** The Federation will research and compile information on successful sustainability initiatives on campuses across Canada and internationally. Research will also be compiled on the government's environmental record.

**National Awareness and Media:** The Federation will coordinate a national campus tour in fall 2008 that will highlight the actions students are taking in support of the environment; encourage students to get involved

# Student Financial Assistance

## Background: Grants NOT Loans

In Canada, more than half of all post-secondary students require some form of financial assistance. Three-quarters of those receiving student loans believe they would be unable to participate in higher education without this assistance. A national system of student grants would reduce daunting levels of student debt and improve access to universities and colleges.

In 1998, the federal government belatedly acknowledged the student debt crisis by creating the Millennium Scholarship Foundation (MSF). The Foundation was endowed with \$2.5 billion to disburse by 2008.

Regrettably, the Foundation has proven to be little more than a public relations stunt and failed to provide the financial support originally promised. Worse yet, the Foundation began to use student scholarship money to finance "research" projects that downplayed the effects of higher tuition fees and higher student debt on access to post-secondary education.

As a result of the MSF's politicised research projects and failure to provide student financial assistance, the Federation adopted a campaign to lobby for the MSF to be replaced with a national system of student grants.

In the 2008 federal budget, the government announced that the MSF will be replaced with a national system of means-tested grants to be administered by Human Resources and Skills Development starting in fall 2009.

## Policy Proposals

The Federation's proposals include, but are not limited to:

## Campaign Goal

The Federation seeks to increase access to post-secondary education and reduce student debt.

- **Grants:** The federal government should consider terminating education-related tax credits and use the savings to augment the national system of grants.
- **Integration:** The Canada Student Loans Program should make further integration with provincial loans programs a top priority. The new disbursement of grants and the simplification of borrower interaction with the Program both rely on a seamless collaboration between federal and provincial loan administrations.
- **Ombudsperson:** Students need an independent office for dispute resolution and complaints investigation. The staggering levels of debt carried by many former students makes service errors a very serious, often life altering, experience.
- **Interest rates:** Compound interest charges, even at current "subsidized" levels, penalize low-income earners. The federal government should eliminate interest on student loans and recognise that reducing student debt also reduces the cost of government borrowing.
- **Part-time students:** The federal government should study the options for giving part-time students—many of whom have family responsibilities that prevent full-time study—equal access to

the Canada Student Loans Program and the Canada Student Grants Program.

- **Debt Reduction:** Under the current Debt Reduction in Repayment (DRR) model, desperate borrowers have to meet very strict eligibility requirements to qualify. The federal government should relax the eligibility for DRR and implement a sliding scale for which a borrower's debt-to-income ratio is relative to the resulting debt reduction. High debt-to-income ratio applicants would receive a larger debt reduction versus those who have lower debt-to-income ratios.

## Implementation

**Research:** The Federation will continue to undertake research on the detrimental effects of student debt on access to public post-secondary education, as well as on the economic and social consequences of indebting post-secondary graduates.

The Federation will also collect research on the strengths and weaknesses of the Canada Student Grants Program.

**Government Relations:** The Federation will coordinate an intensive lobbying session in fall 2008, to lobby federal decision-makers to increase grants that are available to students. Member locals will be encouraged to meet with their local Members of Parliament to discuss access and student debt.

### Student Financial Assistance (cont'd)

**National Awareness and Media:** The Federation will develop a centrally coordinated communications strategy that calls public attention to the impact of high tuition fees on access to post-secondary education. Member locals will be provided with template news releases and sample opinion pieces for submission to campus and local newspapers.

**Membership Mobilisation:** The Federation will prepare and assist member locals with the implementation of a comprehensive membership awareness strategy. The strategy will include the development of materials for distribution on campuses. Member locals will be encouraged to distribute materials at various events including welcome weeks and public forums.

**Coalition Work:** The Federation will continue to build widespread awareness and support among like-minded organisations about the need to shift more federal aid from loans to grants.

#### **Background: Income Contingent Loans**

In 1955, the late U.S. economist Milton Friedman devised Income Contingent Student Loan Repayment (ICR) schemes as a way of reducing the role of the state in financing education. Instead of public funding, Friedman proposed that tuition fees be full cost recovery. In order for students to pay for these vastly higher tuition fees, he proposed that they have access to larger loans and that repayment be based on an individual's level of income after graduation (i.e. income contingent).

Under an ICR scheme, graduates with lower earnings repay their loans over a longer period of time, while

high-income graduates can pay off their loans more quickly, avoiding or reducing the amount of compound interest paid. Conversely, the less one earns after graduation, the more one pays for education, thus compounding systemic economic inequalities in society.

Where ICR schemes have been implemented in other countries, tuition fees have risen dramatically. In fact, ICR schemes facilitate fee hikes and hasten government under-funding of education. Most models also replace loan plans that are interest-free during the period of study (such as the CSLP) with loans that accrue interest from the moment they are disbursed.

Proponents of such an elitist model of education include former Ontario Premier Bob Rae and the editorial board of the *Globe and Mail* newspaper. Their vision of ICR flows directly from Friedman's founding premise that the individual should be responsible for all or most of the cost of post-secondary education.

The Conservative Party of Canada has long supported Income Contingent Repayment schemes for the Canada Student Loans Program (CSLP). However, during the 2006 federal election campaign, the Conservatives reversed their position at the urging of students. In a letter to the Federation, a party representative confirmed that, if elected, "the Conservative Party of Canada will not introduce a system of Income Contingent Repayment Loans".

#### **Implementation**

**Research:** The Federation will continue to monitor the effects of ICR schemes in those jurisdictions outside of Canada where they have been implemented.

**Government Relations:** The Federation will continue to lobby the federal government to expressly exclude ICR schemes from the CSLP. The Federation will also campaign to ensure that ICR schemes are not introduced in provincial budgets or in federal-provincial student loan harmonisation agreements.

**National Awareness and Media:** The Federation will continue to raise awareness among the membership and the public about the dangers of ICR schemes through the distribution of the ICR factsheet and other research documents to member locals, coalition partners, the media, and government officials.

# Federal Funding

## Background

For more than two decades, the Federation has called for the establishment of a national vision for post-secondary education and research.

After the introduction of the Canada Health and Social Transfer in 1996, accountability and transparency for federal post-secondary education transfers diminished. The situation did not improve with the creation of the Canada Social Transfer in 2004.

During the 2006 federal election campaign, Stephen Harper promised to create a dedicated transfer payment for post-secondary education. In February 2006, a summit on post-secondary education and research organised by Canada's premiers called for the reinvestment of the \$4 billion that has been cut from annual federal transfers to the provinces for post-secondary education and research since 1993.

The 2007 federal budget restored \$800 million in an "earmarked" federal transfer for post-secondary education. Although earmarking the funding increases transparency somewhat, the lack of guidelines for how the funding was to be spent provincially is a serious concern.

The federal government also has the constitutional responsibility to provide resources for Aboriginal students to pursue a post-secondary education. Funding is provided through Indian and Northern Affairs Post-Secondary Education Program, the increases to which have been capped at 2% per annum since 1996.

In February 2007, MP Denise Savoie (Victoria) introduced a private members' bill for a Canada Post-Secondary Education Act modeled, in part, after a proposal developed

## Campaign Goal

The Federation seeks a federal framework that ensures high-quality, universally accessible public post-secondary education.

by the Federation and the Canadian Association of University Teachers (CAUT). The bill is pending second reading in the House of Commons.

## Policy Proposals

The Federation's proposals include, but are not limited to:

- Restoration of federal funding for post-secondary education to 0.5% of Gross Domestic Product (an increase of approximately \$2.5 billion per year);
- Increased funding to the Post-Secondary Education Program to provide adequate funding to every eligible student;
- A dedicated federal cash transfer payment for post-secondary education;
- A federal Ministry of Post-Secondary Education and Research; and
- A Post-Secondary Education Act that establishes guidelines for quality and accessibility in post-secondary education and research that includes recognition of the needs of Québec and Aboriginal students.

## Implementation

**Research:** The Federation will research similar post-secondary education system structures and legislation in other countries and develop policy proposals.

**Government Relations:** The Federation will work with the Canadian Association of University Teachers to garner support among all parties for MP Savoie's private member's bill.

**National Awareness and Media:** The Federation will implement a communications strategy drawing public attention to the impact of federal under-funding on the accessibility and quality of Canada's universities and colleges. The strategy will focus attention on Prime Minister Harper's promise to create a dedicated transfer payment for post-secondary education.

**Membership Mobilisation:** The Federation will coordinate a national letter-writing campaign calling on Members of Parliament to increase federal funding for post-secondary education and establish a Post-Secondary Education Act.

# Vote Education

## Campaign Goal

The Federation seeks to:

- Make post-secondary education a prominent issue during the next federal general election;
- Educate voters about where the parties stand on issues that are important to students;
- Increase student and youth voter turn-out.

## Background

For years the Federation has conducted an intensive "Vote Education" campaign to both increase the number of students that vote and raise the profile of student issues during federal and provincial elections.

In the 2006 federal election, federal parties made substantial commitments to post-secondary education in their platforms, and the Federation was successful in getting a commitment from the Conservative Party to reject Income contingent repayment.

A minority government in Ottawa results in constant election speculation, and it is likely that there will be a federal election later this year or early in 2009.

## Implementation

**Research:** The Federation will produce a detailed analysis of the platform and legislative record of each major federal party.

**Government Relations:** The Federation will continue to meet with the leaders, central campaigners, and platform development teams for each major federal party leading up to and throughout the campaign period.

The Federation will continue to meet with Elections Canada officials to ensure that students can exercise their right to vote. Member locals will work with local returning offices to tailor outreach strategies and address concerns on an ongoing basis.

**Membership Mobilisation:** The Federation will run an intensive voter registration campaign on campuses

across the country and hold events to promote advance polls and Election Day polls on campus.

**National Awareness and Media:** The Federation will undertake an intensive media campaign to attract coverage of student issues and mobilising.

**Coalition Work:** The Federation will continue to strengthen relationships with organisations representing college and university staff and faculty, community organisations, as well as parents' and high school students' organisations.

# Privatisation/Corporatisation

## Background

Federal funding cuts over the past twenty years have starved post-secondary institutions, paving the way to increased reliance on private sector funding. Private sector involvement in public education manifests itself in corporate funding for university capital projects, interference in course curricula and research projects, and corporate-style governance of universities and colleges. Many campus services are being out-sourced to private corporations with a greater interest profits than supporting the campus community and workers' rights.

In university research policy, the federal government has implemented an aggressive commercialisation agenda. In order to qualify for most new federal university research funding, matching private sponsorship or demonstrated commercial potential are required. Such requirements severely inhibit universities' ability to perform independent research in the public interest.

Public post-secondary education is also under pressure from the creeping privatisation inherent in trade liberalisation. International free trade agreements like the General Agreement on Trade in Services (GATS) have one purpose: to expose public services to market forces. As a public service, post-secondary education is vulnerable to privatisation.

## Policy Proposals

The Federation's proposals include, but are not limited to:

- Increase core funding for public post-secondary education;
- Increase funding to the tri-councils with no requirement for matched private funding;

## Campaign Goal

The Federation seeks high-quality public post-secondary education that is free from corporate interference.

- Legislate whistleblower protection for university researchers; and
- Exclude post-secondary education and other public services from trade negotiations/agreements.

**Coalition Work:** The Federation will continue to build widespread awareness and support among like-minded organisations about how privatisation, commercialisation, and the GATS threaten public education.

## Implementation

**Government Relations:** The Federation will continue to lobby the federal government for increased public funding for the national research granting councils that is free of requirements for matched funding from the private sector.

The Federation will also lobby the federal government to refrain from negotiating education and other public services into the GATS.

**National Awareness and Media:** The Federation will publicise the dangers of privatisation and commercialisation in public post-secondary education. When cases of corporate interference or academic misconduct arise, the Federation will support, where feasible, cases with national significance.

**Membership Mobilisation:** Member locals are encouraged to continue to gather information about examples of privatisation and commercialisation on campus.

Member locals are also encouraged to promote an environment where researchers who feel their academic work is compromised by private interests can speak out without fear of retribution.





# 53<sup>rd</sup> Semi-Annual General Meeting Assemblée générale semestrielle

May 22 to 25, 2008 • du 22 mai au 25 mai 2008 • Ottawa, Ontario

## AGENDA

### Provincial Component Meetings

#### May 2008 National General Meeting

---

#### 1. PREPARATION FOR COMPONENT DELIBERATIONS

- a. Roundtable Introductions
- b. Review of the Component Agenda

#### 2. PREPARATION FOR SUBCOMMITTEES

- a. Overview of Subcommittees
- b. Overview of Selection Process
- c. Subcommittees Section Process

Standing Resolution 1, Section 2, *Committee Composition* states that:

"Each caucus, constituency group and provincial component shall have the right to select one voting member to sit on each standing general meeting committee."

The Component will select representatives for each of the following plenary sub-committees:

- Budget Committee;
- Organisational and Services Development Committee; and
- Policy Review and Development Committee.

#### 3. REVIEW OF MOTIONS FOR CONSIDERATION

The Component will review the motions that were submitted with notice for consideration at the May 2008 national general meeting and develop recommendations for the motions.

#### 4. REVIEW OF MEETING LOGISTICS

Any questions or concerns about meeting logistics should be addressed at this time. Meeting coordinators will provide an overview of the transportation schedule from the meeting site to the airport.

#### 5. OTHER BUSINESS

#### 6. ADJOURNMENT



# 53<sup>rd</sup>

# Semi-Annual General Meeting Assemblée générale semestrielle

May 22 to 25, 2008 • du 22 mai au 25 mai 2008 • Ottawa, Ontario

## AGENDA

National Aboriginal Caucus  
May 2008 National General Meeting

### 1. ATTENDANCE AND INTRODUCTIONS

Welcoming remarks will be provided and delegates will have an opportunity to introduce themselves.

### 2. ADOPTION OF THE AGENDA

### 3. REVIEW OF CAUCUS TERMS OF REFERENCE

The Caucus will review Standing Resolution 18.2.

### 4. ADOPTION OF THE MINUTES

Delegates will consider the minutes of the previous meeting of the Caucus.

### 5. SELECTION OF REPRESENTATIVES TO SERVE ON PLENARY SUB-COMMITTEES

Standing Resolution 1, Section 2, *Committee Composition* states that:

"Each caucus, constituency group and provincial component shall have the right to select one voting member to sit on each standing general meeting committee."

The Caucus will select representatives for each of the following plenary sub-committees:

- Budget Committee;
- Organisational and Services Development Committee; and
- Policy Review and Development Committee.

### 6. REVIEW OF MOTIONS FOR CONSIDERATION

The Caucus will review the motions that were served with notice for consideration at the May 2008 national general meeting.

### 7. ROUNDTABLE DISCUSSION

Delegates will provide an update on activities at their respective locals.

### 8. EXECUTIVE REPORT

The Executive will present a report on work undertaken since the previous Caucus meeting. Delegates will have an opportunity to ask questions about the work of the Executive.

### 9. REVIEW OF CAUCUS CAMPAIGNS

The meeting will review the status of current and new campaigns including the *Where's the Justice?*, *Stolen Sisters*, and *Post-Secondary Student Support Program* campaigns. Delegates will also discuss preparation for the May 29, 2008 First Nations Day of Action.

### 10. OTHER BUSINESS

### 11. ADJOURNMENT



# 53<sup>rd</sup>

# Semi-Annual General Meeting Assemblée générale semestrielle

May 22 to 25, 2008 • du 22 mai au 25 mai 2008 • Ottawa, Ontario

## AGENDA

### National Graduate Caucus

May 2008 National General Meeting

#### SESSION 1 – Friday, May 23, 2008

##### 1. ROLL CALL OF MEMBER LOCAL ASSOCIATIONS

- Local 3 University of British Columbia Students' Union-Okanagan
- Local 23 Simon Fraser Student Society
- Local 89 University of Victoria Graduate Students' Society
- Local 21 University of Calgary Graduate Students' Association
- Local 9 University of Regina Students' Union
- Local 101 University of Saskatchewan Graduate Students' Association
- Local 96 University of Manitoba Graduate Students' Association
- Local 102 Brock University Graduate Students' Association
- Local 78 Carleton University Graduate Students' Association
- Local 62 University of Guelph Graduate Students' Association
- Local 32 Lakehead University Student Union
- Laurentian University Graduate Students' Association\*
- Local 39 McMaster University Graduate Students' Association
- Local 94 University of Ottawa Graduate Students' Association des étudiant-e-s diplômé-e-s
- Local 27 Queen's University Society of Graduate and Professional Students
- Local 24 Ryerson Students' Union
- Local 85 Saint Paul University Students' Association
- Local 19 University of Toronto Graduate Students' Union
- Trent Graduate Student Association\*
- Local 47 University of Western Ontario Society of Graduate Students
- Local 56 Wilfrid Laurier University Graduate Students' Association
- Local 48 University of Windsor Graduate Student Society
- Local 84 York University Graduate Students' Association
- Local 83 Concordia University Graduate Students' Association
- Local 79 Post-Graduate Students' Society of McGill University
- Local 67 University of New Brunswick Graduate Students' Association
- Local 70 University of Prince Edward Island Graduate Student Association
- Local 95 Cape Breton University Students' Union
- Dalhousie Association of Graduate Students\*
- Local 34 Mount Saint Vincent University Students' Union
- Local 100 Graduate Students' Union of the Memorial University of Newfoundland

\* Prospective members / membres éventuel

##### 2. ADOPTION OF THE AGENDA

Changes or additions to the agenda may be proposed at this time.

##### 3. WELCOMING REMARKS AND INTRODUCTIONS

##### 4. ADOPTION OF MINUTES FROM THE PREVIOUS MEETING

The meeting will consider the minutes of the previous meeting of the Caucus.

##### 5. SELECTION OF REPRESENTATIVES TO SERVE ON PLENARY SUB-COMMITTEES

Standing Resolution 1, Section 2, *Committee Composition* states that:

## **PAGE 2 — NATIONAL GRADUATE CAUCUS AGENDA**

53<sup>rd</sup> Semi-Annual National General Meeting of the Canadian Federation of Students  
Thursday, May 22 to Sunday, May 25, 2008

---

"Each caucus, constituency group and provincial component shall have the right to select one voting member to sit on each standing general meeting committee."

The Caucus will select representatives for each of the following plenary sub-committees:

- Budget Committee;
- Organisational and Services Development Committee; and
- Policy Review and Development Committee.

### **6. REVIEW OF MOTIONS FOR CONSIDERATION**

The Caucus will review the motions that have been submitted with due notice for consideration at the national general meeting.

## **SESSION 2 – Friday, May 23, 2008**

### **7. REPORT ON CAUCUS ACTIVITIES BY THE NATIONAL GRADUATE CAUCUS EXECUTIVE**

An overview of the work undertaken by the Caucus during the reporting period will be provided.

### **8. REVIEW OF CAUCUS FINANCES**

### **9. CAMPAIGNS AND GOVERNMENT RELATIONS DISCUSSION**

The meeting will discuss campaigns and government relations activities including:

- the campaign to expose the dangers of commercialisation of research;
- the campaign to maintain/restore post-residency fees;
- the campaign for whistleblower protection legislation; and
- the campaign for a balanced Copyright Act.

### **10. JUDICIAL REVIEW**

In response to the Federation's request for a judicial review of NSERC's decision not to investigate allegations of research misconduct in Warton, Ontario, a judge ruled that NSERC was under no obligation to enforce an investigation, confirming that minimal oversight exists for research integrity in Canada. Delegates will discuss the implications of this ruling and the next steps for the Caucus' campaign for whistleblower protection.

### **11. UPDATE FROM PLENARY SUB-COMMITTEES**

Caucus representatives on each plenary sub-committee will report on the deliberations of the sub-committees.

## **SESSION 3 – Sunday, May 25, 2008**

### **12. CAUCUS ELECTION**

At this time, an election will be held for the Graduate Students' Representative on the National Executive.

### **13. UPDATE FROM PLENARY SUB-COMMITTEES**

Caucus representatives on each plenary sub-committee will report on the deliberations of the sub-committees.

### **14. ROUNDTABLE DISCUSSION**

Caucus members will provide a local by local update on the status of implementation of Federation campaigns and services.

### **15. ADJOURNMENT**

# 53<sup>rd</sup> e

# Semi-Annual General Meeting Assemblée générale semestrielle

May 22 to 25, 2008 • du 22 mai au 25 mai 2008 • Ottawa, Ontario

## AGENDA

Caucuses: Colleges and Institutes, Large Institutes, and Small Universities  
May 2008 National General Meeting

### 1. INTRODUCTIONS and OVERVIEW OF CAUCUS MEETING

- a. Roundtable Introductions
- b. Review of the Caucus Agenda
- c. Review of the Caucus Terms of Reference

### 2. SELECTION OF REPRESENTATIVES TO SERVE ON PLENARY SUB-COMMITTEES

Standing Resolution 1, Section 2, *Committee Composition* states that:

"Each caucus, constituency group and provincial component shall have the right to select one voting member to sit on each standing general meeting committee."

The Caucus will select representatives for each of the following plenary sub-committees:

- Budget Committee;
- Organisational and Services Development Committee; and
- Policy Review and Development Committee.

### 3. REVIEW OF MOTIONS FOR CONSIDERATION

The Caucus will review the motions that were served with notice for consideration at the general meeting for the purpose of giving general direction to the Caucus' representatives on the committees.

### 4. OTHER BUSINESS

### 5. ADJOURNMENT





# 53<sup>rd</sup> e

# Semi-Annual General Meeting Assemblée générale semestrielle

May 22 to 25, 2008 • du 22 mai au 25 mai 2008 • Ottawa, Ontario

## AGENDA

### Constituency Groups

### May 2008 National General Meeting

---

#### 1. INTRODUCTIONS and OVERVIEW OF CONSTITUENCY GROUP MEETINGS

- a. Roundtable Introductions
- b. Review of the Constituency Group Agenda
- c. Review of the Constituency Group Terms of Reference

#### 2. SELECTION OF REPRESENTATIVES TO SERVE ON PLENARY SUB-COMMITTEES

Standing Resolution 1, Section 2, *Committee Composition* states that:

"Each caucus, constituency group and provincial component shall have the right to select one voting member to sit on each standing general meeting committee."

The Constituency Group will select representatives for each of the following plenary sub-committees:

- Budget Committee;
- Organisational and Services Development Committee; and
- Policy Review and Development Committee.

#### 3. REVIEW OF MOTIONS FOR CONSIDERATION

The Constituency Group will review the motions that were served with notice for consideration at the general meeting for the purpose of giving general direction to the Group's representatives on the committees.

#### 4. OTHER BUSINESS

#### 5. ADJOURNMENT





# 2008 Federal Budget Analysis

## General Overview

The largest federal expenditures made since Prime Minister Stephen Harper took office are on tax cuts and national debt reduction (not to be confused with student debt reduction). Budget 2008 forecasts the following:

- \$23.9 billion in tax cuts (2007/08 to 2009/10)
- \$13.8 billion in debt reduction
- \$5.4 billion in new spending

Most tax measures announced in the 2008 federal budget, such as the new Tax Free Savings Account, will provide little or no benefit to students.

It is also noteworthy that significant funds used in new spending come from cuts to programs initiated in the previous two years.

The budget can be downloaded from [www.budget.gc.ca](http://www.budget.gc.ca)

## Canada Student Grant Program

The 2008 federal budget marked a critical victory for the Federation's "Grants NOT Loans" campaign.

In 2009, the Millennium Scholarship Foundation will wind down and be replaced with a national system of student grants.

Although occasionally portrayed as a national program, the Foundation could be better described as a third-party that transferred sums to provincial governments that, in some cases, were used on financial aid. The distinction between that model and a government-run program that (1) reports to Parliament, (2) is subject to federal transparency standards, and (3) can be reviewed and improved with input from students and the public, can not be exaggerated.

Slated to begin at \$350 million and increase to over \$430 million by 2012, the "Canada Student Grant Program" will be means-tested and reach approximately 245,000 students. Grant disbursements will be \$250 per month (or \$2,000 for an eight-month academic year) for low-income students and \$100 per month (or \$800) for middle-income students.

As recommended by the Federation, the Department of Human Resources and Skills Development will administer the CSGP.

On budget day, Department of Finance officials admitted that there are still several details to be settled before its implementation, and the Minister of Human Resources and Skills Development has pledged to work with the Canadian Federation of Students to maximize the new grant's effectiveness.

The budget makes reference to "consolidating" \$138 million in existing grants (in addition to the \$350 million). This likely includes the Canada Access Grant and the Canada Study Grant. Although the Canada Student Grant Program renders the Access Grant redundant, the Study Grants primarily serve student populations with high financial need, such as students with disabilities and students with dependants. The Federation will seek clarification as to how this "consolidation" will take place and its impact on students.

## Graduate Students

Graduate students figured prominently again in the federal budget.

Last year's budget added 1,000 new Canada Graduate Scholarships. The 2008 budget focuses on research "excellence". To accomplish this goal, the budget creates 500 new Canada Graduate Scholarships to be awarded to eligible PhD students from Canada or beyond. It is not clear how this crop of scholarship recipients will be more excellent than previous recipients.

The 2008 budget allocates top-up funding for existing Canada Graduate Scholarship holders to study for one semester in another country. 250 recipients will receive up to \$6,000 to be excellent abroad.

## University Research

The 2008 federal budget offers very little for basic research. Instead, the Conservative government continues to fund a narrow range of research pursuits.

In keeping with the excellence agenda mentioned above, the budget also creates "Global Excellence" Research

Chairs in the following targeted areas: the environment, natural resources and energy, health, and information and communication technologies.

The granting councils received an additional \$80 million annually: \$34 million for the Canada Institutes for Health Research, \$34 million for the Natural Sciences and Engineering Research Council, and \$12 million for the Social Sciences. All of the new funding is for projects in a narrow range of fields, such as the automotive industry or food and drug safety.

The budget increases the annual funding for the so-called indirect costs of research by \$15 million bringing the total to \$330 million per year.

## Student Loan Repayment

### Interest Rates Maintained at Prime + 2.5%

Despite widespread speculation in advance, Budget 2008 does not reduce the Canada Student Loan interest rate.

When students graduate and consolidate their loans and begin repayment, they are given two options for the rate of interest to pay. The more common selection is a "floating" rate that changes with the government's prime lending rate. The actual rate that students pay under this option is prime plus 2.5%. Currently, the prime rate is 5.75%, so the floating rate is 8.25%. The prime rate has recently been as low as 3.75% in summer 2004 (the impact of various changes in interest rates are summarized in Table 1).

It is estimated that the Government of Canada collects over \$315 million in interest payments each year, a number growing as national student debt worsens. In *Strategy for Change: Money does matter*, the Federation called for a reduced interest rate on Canada Student Loans.

Table 1: Amounts paid in compound interest on a ten-year repayment term with a \$25,000 student debt

Interest rate	Interest Paid	Total Amt.	Difference vs. 8.25%
8.25%	\$11,796	\$36,796	n/a
7.25%	\$10,220	\$35,220	\$1,575
6.25%	\$8,684	\$33,684	\$3,112
5.75% (prime)	\$7,931	\$32,931	\$3,865

## Interest Relief "Modernization"

The federal budget allocates \$45 million beginning in 2009 to "modernize" the Canada Student Loan Program. Although short on details, the budget pledges updates to online service delivery, parental contribution thresholds, and repayment assistance. The reference to repayment assistance may signal a move towards a revised Interest Relief program being widely discussed in the Department of Human Resources and Skills Development and may include a sliding eligibility scale, providing more assistance as a graduate's debt-to-income ratio increases. Such criteria is already in place in Nova Scotia (the "Repayment Assistance Program").

## Aboriginal Students

The 2008 federal budget makes no new commitments for the Post-Secondary Student Support Program, the most important funding vehicle for Aboriginal post-secondary students.

The budget allocates \$70 million to support the work of "willing" First Nations and provinces to establish benchmarks and goals for education.

## Core Funding

This is the third budget for the Conservatives since they took office in January 2006. Although there was a substantial increase to funding for post-secondary education through the Canada Social Transfer in the 2007 federal budget, Stephen Harper has yet to make good on his 2006 election promise to create a dedicated transfer payment for post-secondary education.

## Conclusion

For students, this budget will very likely be remembered for the introduction of Canada Student Grants Program. Although many details of program design are unknown at this point, it is clear that there is significant room for improvement on assistance levels and the consideration of students from certain marginalized communities. However, arguably the most important structural change has been accomplished, and Canadian students now have an accountable national system of grants that can be developed by government in the coming years.

# Copyright for the Public Interest

## Overview

In 2000 the federal government commenced a formal review of Canada's Copyright Act, primarily for the purpose of addressing the impact of digital technology on access to information.

Since then, the content industry (movie, publishing, music, and software companies), has exerted significant pressure on the federal government to pass legislation that significantly restricts Internet access to copyrighted materials. In particular, the Canadian Recording Industry Association has aggressively argued that the Act needs to be amended to impose major restrictions on file sharing to protect the artists' interests. (This position is not supported by many Canadian musicians who are concerned that such restrictions would criminalise their fans and ignore the rights of the Canadian public.)

Such a change in the law would have significant and far-reaching implications for public education in Canada. Restrictive amendments would negatively affect education by imposing new fees on educational institutions and infringing on privacy and user rights legislated in the existing Act.

## What is the Copyright Act?

Canada's Copyright Act exists to encourage the creation of artistic and literary works, as well as authorial works, such as books, music, and software by providing certain rights to authors over how their works are used. One of the most important of these is the right to control the copying of a work. Copyright also protects the "moral rights" of creators by prohibiting users from defacing their works.

At the same time, the Act ensures public rights of access and use. The Act strives to do this by balancing the interests of owners and users of copyrighted material. The Act provides rights for users, including limited rights to make copies without permission through exceptions, including "fair dealing". As such, a core principle of copyright is that knowledge must be shared to encourage creativity. A 2004 Supreme Court of Canada ruling<sup>1</sup> confirmed that the purpose of the Copyright Act is to serve the public interest by encouraging both the creation and use of works.

## Current Context: Responding to the Digital Revolution

The Internet increases democratic engagement on a global scale, by providing access to information from government, organisations, scholars, educational institutions, and individuals. Students, researchers, artists, and instructors increasingly use online media to gather, store, and share information, and audio and visual works.

The copyright debate has also shifted towards the profitability of the content industry as publishing and entertainment companies amalgamate into more powerful corporations. These corporations have been heavily involved in creating the perception of the Internet as a commercial space that should be regulated as such. The campaign led by the publishing and entertainment industry has resulted in a strong focus in draft legislation on developing law to manage music file sharing, but would have the effect of restricting other public use of the Internet.

## The Main Issues

### Fair Dealing

The existing Copyright Act includes a "fair dealing" provision that allows for single copies to be made of portions of works for narrow categories of use, including for "research and private study".

Although Canada's fair dealing provision recognises the need to make copyrighted works available to encourage reasonable access for educational purposes, it is inferior to those of many other nations with more extensive provisions for educational use. Unlike the American "fair use" clause, the Canadian provision does not even include the right to make multiple reproductions for classroom use.

### Technological Protection Measures (TPMs):

#### Restricting access and users' rights

Technological Protection Measures (TPMs) are methods of encrypting digital media to restrict access to it, either by preventing it from being copied or limiting its availability.

A TPM acts as a digital lock. By restricting access to digital works, TPMs prevent fair dealing. For example,

**"The fair dealing exception, like other exceptions in the Copyright Act, is a user's right. In order to maintain the proper balance between the rights of a copyright owner and users' interests, it must not be interpreted restrictively."**

Supreme Court of Canada ruling from *CCH v. LSUC* (SCC 2004)

**"Legislative proposals that would facilitate lawsuits against our fans or increase the labels' control over the enjoyment of music are made not in our names, but on behalf of the labels' foreign parent companies."**

Canadian Music Creators Coalition

even though fair dealing allows for the use of quotations of works, TPMs would restrict students from using digital quotes in a Powerpoint presentation or other multi-media project.

TPMs also threaten privacy rights by giving the copyright owner the ability to monitor all uses of their works by installing spyware on a user's computer.

In January 2007, electronics corporate giant Sony was forced to settle in a legal case in the United States after using a copy-protection TPM on CDs, that installed a "rootkit"—a software program on an individual's computer used to monitor usage. In addition to infringing on privacy, the computers on which it was secretly installed became more susceptible to viruses and hacking. Sony was liable for damages for using the rootkit and agreed to restrict the use of TPMs in the future. The case illustrates the need for the Canadian government to place severe restrictions on the use of TPMs.

### **Internet Licensing**

Educational institutions are already paying millions of dollars in copyright licensing fees. Internet licensing would impose additional costs, and likely force Internet service providers to monitor Internet use. Since almost all content that is on the Internet is there because it has been made "publicly available", imposing new fees could require universities and colleges to pay for materials that were intended to be freely shared.

New and complicated exceptions through Internet licensing have been proposed as an alternative for educational institutions; however, expanding rights for users through fair dealing would be the most straightforward way to protect the rights of users.

### **Internet Service Provider Liability**

An amended Copyright Act will likely clarify the role of Internet Service Providers (ISPs) in monitoring online activities.

The "notice and takedown" model, used in the USA, requires ISPs to police Internet users and allows ISPs to remove any content or entire websites when the ISP receives notice of alleged infringement. This model has proved problematic. Thousands of

websites have been taken down on the basis of unproven accusations that the content violated copyright. It has also been used as a tool in the USA to impinge on free speech and facilitate censorship. For example, the Church of Scientology has instigated the removal of web sites critical of its activities.

In Europe, a "notice and notice" monitoring system, under which the ISP would merely notify clients suspected of infringing activities and request that they voluntarily remove material in question, is more commonly utilized.

### **The Big Picture**

Copyright is intended to protect the rights of creators without stifling the use of works. Access to materials is imperative for students, scholars, researchers, artists, and the general public, but the current Copyright Act does not do enough to clarify reasonable access for educational use of digital materials. Instead of taking measures to ensure reasonable access to digital materials, the federal government appears poised to restrict access to public materials with new Copyright Act amendments. Extending "fair dealing" to come in line with the USA interpretation would significantly improve access to documents for educational purposes.

An overly restrictive Copyright Act, as advocated by the recording and publishing industry, is bad public policy. Whereas all creators build on the past work of others, overly restrictive copyright strangles the development of new ideas, thereby discouraging social, cultural, and economic growth.

### **Further Information**

Canadian Internet Policy & Public Interest Clinic: [www.cippic.ca](http://www.cippic.ca)

Digital Copyright Forum: [www.digital-copyright.ca](http://www.digital-copyright.ca)

Faircopyright.ca: [www.faircopyright.ca](http://www.faircopyright.ca)

### **Endnotes**

1. *Law Society of Upper Canada v. CCH Limited*, [2004] S.C.J. No.12, (2004) 236 D.L.R. (4th) 395.

# Tuition Fees for International Graduate Students

## Introduction

Although all students in Canada have faced dramatic fee increases over the last decade, tuition fees for international students have become particularly burdensome in recent years. In fall 2007, average tuition fees for international students reached \$13,985—more than three times the already high fees paid by Canadian citizens. At some universities, international students pay up to \$20,000 per year in tuition fees, and this figure rises to over \$25,000 for some graduate programs, and a staggering \$40,000 per year for some professional programs such as medicine and law. High differential fees are an unfair burden and a barrier to post-secondary education for international students. Ultimately, such fees could threaten Canada's ability to attract and retain foreign scholars.

## The Root Cause: Government Underfunding

International students were not charged differential tuition fees prior to the late 1970s. During the negotiations of federal transfer payments to the provinces in 1976, the federal government suggested that introducing differential tuition fees was an acceptable way for the provinces to generate additional revenue at institutions. Over the next several years, many provincial governments responded by cutting or eliminating grants that had previously been provided to post-secondary institutions for the purpose of funding international students. By 1982, all provinces except British Columbia, Saskatchewan, Manitoba and Newfoundland were charging differential tuition fees. In Ontario, fees charged were as high as \$6,960.

Throughout the 1990s, tuition fees in Canada skyrocketed for both international students and Canadian citizens as federal and provincial governments cut funding for post-secondary education. Taking into account population growth and inflation, federal cash transfers to the provinces are 50% below 1993 levels. Cash-strapped university administrators have increasingly turned to tuition fees to cover operating expenses. In 1995, tuition fees accounted for only 21% of university revenues. By 2005, that figure had risen to over 30% in most provinces.

Governments and post-secondary institutions know that high tuition fees are unpopular with students and their families. However, because international students have little direct political influence in Canada, many provincial governments and institutional decision-makers see them as an easy target. In some provinces, governments have completely deregulated fees charged to international students so that universities are free to exploit them as a replacement for government funding. Differential tuition fees have thus become an important and politically convenient way of generating revenue for many post-secondary institutions in Canada.

## Differential Tuition Fees Across Canada

As shown in Table 1, tuition fees for international graduate students in 2007-2008 vary dramatically between provinces and institutions. Overall, tuition fees for international graduate students tend to be highest at some institutions in Ontario and the Maritimes, where twelve universities charged user fees of at least \$12,000 for the 2007-2008 academic year. At less than \$2,000, Newfoundland currently has the lowest tuition fees in Canada for international graduate students. Surprisingly, the institutions in British Columbia who gouge their undergraduate international students have relatively low tuition fees for international graduate students.

A similar phenomenon occurs at the University of Saskatchewan. In fall 2005, international undergraduate students at the University of Saskatchewan were saddled with a 38.4% fee increase, a un-subtle tactic used to circumvent the tuition fee freeze for domestic students in Saskatchewan. However, international graduate students were spared the hefty increase. Given the premium placed on importing great researchers, shielding international graduate students from the massive fee increase is an acknowledgement of the deterrent effects of high tuition fees.

## Differential Fees: Short-sighted and Unfair

### Access

High tuition fees have already put post-secondary education in Canada beyond the reach of many

**TABLE 1: Minimum tuition fees for international graduate students, 2007-2008**

University	Tuition Fees
Lakehead University	\$19,100
Cape Breton University	\$17,500
Ryerson University	\$14,456
Brock University	\$14,301
University of Ottawa	\$13,694
Dalhousie University	\$13,641
Mount Saint Vincent U.	\$12,910
St. Francis Xavier U.	\$12,895
McMaster University	\$12,525
Trent University	\$12,336
U. of Western Ontario	\$12,050
University of Toronto	\$11,233
University of Calgary	\$11,172
École Polytechnique	\$11,097
Concordia University	\$10,966
Université de Montréal	\$10,674
McGill University	\$10,673
Queens University	\$10,600
Nipissing University	\$10,500
Université Laval	\$9,863
University of Waterloo	\$9,792
University of Windsor	\$9,660
University of New Brunswick	\$9,624
Carleton University	\$8,726
Wilfrid Laurier University	\$8,693
Laurentian University	\$8,552
University of Manitoba	\$7,936
York University	\$7,515
U. of British Columbia	\$7,200
University of Alberta	\$6,889
University of Guelph	\$5,850
University of PEI	\$5,080
Simon Fraser University	\$4,514
Brandon University	\$4,170
University of Victoria	\$3,700
University of Regina	\$3,300
University of Northern BC	\$2,652
U. of Saskatchewan	\$2,000
Memorial University of NL	\$1,216

international students. Low- and middle-income students—and particularly students from developing countries—face tremendous obstacles in accessing post-secondary education, and in particular, graduate school in Canada. For example, average annual income in India is only about \$713, less than 6% of the average cost of tuition fees charged to international students in Canada. Continued increases could ultimately see access to Canadian universities and colleges choked off to all but the wealthiest international students and a limited number of poorer students lucky enough to receive full scholarships.

Until recently, the detrimental effects of high tuition fees were compounded by regulations that prevented international students from being employed off campus. However, the Canadian Federation of Students has successfully lobbied to have these restrictions eased. In April 2007, the federal government announced that international students can apply for off-campus work permits. Some of the support for relaxing the off-campus work regulations came from university and college presidents, some of whom may see the increased income for international students as an excuse to increase tuition fees.

## Diversity

International students enrich Canadian academic and social life in innumerable ways. Differential tuition fees are a threat to the intellectual, cultural, and social benefits that a diverse international student population adds to Canadian campuses. The presence of international students in this country also provides a foundation for strengthening relationships between Canada and other societies around the world.

## Canada's Immigration Needs

Charging differential tuition fees to international students is drastically out of step with the long-term needs of Canadian society. The federal government's 2002 innovation strategy papers, Knowledge Matters and Achieving Excellence, repeatedly emphasise Canada's need to attract skilled immigrants. In fact, by 2011

immigration will account for all new labour force growth in this country. According to the federal government's own research, immigrants who have previously worked or studied in Canada have the easiest time integrating into the Canadian workforce and prospering in Canadian society. Differential tuition fees are a barrier that will discourage such talented people from studying, and eventually settling, in Canada. High tuition fees work directly against the Canadian government's professed goal of building an educated, prosperous, and innovative society.

## Canada's International Obligations

As a wealthy country, Canada has both a duty and the material resources to provide assistance to countries and individuals in developing countries. Providing access to affordable education should be an important part of Canada's contribution to international development.

## Towards Full and Equal Access for International Students

Restoring funding for post-secondary education to the provinces would reduce the incentive for universities to rely on tuition fees as a means of generating revenue. Provincial re-regulation of differential fees for international students would also help bring skyrocketing costs under control.

In the long term, federal agencies such as Human Resources and Social Development, Industry Canada, and Citizenship and Immigration must co-ordinate with provincial governments and university administrators to develop strategies that improve access and financial support for international students wishing to study in Canada. Particular attention needs to be focused on ensuring access for international students from low income backgrounds. Removing barriers faced by international students should be an important component of Canada's international and foreign policy objectives. Improved access for international students would also be an important step towards ensuring Canada's own future as a destination of choice for skilled immigrants.



# Tuition Fees for International Undergraduate Students

## Introduction

While all students in Canada have faced dramatic fee increases over the last decade, tuition fees for international students have become particularly burdensome in recent years. In fall 2007, average tuition fees for international students reached \$13,985—more than three times the already high fees paid by Canadian citizens. At some universities, international students pay up to \$20,000 a year in tuition fees, and this figure rises to over \$25,000 for some graduate programs, and a staggering \$40,000 per year for professional programs such as medicine and law. High differential fees are an unfair burden and a barrier to post-secondary education for international students. Ultimately, such fees could threaten Canada's ability to attract and retain foreign scholars.

## The Root Cause: Government Underfunding

International students were not charged differential tuition fees prior to the late 1970s. During the negotiations of federal transfer payments to the provinces in 1976, the federal government suggested that introducing differential tuition fees was an acceptable way for the provinces to generate additional revenue at institutions. Over the next several years many provincial governments responded by cutting or eliminating grants that had previously been provided to post-secondary institutions for the purpose of funding international students. By 1982, all provinces except British Columbia, Saskatchewan, Manitoba and Newfoundland were charging differential tuition fees. In Ontario, fees charged were as high as \$6,960.

Throughout the 1990s, tuition fees in Canada skyrocketed for both international students and Canadian citizens as federal and provincial governments cut funding for post-secondary education. Taking into account population growth and inflation, federal cash transfers to the provinces are 50% below 1993 levels. Cash-strapped university administrators have increasingly turned to tuition fees to cover operating expenses. In 1995, tuition fees accounted for only 21% of university revenues. By 2005, that figure had risen to over 30% in most provinces.

Governments and post-secondary institutions know that high tuition fees are unpopular with students and their families. However, because international students have little direct political influence in Canada, many provincial governments and institutional decision-makers see them as an easy target. In some provinces, governments have completely deregulated fees charged to international students so that universities are free to exploit them as a replacement for government funding. Differential tuition fees have thus become an important and politically convenient way of generating revenue for many post-secondary institutions in Canada.

## Differential Tuition Fees Across Canada

As shown in Table 1, tuition fees for international students in 2007-2008 vary dramatically between provinces and institutions. Overall, tuition fees for international students tend to be highest at institutions in British Columbia, where the University of British Columbia, Simon Fraser University and the University of Victoria filled three of the top seven positions. Manitoba currently has the lowest tuition fees in Canada for international students, although these students continue to face steep annual increases. International students in Manitoba pay substantially higher fees than Canadian citizens because international students are not included in the province's ongoing tuition fee freeze.

## Differential Fees: Short-sighted and Unfair

### Access

High tuition fees have already put post-secondary education in Canada beyond the reach of many international students. Low- and middle-income students—and particularly students from developing countries—face tremendous obstacles in accessing post-secondary education, and in particular, graduate school in Canada. For example, average annual income in India is only about \$713, less than 7% of the average cost of tuition fees charged to international students in Canada. Continued increases could ultimately see access to Canadian universities and colleges choked off to all but the wealthiest international students and a limited

**TABLE 1: Average arts and science tuition fees for undergraduate international students, 2007-2008**

University	Tuition Fees
University of BC	\$18,096
University of Waterloo	\$16,787
University of Calgary	\$16,140
Queen's University	\$15,086
McGill University	\$14,693
University of Victoria	\$14,532
Simon Fraser University	\$14,532
York University	\$14,524
University of Ottawa	\$13,858
Ryerson University	\$13,507
Mount Allison University	\$13,440
University of King's College	\$13,290
Dalhousie University	\$13,290
Wilfrid Laurier University	\$13,059
University of Toronto	\$13,054
University of Alberta	\$12,964
Carleton University	\$12,765
Université de Montréal	\$12,579
Trent University	\$12,407
École Polytechnique	\$12,226
Brock University	\$12,214
McMaster University	\$12,168
NSCAD	\$12,124
Lakehead University	\$12,000
U. of Saskatchewan	\$11,603
Université Laval	\$11,596
Cape Breton University	\$11,320
U. of New Brunswick	\$11,273
Laurentian University	\$11,014
Mount Saint Vincent U.	\$10,998
Concordia University	\$10,966
University of Windsor	\$10,940
Nipissing University	\$10,500
Université de Québec	\$10,428
University of Guelph	\$9,730
University of Regina	\$9,711
University of Northern BC	\$9,622
Memorial University of NL	\$8,800
University of Lethbridge	\$8,760
University of PEI	\$8,760
University of Manitoba	\$8,736
Université de Moncton	\$8,149
Brandon University	\$6,010
University of Winnipeg	\$5,836

number of poorer students lucky enough to receive full scholarships.

Until recently, the detrimental effects of excessive tuition fees were compounded by regulations that prevented international students from earning money while studying in Canada. However, the Canadian Federation of Students has successfully lobbied to have these restrictions eased. In April 2007, the federal government announced that international students can apply for off-campus work permits.

Some of the support for relaxing the off-campus work regulations came from university and college presidents, some of whom may see the increased income for international students as an excuse to increase tuition fees.

## Diversity

International students enrich Canadian academic and social life in innumerable ways. Differential tuition fees are a threat to the intellectual, cultural, and social benefits that a diverse international student population adds to Canadian campuses. The presence of international students in this country also provides a foundation for strengthening relationships between Canada and other societies around the world.

## Canada's Immigration Needs

Charging differential tuition fees to international students is drastically out of step with the long-term needs of Canadian society. The federal government's 2002 innovation strategy papers, Knowledge Matters and Achieving Excellence, repeatedly emphasise Canada's need to attract skilled immigrants. In fact, by 2011 immigration will account for all new labour force growth in this country. According to the federal government's own research, immigrants who have previously worked or studied in Canada have the easiest time integrating into the Canadian workforce and prospering in Canadian society.

Differential tuition fees are a barrier that will discourage such talented people from studying, and eventually settling, in Canada. High tuition fees work directly against the Canadian government's professed goal of building an educated, prosperous, and innovative society.

## Canada's International Obligations

As a wealthy country, Canada has both a duty and the material resources to provide assistance to countries and individuals in developing countries. Providing access to affordable education should be an important part of Canada's contribution to international development.

## Towards Full and Equal Access for International Students

Restoring funding for post-secondary education to the provinces would reduce the incentive for universities to rely on tuition fees as a means of generating revenue. Provincial re-regulation of differential fees to international students would also help bring skyrocketing costs under control.

In the long term, federal agencies such as Human Resources and Social Development, Industry Canada, and Citizenship and Immigration must co-ordinate with provincial governments and university administrators to develop strategies that improve access and financial support for international students wishing to study in Canada. Particular attention needs to be focused on ensuring access for international students from lower income backgrounds. Removing barriers faced by international students should be an important component of Canada's international and foreign policy objectives. Improved access for international students would also be an important step towards ensuring Canada's own future as a destination of choice for skilled immigrants.

# Study Now, Pay Forever: Income Contingent Repayment Loan Schemes

Income contingent repayment (ICR) student loan schemes are funding models for post-secondary education that are based on the belief that the individual is the primary beneficiary of education and therefore should bear the full cost. ICR is neither a progressive nor fresh alternative to the Canada Student Loans Program, nor is it intended to improve access to post-secondary education.

## An Old, Outdated Idea

In 1955, the late U.S. economist Milton Friedman devised ICR as a way to reduce the role of the state in financing education. Instead of public funding, Friedman proposed full cost-recovery tuition fees. In order for students to pay these vastly higher tuition fees, he proposed that they have access to large loans. For repayment of the loans to be manageable, he proposed that the size of loan payments be based on each individual's level of income after graduation (i.e. income contingent).

For Friedman and those who advocate ICR, the larger political and economic principle guiding this funding model is stark: primary, secondary, and post-secondary education is seen as a commodity like any other and should be priced and produced subject to the dictates of "the market".

## "It is not a form of student assistance"

Starting in the mid-1990s, Canadian proponents of ICR have sought to gain support for it by exploiting the student debt crisis. Rather than being up-front about their true purpose—to shift the cost of education from the state to the individual—they have tried to "sell" ICR loan schemes as an improved student aid plan that allows student loan recipients to pay off their loans as their income allows.

But the purpose of ICR is not to improve student aid. Even policy analysts involved in designing and administering ICR models concede this point. The Government of Australia describes its ICR system in these terms: "The purpose...is to raise revenue from the recipients of higher education for return to the system as part of...funding of higher education; it is not a form of student assistance."<sup>1</sup>

In Canada, documents obtained through a federal Access to Information request filed in July 2004 also reveal the purpose of these schemes: "ICR loans would solve the problem of

university and college underfunding, by allowing institutions to increase tuition fees to cover a greater portion, or even all of its costs."

## Lower Wage Earners Pay Far More in the Long Run

Under ICR, borrowers would repay their loans as a percentage of their incomes upon completion of study. Graduates with lower levels of income would repay their loans over a longer period of time, while those in high-paying jobs could repay their loans more quickly and pay less interest. Those who could afford to pay their tuition fees upfront would avoid high interest rate payments after graduation and end up paying less for post-secondary education. In Australia, students who can afford to pay their tuition fees in full at the beginning of every academic year receive a 25% discount.

## A Lifelong Debt Sentence

ICR would disproportionately hurt women because it would take them, on average, considerably longer to pay back their interest-bearing loans. Repayment difficulties would be more pronounced because women still earn less than men on average and many leave the workforce to have children. Under one model considered in Canada in the mid-1990s,

43% of women would not be able to pay off their debt after 25 years of repayment.

## The International Evidence

In other countries, ICR schemes have been accompanied by higher tuition fees, higher debt loads, and extended repayment periods. In 1989, Australia introduced ICR as part of a package of new tuition fees that were more than 500% higher than the previous administrative fee of \$263. The government promised that tuition fees would rise with the Consumer Price Index, but broke this commitment within three years. In the seventh year of Australia's ICR scheme, the government introduced a three-tiered differential fee structure that increased tuition fees by anywhere from 35% to 125% in one year alone.

New Zealand (1993) and the United Kingdom (1998) followed Australia's lead, introducing both tuition fees and an ICR scheme simultaneously. Accessibility and affordability have been undermined in both countries.

## ICRs: A Canadian Chronology

### 1964

The birth of the Canada Student Loans Program.

### 1969

The Council of Ministers of Education approves, in principle, an ICR coupled with tuition fee increases.

### 1984

The Ontario government's Bovey Commission supports ICR along with increased tuition fees.

### 1991

The federal government's Smith Commission advocates increased tuition fees coupled with a self-financing ICR.

### 1993

The Council of Ontario Universities proposes an ICR along with a tuition fee increase of up to 50%.

### 1994-95

The federal government's Social Policy Review proposes a massive withdrawal of federal funding for post-secondary education accompanied by ICR.

### January 25, 1995

The Canadian Federation of Students organises one of Canada's largest national student demonstrations against ICR and funding cuts to education.

### May 2, 1995

The federal government takes ICR off the table.

### 1996

The Ontario Conservatives promise to implement ICR. They never followed through due to a lack of support from lending institutions.

### 1997

The federal government announces that ICR is being considered again, but the proposal dies due to a lack of support.

### 2005

Former Premier Bob Rae's review of Ontario's system of post-secondary education calls for ICR and deregulated tuition fees.

### 2006

The Federation lobbies successfully to have the federal Conservatives pull ICR from their election platform.

### 2007

A review of New Brunswick's universities and colleges recommends ICR.

In the United Kingdom, university applications from lower income students have dropped by nearly 10% since the introduction of tuition fees and ICR loans.<sup>2</sup>

In New Zealand, total student debt had risen to over \$5 billion by 2002 and only one in ten students is debt free.<sup>3</sup> The New Zealand University Students' Association estimates that by 2020, total student debt in New Zealand will rise to almost \$20 billion, an amount the country's Auditor General believes could be "a major source of risk" to New Zealand's national government.<sup>4</sup>

Women, indigenous people, and students from minority groups in New Zealand have been hit particularly hard by the inequities inherent in ICR schemes. For example, a Maori woman can expect to spend an average of 24 years repaying the cost of her bachelor degree under ICR, as opposed to 13 years for a New Zealand male of European ancestry.<sup>5</sup> These figures are even worse for Pacific (non-Maori Polynesian) women in New Zealand, who face a staggering estimated average loan repayment time of 33 years. A woman with a bachelor degree in New Zealand can expect to take an average of 28 years to repay her loans under ICR—almost double the 15 year average repayment time for men.

A leading New Zealand demographer recently found that soaring student debt loads and lengthy repayment times may even be a factor in New Zealand's declining birth rate, increased emigration, and reduced rates of home ownership since the mid-1990s.<sup>6</sup>

## In Canada

Despite various attempts to implement ICR in Canada over the last three decades, Canadians continue to reject them.

In 1995, the federal government shelved its ICR proposal after the Canadian Federation of Students mounted a massive campaign. According to two leading Canadian journalists, the government's proposed reform to post-secondary education "simply seemed like a bald-faced attempt by government to double tuition fees."<sup>7</sup> In 1997, the federal government tried again to revive ICR but lending institutions and most provinces rejected the scheme as either regressive or unworkable.

The Ontario government proposed ICR in 1996 to accompany a 20% funding cut to post-secondary education. It was ultimately unable to deliver on the promise to implement this scheme due to widespread opposition from lending institutions and students.

## Income Contingent Repayment Today: Gone, But Not Forgotten

Canadian students consistently and unequivocally rejected ICR schemes during the 1990s, leading governments in Canada to temporarily retreat from overt attempts to introduce ICR. However, past experience and international precedent should dispel any sense of complacency. When the opportunity arises, governments have a history of repackaging ICR as a solution to the funding crises created by their own cuts to post-secondary education funding. Canadians will need to be wary of new attempts to introduce ICR in coming years. Moreover, ICR schemes must be challenged on the basis of what they actually are: a means of privatising and individualising the costs of post-secondary education. The lifelong debt and increased barriers to access that result from ICR will not contribute to a healthier, more prosperous, and better-educated society.

## Endnotes

1. Robert Green, Assistant Secretary, Programs and Operations Branch, Department of Employment, Education and Training, Central Office, Government of Australia, Letter to the Canadian Federation of Students, November 5, 1991.
2. National Union of Students, United Kingdom press release: "NUS reacts angrily to minister dismissing student debt", Friday 15 November 2002. Available on-line at: <<http://www.nusonline.co.uk>>.
3. New Zealand University Students' Association, The Student Loan Scheme: Inequities and emerging issues. Wellington, 2002.
4. New Zealand University Students' Association, The Student Loan Scheme: Inequities and emerging issues. Wellington, 2002.
5. New Zealand University Students' Association, Pacific Students and Debt. Wellington, 2002.
6. Ian Pool, "The Demography of the Student Loan", transcript of presentation from the Student Debt Summit, Auckland, July 23, 2002.
7. Edward Greenspon and Anthony Wilson Smith, Double Vision: The Inside Story of the Liberals in Power. Toronto, 1996, page 193.

# Student Loan Designation

## Background

Designation is the process by which post-secondary education institutions are deemed eligible for certain government programs and funding. Currently, the provinces are responsible for the designation of post-secondary educational institutions. Applicable funding includes:

1. Federal and provincial student loans;
2. Canada Education Savings Grants and Registered Education Savings Plans;
3. Millennium Scholarships;
4. Canada Study Grants;
5. Education and tuition fee tax credits;
6. Loans and grants through the Employment Insurance program; and
7. Grants for Aboriginal students.

In March 2003 the federal Intergovernmental Consultative Committee on Student Financial Assistance introduced a designation policy framework. It is intended to "guide jurisdictions in the development of their designation policies". All of the provinces agreed to implement a designation policy that would "manage" the "financial risk" associated with student loans. Institutions that fail to meet guidelines within the framework run the risk of being de-designated, that is, students in that institution become ineligible for student loans. The framework was officially implemented in November 2004.

As the federal government negotiates new student loan agreements with each province in order to integrate federal and provincial loans ("harmonisation"), designation policies will be a part of all new agreements.

## The Wrong Approach

Designation policies are rooted in the notion that low-quality programs or institutions produce unqualified graduates who in turn cannot find employment to pay back their student loans. By making student loans unavailable, and choking off access to supposedly low-quality programs, governments hope to pressure institutions to respond by increasing quality and post-graduate employment strategies. Yet, this logic ignores the fundamental causes of student loan default and the government's role in exacerbating the problem.

Between 1995 and 2005, the federal government cut billions from transfers to the provinces for post-secondary education

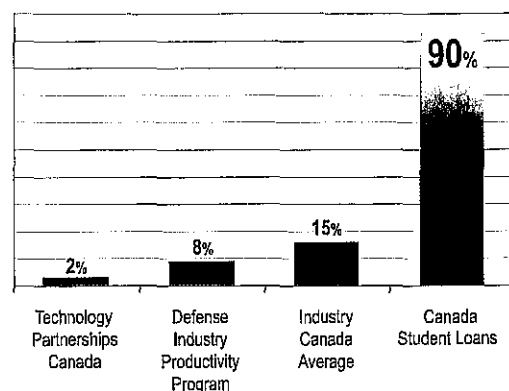
and training. As a direct result, tuition fees have more than doubled, causing student debt to climb to unprecedented levels. Graduates of public universities and colleges who are unable to make monthly payments are more likely in this position because of a mortgage-sized debt and an unstable job market, not because their education was of low quality.

If the federal government was truly committed to equality and student success, it would restore funding to public post-secondary education in ways that lower tuition fees and reduce student debt.

## A Short-Sighted Policy

In recent years, the federal government and most provinces have introduced several policies that ignore the role of post-secondary education in mitigating the effects of socio-economic inequality in Canada. Student loan designation—as with the ten-year bankruptcy prohibition and credit checks for Canada Student Loans—treats public investments in education like private investments in stock markets. The broader social value of public education cannot simply be measured by examining statistics about the most indebted graduates.

Figure 1: Rate of Recovery of Different Government Loans



In fact, much of the statistical information upon which banks and service providers rely is deeply flawed. The complexity of repayment, combined with the notorious service errors of lending institutions, results in default data that is unreliable. Furthermore, "default" rarely means that a loan does not get

## \$208 Million

Level of public subsidy to private career colleges each year in student loans

**"Sham College Run Without Teachers: Instructors at Toronto vocational school absent for weeks at a time, ex-student says"**

Globe & Mail headline, September 6, 2003

**"Concerns were expressed about [...] the debt loads of students as a result of high tuition fees, [and] what was seen as low standards for admission to many programs"**

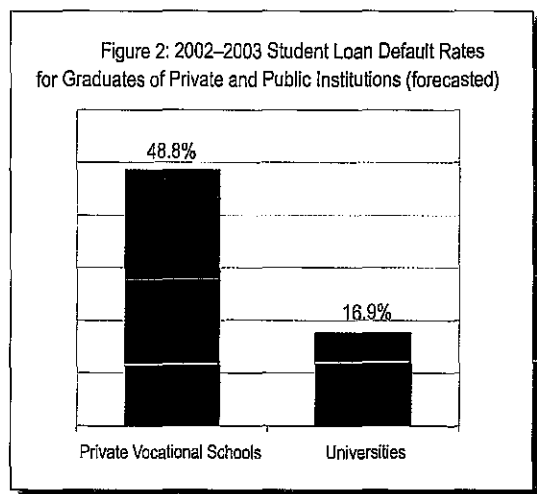
The Warren Report, Government of Newfoundland and Labrador, 1999

repaid, but simply that payments are missed. The vast majority of students eventually repay their loans: the rate of repayment for student loans exceeds 90% (see Figure 1). This financial reality is not considered in designation data.

The obsession with student loan default rates is even more unreasonable given the standards in other government departments: Industry Canada corporate loans have a 15% repayment rate.<sup>1</sup>

### Holding Private, For-Profit Institutions Accountable

The student loan default rate<sup>2</sup> at private institutions is nearly three times higher than that of public universities (see Figure 2). As a result of the sky high default rates at private institutions, some jurisdictions were using de-designation as a policy tool to prevent millions of dollars of public funds from being used to support diploma mills that do more to generate profit than provide skills training.



In Ontario, a designation policy is in place that details the type of information and support that private institutions must give to students using financial assistance and requires institutions to meet certain tests of financial stability. In 1997, a policy of institutional accountability for student loan defaults was introduced so that private educational institutions ensure that loan defaults among their graduates do not exceed specified targets. Schools at which defaults exceed these targets must pay a portion of the costs incurred from these defaults.

It has become clear in discussions with federal government officials that the primary target of the designation policy framework is the fly-by-night, for-profit education industry. The industry currently collects a \$208-million<sup>3</sup> public subsidy in the form of Canada Student Loans every year. These "career colleges" frequently go bankrupt and leave their students in limbo with no qualifications and no compensation.

Given the poor record of private institutions in Canada, the massive public subsidy to this industry is in dire need of review. Yet, if the primary goal of a designation policy is to curb the flow of public student loans to private colleges, its net is cast too wide. The answer to preventing profit-driven education shops from needlessly squandering public funds is to not subsidise them in the first place.

### Conclusion

Rather than recognising the social and economic benefits of an educated workforce, de-designation policies treat those in need of financial assistance with suspicion or even contempt. In the words of the Intergovernmental Consultative Committee on Student Financial Assistance's designation framework, designation will give provinces the assurance that "taxpayers will receive the appropriate return on their educational investment".

Accountability in the public post-secondary education system is accomplished through legislation and discipline-wide reporting mechanisms. In-house structures like boards of governors and senates are other ways by which academic integrity can be assured. The federal government should restore funding to the provinces for post-secondary education in recognition of the fact that Canada's public community colleges are well positioned to offer high-quality education to those seeking a trade or skills development. In order to best promote the quality and integrity of post-secondary education in Canada, the federal government must act to restrict the for-profit private sale of education credentials.

### Endnotes

1. Canadian Taxpayer Federation, "Lies My Government Continues to Tell Me", January 2002.
2. Canada Student Loans Program Annual Report 2002-2003.

# Millennium Scholarship Foundation

## A Failed Experiment in Student Financial Aid

### Background

Announced in the 1998 "education" budget, the Millennium Scholarship Foundation was a belated acknowledgement by the federal government of the student debt crisis in Canada. In the face of average debt levels of \$25,000, the Millennium Scholarship Foundation (MSF) was to be the centrepiece of the federal government's student debt reduction strategy. At the time of its introduction, then Finance Minister Paul Martin declared in the House of Commons that the Foundation would reduce the debt of those in the greatest need by \$12,000 and increase access to post-secondary education. Regrettably, the Foundation has proven to be at best a public relations gimmick, or at worst, a champion of higher student debt.

The federal government has chosen not to renew the Foundation and it will expire in 2010. It has been replaced with the \$350 million per year Canada Student Grants Program.

### The Record

In theory, the Foundation's mandate was to disburse \$250 million annually in student financial assistance. The federal government chose to have the Foundation dispense the funds through an annual allotment to the provinces based on population size. Without any advanced agreement from the provinces about implementation, the hastily conceived structure of the Foundation made most provinces resentful participants. The result has been a provincial patchwork of programs that struggle to be classified as financial aid.

### Provincial Misuse

When the MSF was introduced, provincial governments were asked to sign non-binding agreements to maintain their existing contributions to student financial assistance. In places where Foundation dollars overlapped ("displaced") provincial dollars, the provincial savings were supposed to be re-directed into financial aid. Sadly, the record of re-investment has been minimal at best.

The Nova Scotia government simply ignored the agreement, consciously re-directing funds intended for students into other government revenues. Four years passed before the Foundation decided to enforce the agreement, and, in 2003, a new provincial program using Millennium Scholarship Foundation funds was announced. The program is a complicated "back-end" debt remission scheme that did nothing to improve access to post-secondary education in Nova Scotia.

In Ontario, where approximately 40% of the Foundation funds are allocated, the provincial government has directed less than 15% of displaced savings back into student financial assistance.

In Saskatchewan, the provincial government has re-invested none of the displaced money back into student financial assistance. Despite the signed agreement to invest in reducing student debt, the Saskatchewan government has informed the MSF that it used Foundation funds to keep tuition fee increases moderate. However, since the inception of the MSF, tuition fees have risen in Saskatchewan by 69%. MSF officials consider these hikes to be in line with its agreement with Saskatchewan. Thus, the high-need student in Saskatchewan who was promised by Paul Martin to graduate with \$12,000 less debt has actually seen her debt increased by over \$1500. Senior MSF officials are adamant that the program is working perfectly well in Saskatchewan and that the MSF was never really designed to reduce student debt.

An external review of the Foundation conducted in 2003 concluded that the Foundation's impact on access to post-secondary education has been "limited and indirect to non-existent". The Foundation continues to deny that the misuse of the endowment has diminished its effectiveness, and refuses to consider re-negotiating its agreements with the provinces that have not re-invested displaced funding.

### The Public Relations Smokescreen

From the very beginning, the Foundation functioned as a public relations vehicle for the federal government. In its

first year of implementation, the Foundation sent students letters telling them they had won scholarships. In fact, students had "won" nothing; in most cases, the scholarships replaced provincial loan remission. Recipients were simply getting a portion of their student financial assistance from a different source. To further the federal government's own partisan goals, the Foundation included sample news releases and encouraged students to celebrate their "winnings" by sharing the news with the local community.

More recently, the Foundation has sponsored experiments in student financial aid with several provincial governments. On an individual basis, these pilot projects assist a handful of students and likely improve access to post-secondary education for a tiny subset of the student population. However, the projects' budgets are a sliver of the Foundation's grants budget, and the Foundation's management deliberately assigns the pilot projects a disproportionate level of attention in public reports and briefs to federal policy-makers. In other words, objective research on financial aid that should be done by government departments is being undertaken by the Foundation for a deeply political goal: to justify an extension of its mandate.

### **The Research Smokescreen**

Despite (or perhaps because of) the fact that it has been unable to address the issue of student debt, the Millennium Scholarship Foundation has embarked on a campaign to downplay the crisis of student debt and the harmful impact of high tuition fees. The Foundation has taken on a prominent role as a partisan think-tank in debates about post-secondary education policy. In briefings to government committees, federal bureaucrats, and university and college presidents, Foundation officials have argued that higher student debt and higher tuition fees will not affect accessibility. The approach of the Foundation can be summed up in the words of their former research officer: student debt levels are irrelevant "because it doesn't matter how much debt a student has, what matters is their ability to pay it back".

In other words, a supposedly arms-length, non-partisan, publicly funded foundation has evolved into an apologist for the federal

government's record on post-secondary education. The Foundation's annual research budget would have paid for over 3,300 scholarships each year.

### **Public Accountability**

In addition to its operational shortcomings, the Foundation has recently become the subject of ethical concerns resulting from lucrative research contracts awarded to former employees. In 2005, the Foundation awarded a \$4 million contract to two of its former employees who left the Foundation to work at a U.S.-based consulting firm. The Canadian Federation of Students is not alone in its concern with the Foundation's accountability: in testimony before a Standing Committee, Auditor General Sheila Fraser criticized the fact that the finances and operations of the MSF are essentially the business of a private board despite its vast expenditures of tax dollars. As a result, Parliament has little recourse to investigate or prosecute the actions of the Foundation's senior management.

### **Conclusion**

The federal government's desire for good publicity in the area of post-secondary education funding led to the creation of a new and unnecessary bureaucracy. The funds allocated to the Foundation could have easily and more efficiently been distributed through existing infrastructure at the federal level.

In response to the failure of the Foundation at delivering grants and its more recent campaign to downplay the effects of student debt and financial barriers, the Canadian Federation of Students campaigned for the Foundation to be replaced with a national system of grants administered through the Canada Student Loans Program. In the 2008 federal budget, the government signalled it would do precisely that. Beginning in fall 2009, students will begin receiving Canada Student Grants instead of Millennium Scholarships.

### **Footnotes**

1. Evaluation of the Foundation's Performance, Institute of Intergovernmental Relations, May 30, 2003.

### **"Millennium Fund Gets Failing Grade"**

Ottawa Citizen headline, August 31, 2001

### **"The direct impact of the CMSF on access therefore likely ranges from limited and indirect to non-existent."**

Evaluation of the Foundation's Performance, Institute of Intergovernmental Relations, May 30, 2003



# Registered Education Savings Plans

## A National System of Grants for the Wealthy

### Introduction

Federal funding cuts to post-secondary education during the 1990s resulted in massive tuition fee increases in every jurisdiction except Québec. Yet even in today's era of federal budget surpluses, the federal government has chosen to ignore its responsibility to restore funding to universities and colleges. Instead, the current government favours an approach whereby the individual pays an increasing portion of the cost of education, with payment spread out over a lifetime:

Period	Individualised Cost-Bearing Mechanism
Pre-enrolment	Registered Education Savings Plans
Study	Access to debt (student loans)
Post-graduation	Income-contingent repayment <sup>1</sup>

From this perspective, RESPs are a core program in a user-pay funding model for post-secondary education that reduces the role of the federal and provincial government.

### The Registered Education Savings Plan

The Registered Education Savings Plan is an investment vehicle that allows a contributor to save for a child's post-secondary education. Unlike Registered Retirement Savings Plans (RRSPs), the RESP contributions are not tax deductible. However, the savings grow tax-free until the beneficiary is ready to go full-time to college, university, or any other eligible post-secondary educational institution. Under the current rules, one can contribute for a lifetime limit of \$50,000. Contributions can be made for 31 years and the plan must be collapsed after 35 years.

The RESP is, in fact, a national system of indirect grants to those who can afford to save, as the income generated by the RESP accumulates tax-free. The foregone tax revenue is tantamount to a grant payable only to RESP investors. Since 2000, the federal government has spent over \$1 billion on the RESP program.

### The Canada Education Savings Grant

For those who can afford to save, the federal government's system of wealth-based grants don't stop with RESPs. In addition to the indirect grant described above, the federal government also offers a direct grant to any parent with an RESP account. The Government of Canada tops up the first \$2,000 in RESP contributions made on behalf of an eligible beneficiary each year with a grant called the Canada Education Savings Grant (CESG).

The grant can be as much as \$500 each year per beneficiary up to a lifetime maximum grant of \$7,200 per child. In other words, those wealthy enough to put aside \$2000 per year from the time their child is born until the end of the year in which the child enrolls in post-secondary education will have received a tax-free government grant of \$7,200.

In response to widespread criticism about the regressive nature of the RESP and CESG programs, the federal government attempted to make the programs more appealing for low-income Canadians by introducing changes to the CESG in the 2004 federal budget. The CESG payout was adjusted on a sliding scale to, at least in theory, be more

generous to low-income recipients. Beginning in 2005, children born into a low-income family can receive \$500 towards an RESP account (the "Learning Bond") plus \$100 for every subsequent year the child's family qualifies as low-income.

Rather than acknowledge the real forces putting higher education out of reach for low-income families, the Learning Bond's proponents cling to a naïve vision for solving social ills: "Through savings incentives and supports such as financial literacy, low-income earners are encouraged to save for their future

goals. With the right incentives the poor can and do save!"<sup>2</sup> Nevertheless, speaking in purely financial terms the amount of money that low-income Canadians may accumulate under a Learning Bond will be wholly inadequate to cope with the rapidly increasing costs of universities and college. Dennis Howlett, former Executive Director of the National Anti-Poverty Organisation has noted that "When people are struggling to feed their children and keep a roof over

"These plans came under heavy criticism in mid-July from the Ontario Securities Commission for their sometimes dodgy sales practices, early redemption penalties, and loose portrayal of investment returns".

Jonathan Chevreau, *Financial Post*,  
August 28, 2004

# \$3.62 billion

Amount spent by the federal government since 2000 on the CESC program

their heads, they have no extra money available to 'invest' in university education, even if they were better informed about the costs and benefits...starting salaries, even for those with a university education, have been falling for some time, at the same time as the costs of education have been rising, making it less and less of a good investment"<sup>3</sup>.

Government-sponsored education savings vehicles also promote uneven spending across the country. In provinces where forward-looking governments have kept tuition fees low, such as Québec,

parents will have less need to save. The federal government has openly conceded this point: "The lower RESP take-up rate in Québec is likely attributable to the province's publicly funded college system (CEGEP) and relatively low university tuition fees for Québec residents"<sup>4</sup>. Thus, Quebecers and families in other lower tuition fee provinces have a diminished benefit from a multi-billion dollar federal grants program.

The biggest winners of the increased emphasis on savings schemes are undoubtedly the RESP providers. The federal government has created a profitable scheme for the banks at the expense of real access to college and university. Nevertheless, the education savings industry has repeatedly been the subject of criticism from both the Alberta and Ontario Securities Commissions for its sales tactics.

## Two Billion Dollars and Counting

Since the CESC is a "statutory" expenditure, there is no predetermined budget for the program: if every single eligible Canadian could afford an RESP, the federal government would have to pay out the corresponding CESC.

In the past eight years the Government of Canada spent \$3.62 billion on Canada Education Savings Grants. In terms of what the Government of Canada is prepared to spend annually on CESC, if every eligible parent invested the maximum \$2,000 in CESC-eligible RESP contributions this year, the CESC program would cost \$2.8 billion each year.

## Benefiting Those Who Need it the Least

Research on RESPs shows that high income Canadians benefit far more from this program

than do low income households. In 2001, children from households in the lowest quintile (incomes under \$25,000) made up only 9.7% of families who were saving for post-secondary education. Households with incomes exceeding \$85,000 (the highest quintile) accounted for 31% of savers.<sup>5</sup> The average savings by high-income families was nearly \$7,000 in 2001, whereas low-income households only saved one third that amount on average.

Taken together, the RESPs and CESC represent a multi-billion dollar system of indirect and direct grants to primarily high-income families.

"CESGs give scarce public funds to the wrong households...[t]he CESC program should be discontinued".

UBC Economist Kevin Milligan

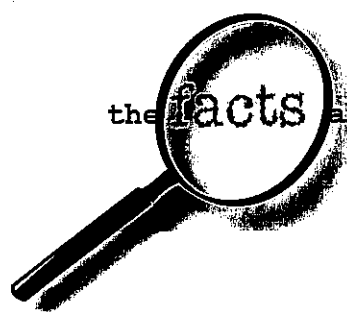
## Conclusion: Towards an Effective and Fair Grants Program

The federal government has failed at improving access to post-secondary education through equipping under-represented families with adequate education savings. That said, even if the program succeeds at improving savings levels, it still fails because savings-based access to education re-frames the question about affording high tuition fees as a question about the individual and their savings history, rather than about Canada's collective resources and the collective responsibility to make education affordable to all.

Students with financial need would be better served if the RESP and CESC programs were converted into a national system of needs-based grants. The federal government expects to spend \$588 million on the CESC in 2008—approximately what it would cost to give a \$5,000 grant to one in three student loan recipients.

## Endnotes:

1. Students forced the federal government to reject income contingent repayment in 1995, but the schemes are still a serious policy threat to this day. For more information visit [www.cfs-fcee.ca](http://www.cfs-fcee.ca).
2. Peter Nares, Executive Director of Social and Enterprise Development Innovations.
3. National Anti-Poverty Organisation news release "Anti-poverty Organization Critical of New Education Report", July 7, 2005.
4. Planning and preparation: First results from the Survey of Approaches to Educational Planning (SAEP) 2002. Statistics Canada.
5. Formative Evaluation of the Canada Education Savings Grant Program: Final Report.



the facts about post-secondary education

CUPE-SCFP

# Post-Secondary Education Tax Credits

## Billions in Misdirected "Financial Aid"

### Background

As defined by the federal government's Department of Finance, tax expenditures include "exemptions, deductions, rebates, deferrals and credits" that serve "to advance a wide range of economic, social, environmental, cultural and other public policy objectives".

Since the mid-1990s, the successive federal governments have increasingly favoured tax expenditures over directly allocated student financial assistance. In total, federal tax expenditures for post-secondary students have grown from \$566 million in 1996 to more than \$1.76 billion in 2008.<sup>1</sup> This represents a 321% increase and more than the total amount the federal government will spend on direct student financial aid in 2008.

The collection of tax expenditures offered by the federal government for post-secondary education fall into two categories: tax credits for expenses that have already been incurred; and tax deductible savings plans to be used for future education costs.

**Education Tax Credit:** Students may claim a 16% tax credit for the accrued "education amount". The education amount is equal to the number of months enrolled in post-secondary education multiplied by \$400 for full-time students and \$120 for part-time students.

**Tuition Fee Tax Credit:** Students may claim a 16% tax credit for tuition fees and ancillary fees paid. In 1987, it became possible to transfer this credit to a spouse, parent, or grandparent. As of 1997, this credit may be carried forward for application in future tax returns.

**Student Loan Interest Tax Credit:** Students may claim a 16% tax credit for the interest paid in a year during repayment of a Canada Student Loan and provincial student loan.

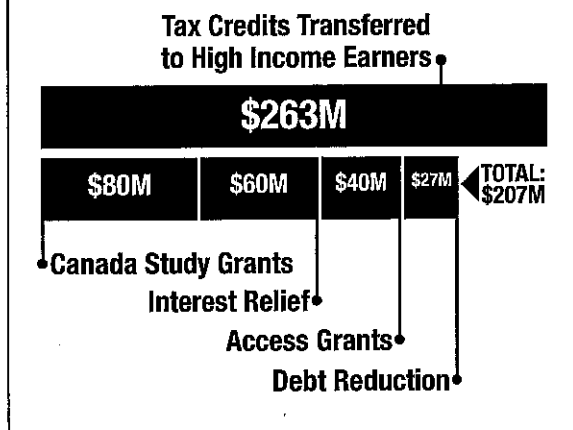
**Textbook Tax Credit:** Students may claim a 16% tax credit for the assigned "textbook amount". The amount is

equal the number of months enrolled in post-secondary education multiplied by \$65 for full-time students and \$20 for full-time students.

**Registered Education Savings Plans:** Contributions to Registered Education Savings Plans (RESPs) grow tax-free until the time that they are withdrawn, at which point the saved amount is taxable as income for the beneficiary. For more information, see the Canadian Federation of Students' factsheet on the RESP program at [www.cfs-fcee.ca](http://www.cfs-fcee.ca).

All of the post-secondary tax credits can be used either by the student or transferred to a family member. Registered Education Saving Plans are, in the vast majority of cases, established by parents for their children's future education costs.

Figure 1. Each year, the federal government transfers more funding to families earning over \$70,000 than it does to these four grant programs combined.



### A Poor Approach to Reducing Student Debt

The non-refundable education and tuition fees tax credits have been the most widely used and expensive federal tax measures for post-secondary education. In 2006 tax year, the most recent year for which statistics are available, 2,221,820 individuals claimed the education and tuition fee credits, costing the federal government almost \$1.44 billion in foregone tax revenue.<sup>2</sup>

This massive public expenditure, if offered as upfront grants,

could have nearly eliminated the need for students to borrow. For example, the Canada Student Loans Program lent approximately \$1.92 billion in fall 2006.<sup>3</sup> In other words, if the amount of money the federal government spent on the tuition fee and education tax credit each year had been simply shifted to the "front-end" in the form of grants through the Canada Student Loans Program, student debt could have been reduced by approximately 75%.<sup>4</sup>

In addition to diverting public funds to high income graduates, tax credits have not come close to offsetting soaring tuition fees. Despite increased government spending on the education-related tax credits, the gap

75%

Student debt reduction  
that could be realised  
by converting  
tax credits into  
needs-based grants

\$1.76B

Federal expenditure  
on education-related  
tax credits and  
exemptions in 2008.

\$9.25

Average monthly  
amount in "relief"  
under the student loan  
interest credit in 2006.

between tuition fees and those tax credits soared to \$3,937 by 2007—a \$1,000 increase since 2001. Federal tax credits have clearly failed to compensate for the steep tuition fee increases.

### Helping Those Who Need Help the Least?

For the 2006 tax year, individuals with incomes over \$70,000 claimed a total of more than \$263 million in federal education and tuition fee tax credits, thereby indicating that virtually all of this total was claimed as amounts transferred from students to family members.

The resulting \$263-million tax break to high-income parents is more than **four times** the amount spent in 2005 on the federal Interest Relief program, and more than triple what the government spent on Canada Study Grants for high-need students that year.<sup>5</sup>

With such a substantial portion of post-secondary education credits being claimed as amounts transferred to family members, there is no guarantee that the full value of these credits is even being applied to education-related expenses. The Department of Finance estimates that transferred amounts account for almost half the total value of education and tuition fee tax credits claimed.<sup>6</sup>

### The Student Loan Interest Credit

The Student Loan Interest Credit was introduced in the 1998 federal budget with the professed aim of ensuring that, in the words of then Finance Minister Paul Martin, "Canadian students are not mired in a swamp of debt". Although the total cost of this credit was over \$73.1 million in 2006, the average amount claimed annually is only \$112 (\$9.25 per month) per claimant. Low-income claimants fared even worse, averaging only \$6.53 per month worth of debt and tax "relief".<sup>7</sup> Given that the monthly loan payment on the average student loan is at least \$237, the Student Loan Interest Credit cannot be considered a serious attempt to address the student debt crisis.

### Tax Credits Do Not Increase Access

In order to derive any benefit from the education tax credits, students and their families must first find the resources to pay for tuition fees and living expenses, and hope that a portion will be refunded sometime in the future. Tax credits do nothing to address the up-front financial barriers that prevent many students from low-income backgrounds from enrolling in the first place. As

a result, education tax credits are most likely to benefit those who already have enough money to afford post-secondary education.

A 2002 study by Harvard University professor Dr. Bridget Long found that this was precisely the case with education tax credits introduced in the United States. According to Dr. Long, "[a]lthough one goal of the tax credits was to increase access to higher education, this study found no evidence of increased postsecondary enrolment among eligible students".<sup>8</sup> These findings are consistent with an earlier US study that found education tax credits introduced in the state of Georgia actually "widened the gap in college attendance between blacks and whites and between those from low- and high-income families".<sup>9</sup>

### Conclusion

Despite their large price tag, federal tax expenditures are a very poor instrument to either improve access to post-secondary education or relieve student debt. Moreover, since everyone who participated in post-secondary education qualifies for tax credits regardless of financial need, the federal government is diverting vast sums of public funding where they are not necessarily required.

Government funding currently allocated to federal tax credits for post-secondary education would be better spent on up-front needs-based grants.

### Endnotes

1. Includes Education Tax Credit (present, carry-forward, and transferred), Tuition Fee Credit (present, carry-forward, and transferred), scholarship exemptions, Registered Education Savings Plans, and the Student Loan Interest Credit using the Department of Finance's Tax Expenditures and Evaluations 2007.
2. Canada Customs and Revenue Agency Income Statistics 2008 (2006 tax year).
3. Based on loan uptake calculations in the 2006 Actuarial Report of the Canada Student Loans Program.
4. This calculation is used for comparative purposes only. It does not take into consideration student loan borrowers in repayment, who also deserve debt relief.
5. Canada Student Loans Program Annual Report 2005-2006.
6. Department of Finance Canada Tax Expenditures and Evaluations 2007.
7. Canada Customs and Revenue Agency Income Statistics 2008 (2006 tax year).
8. Bridget Terry Long, "The Impact of Federal Tax Credits for Higher Education Expenses", Prepared for the National Bureau of Economic Research Volume and Conference: College Decisions: How Students Actually Make Them and How They Could, Harvard University, August 2002.
9. Susan Dynarski, "Hope for Whom? Financial Aid for the Middle Class and Its Impact on College Attendance", paper prepared for the Kennedy School of Government at Harvard University and the

# Whistleblowers: Defending Academic Freedom

## The Threat to Public Research

Public-private partnerships in university research are on the rise. Private corporations have taken advantage of public-private funding models to save money and generate proprietary research outcomes.

The federal government has contributed to the rise of private influence in Canadian universities by introducing programs intended to maximise the commercialisation of research. By stipulating that research projects must have a private sponsor before receiving matching public funds, programs such as the Canadian Foundation for Innovation have vastly increased corporate involvement.

As research institutions have become more reliant on private sector money, private corporations have come to influence both the direction and the reported results of research. Some researchers who have been unwilling to tailor their work to the needs of private sponsors have become the targets of academic censorship and, in some cases, reprisals and public smear campaigns. Student researchers are particularly vulnerable because they lack the protection of mechanisms like collective agreements.

## Sounding the Alarm on Corporate Influence

Over the last decade, the negative effects of corporate sponsored research have become apparent. A recent survey of researchers in the United States revealed that scientific misconduct had become commonplace.<sup>1</sup> Of the researchers surveyed, 33% had engaged in some kind of significant misconduct including data falsification, plagiarism, and violation of ethical requirements. 15.5% of respondents had changed the research design, methodology, or results because of pressure from a funding source.

The research community has become more vocal over its concerns with the private sponsorship of university research. In a letter to the journal *Science*, 40 prominent scientists wrote that matched funding requirements were "eschewing scientific excellence"<sup>2</sup> by prioritising funding those projects deemed commercialisable. The Canadian Society of Biochemistry, Molecular, and Cellular Biology is petitioning the federal government to address these concerns.<sup>3</sup>

## Corporate Interference: The Olivieri Case

Scientific inquiry requires the free flow of information, but industry-sponsored contracts often include non-disclosure clauses to prevent the dissemination of research. In some cases, this non-disclosure poses a serious threat to the health of Canadians.

While working at the University of Toronto affiliated Hospital for Sick Children (HSC), Dr. Nancy Olivieri signed a contract to test a new drug for the pharmaceutical company Apotex. Upon discovering that some of her child subjects were experiencing high levels of iron toxicity that could lead to life-threatening liver cirrhosis, Olivieri immediately stopped the tests and insisted that the health risks be communicated to her patients' parents. Citing the contract's non-disclosure clause, Apotex not only refused to communicate the risks, but also halted all further drug trials at the HSC, confiscated the trial medicine, fired Olivieri from the study, and threatened her with litigation if she divulged any information to her patients.

Acting on her ethical obligations, and confident that the University and the Hospital would support her, Olivieri informed her patients of the risks. A bizarre series of events ensued that the *Globe & Mail* would later refer to as "Canada's worst academic and research scandal in decades".<sup>4</sup>

Olivieri began receiving anonymous threatening letters from a co-worker receiving Apotex funding. Anonymous letters containing unfounded allegations against Olivieri were also sent to the media and the HSC disciplinary committee. Apotex, as well as some hospital and University administrators, used these allegations to level charges against Olivieri and discredit her work.

Six years after the first signs of problems with the drug were detected, the Independent Committee of Inquiry<sup>5</sup> exonerated Olivieri of all allegations of misconduct. The Committee's report recommended that universities be prohibited from entering into research contracts that restrict the communication of results. The report was explicitly critical of the University and the HSC for failing to protect Olivieri's academic freedom. It later became public that, at the time Olivieri came under attack, the University of Toronto was in negotiations with Apotex over a \$20 million building investment.

As a result of her experiences, Olivieri helped found the organisation Doctors for Research Integrity and works to oppose the adverse influence of corporate interests on public research.

## Misconduct in Research on Drinking Water

In another example of corporate interference in the dissemination of critical research results, a drinking water experiment that took place in Wiarton, Ontario has led to questionable results that could have significant public health risks.

**"The whistleblower is an essential element in the effort to protect the integrity of [government] supported research because researchers do not call attention to their own misconduct."**

U.S. Dept of Health and Human Services, Office of Research Integrity

**"It is [the university's] duty to act strongly in support of their researchers if the researchers' independence or academic freedom is threatened."**

*Report of the Committee of Inquiry on the Case Involving Dr. Nancy Olivieri, the Hospital for Sick Children, the University of Toronto, and Apotex Inc.*

For nearly a month in summer 2000, a large chemical company collaborated with the Ontario Ministry of the Environment, the Ontario Clean Water Agency, a Canadian university's drinking water research group, and the Wiarton municipal government to test chlorine dioxide as an alternative to traditional chlorination in the town's drinking water. Wiarton residents were not informed of the experiment in advance, even though the chlorine dioxide disinfectant by-product levels in their drinking water were above the United States Environmental Protection Agency's "maximum contaminant level."<sup>6</sup>

During the study, Wiarton residents filed dozens of complaints about bleach stains on laundered clothing, taste and odour problems, and even the death of pets. The study was only terminated following headlines in the *Globe & Mail*, *National Post*, and *Toronto Star*.

Despite the widespread and well-known dissatisfaction of Wiarton residents, researchers' submissions to academic publications following the experiment lauded it as a success, claiming that "no customer taste and odour complaints were reported during the study period."<sup>7</sup> Even the university publicised the "novel and successful trials to improve Wiarton, Ontario's drinking water."<sup>8</sup> In May 2005, Health Canada proposed new Canadian drinking water quality guidelines, citing the study as evidence that chlorine dioxide could "maintain water quality."<sup>9</sup>

Efforts to expose the discrepancies in reports on the Wiarton experiment by a former graduate student, Chris Radziminski, have been ignored by the university. Although the Natural Sciences and Engineering Research Council partly funded the project, it insists that the complaint was "purely a private matter" and that NSERC has no mandate to protect whistleblowers. The Canadian Federation of Students sought a federal court ruling challenging the granting council's inaction, but a judge upheld NSERC's decision to not seek an investigation from the University of Toronto.

The ruling exposes an alarming gap in accountability for publicly-funded research. Although NSERC technically has a duty to demand ethical behaviour from universities that receive funding, there is virtually no pragmatic oversight by NSERC, even in the face of complaints. The judgement confirms that universities are responsible for policing

themselves, and no appeal mechanism is available for whistleblowers who have evidence of misconduct and procedural abuse.

## **Towards Whistleblower Protection**

Despite the critical role of whistleblowers in ensuring integrity in university research, they have no formal protection in Canada. With increased corporate influence in publicly-funded research, university administrators seem disinclined to support researchers who stand up for academic integrity.

The federal granting councils are responsible for overseeing the ethical frameworks of universities to ensure that research "meets the highest international standards of excellence".<sup>10</sup> However, the councils' Integrity in Research and Scholarship policy statement does not include a provision that would protect whistleblowers from retaliation.

In contrast, national regulations in the United States of America recognise the role of the whistleblower as essential for upholding research integrity. The Whistleblower's Bill of Rights states: "Institutions have a duty not to tolerate or engage in retaliation against good-faith whistleblowers".<sup>11</sup> The absence of Canadian guidelines for whistleblower protection undermines university research integrity.

## **Sources**

1. Martinson et al. *Nature*. 435,9, June 2005, 737-738.
2. Tyers et al. *Science*. 24 June 2005. 308(5730):1867.
3. Visit [www.sciencefunding.ca](http://www.sciencefunding.ca) for more information.
4. *Globe and Mail*. Thursday, December 23, 1999.
5. Thompson, J., P. Baird, and J. Downie. "Report of the Committee of Inquiry on the Case Involving Dr. Nancy Olivieri, the Hospital for Sick Children, the University of Toronto, and Apotex Inc.," 2001.
6. USEPA. "List of Contaminants & Their MCLs." 2002.
7. Volk, C.J.; and R. Hofmann, C. Chauret, G.A. Gagnon, G. Ranger, & R.C. Andrews. *J. Environ. Eng. Sci.* 1:323-330, 2002.
8. Andrews, R., B. Karney and G. Ranger. "Chlorine dioxide disinfectant in Wiarton, Ontario." 4th International Symposium on Chlorine Dioxide, 2002.
9. Health Canada. "Chlorite and chlorate in drinking water: Document for public comment". Water Quality and Health Bureau, May 2005.
10. Tri-Council Policy Statement: Integrity in Research and Scholarship. [www.nserc.ca](http://www.nserc.ca)
11. U.S. Department of Health and Human Services, Office of Research Integrity.

onstrated that the decrease in enrol-  
almost exclusively from minority and

ion of University Teachers recently  
trend of tuition fees as a proportion  
ie in Canada. They found that the  
fees has weighed far more heavily  
orest Canadians.<sup>6</sup>

## ONAL EVIDENCE

and government stopped regulating  
nted income-contingent repayment  
999 tuition fees had nearly tripled.  
is over \$6 billion NZD (approx-  
i).

ational Institute has calculated that  
ealand an average of 28 years  
tertiary study, twice as long as it  
tes that a teacher with a \$30,000  
16 years to repay it, and would  
18 in interest. The Institute also  
ory Early Childhood Teacher with  
) will likely never pay off her loan,  
0 in interest over 40 years.

a  
l Center for Education Statistics,  
3, cuts in state funding were the  
ee increases at public four-year  
spite record tuition fee increases  
ir, the U.S. post-secondary educa-  
g a quality crisis. Even in the face  
in 2003—the highest tuition fee  
ecade—U.S. public institutions  
ts, faculty reductions, and staff  
public institutions have now  
0% of the annual income of poor

creasing revenue and quality at  
ernment imposed post-secondary  
e in British history in 1998. Yet, in  
paper released a study demon-  
budgets of universities did not  
were imposed. This occurred  
are downloaded onto students  
ernment proceeded to cut post-

secondary education funding. In fact, public funding for  
universities fell each consecutive year after tuition fees were  
introduced. Total per student funding, both public funding  
from the government and tuition fees, was lower in 2002-  
2003 than in 1996-1997, the year before tuition fees were  
introduced. After only five short years cumulative student  
loan debt in Britain now stands at £33.4 billion with no  
improvement in quality or access on the horizon.

## CONCLUSION

Post-secondary education is a necessity for both individu-  
als and Canadian society at large. The benefits of higher  
education and skills training range from better employment  
and a healthier lifestyle, to a better standard of living and  
greater life satisfaction. Higher average educational attain-  
ment across a society is correlated with reduced crime and  
greater civic engagement. By increasing the financial bar-  
riers to post-secondary education, policy-makers are taking  
great risks with the future prosperity of Canadians.

The proponents of higher tuition fees in the countries  
described above have campaigned on the notion that the  
overall level of funding resulting from higher tuition fees will  
lead to better quality education. The lesson from both the  
UK and New Zealand has been that higher tuition fees are  
consistently offset by cuts in public funding, reduced access  
to higher education, massive student debt burdens, and no  
quality improvements. There is a lesson to be learned from  
these experiences for Canadian policy-makers.

1. Canadian Association of University Teachers. CAUT Almanac of Post-Second-  
ary Education in Canada - 2007. Ottawa, 2007.

2. Statistics Canada, "Participation in postsecondary education and family  
income," The Daily. Friday, December 7, 2001.

3. Statistics Canada and Human Resources and Skills Development Canada, "At  
a Crossroads: First Results for the 18 to 20-Year-old Cohort of the Youth in Transi-  
tion Survey", January 2002.

4. McElroy, Lori. Student Aid and University Persistence: Does Debt Matter?  
Montreal: Canada Millennium Scholarship Foundation, 2005.

5. Kane, Thomas. "The Price of Admission: Rethinking How Americans Pay for  
College". University of California Press, November 1999.

6. Canadian Association of University Teachers. "The Economics of Access: The  
Fiscal Reality of PSE Costs for Low-Income Families." CAUT Education Review  
8.2 (2006).

7. Income contingent repayment (ICR) for student loans extends debt repayment  
for most students, guaranteeing greater overall indebtedness. Income contingent  
repayment schemes were vigorously resisted by students in Canada during the  
mid-1990s, and more recently in Ontario where former Premier Bob Rae recom-  
mended their implementation. Student resistance in Canada has kept ICR from  
being implemented.

8. New Zealand Educational Institute. "Submission on Student Support in New  
Zealand". Wellington: New Zealand Educational Institute, 2003:4.

# TUITION FEES IN CANADA

*a pan-canadian perspective on  
paying more and getting less*



# TUITION FEES IN CANADA

A PAN-CANADIAN PERSPECTIVE ON PAYING MORE AND GETTING LESS

## INTRODUCTION

In the past fifteen years, tuition fees in Canada have grown to become the single largest expense for most university and college students. Rapidly increasing tuition fees have caused post-secondary education to become unaffordable for many low- and middle-income Canadians. The dramatic tuition fee increases during this period were the direct result of cuts to public funding for post-secondary education by the federal government and, to a somewhat lesser extent, provincial governments. Public funding currently accounts for an average of approximately 57% of university and college operating funding, down from 82% just two decades ago.<sup>1</sup> This constitutes a rapid re-orientation of Canada's post-secondary education system toward individual user payments, and individual indebtedness.

## HISTORICAL OVERVIEW: TUITION FEES IN CANADA

### Pre-WWII (1867 to 1938)

Prior to the Second World War, very little public funding was provided to Canada's universities (community colleges had not yet been established). University funding relied almost exclusively on private donations and substantial tuition fees. Many universities' academic programs were tied to denominational churches of the Christian faith, and relied heavily on church funding. Only a small portion of the Canadian population attended university, and the vast majority of students came from Canada's wealthiest families.

### Post-War (1946 to 1980)

Following the war, the federal government made grants to attend university widely available to returning soldiers as part of a veterans re-integration program. The federal government also began directly funding universities during this time, and continued to do so after most of the veterans had graduated. As well, most provincial governments began providing funding for post-secondary education institutions.

By the mid-1960s, nearly all funding for Canada's universities was provided by the federal and provincial governments. This allowed for tuition fees to be reduced to a token amount. Not surprisingly, post-secondary education enrollment exploded, with Canadians from all backgrounds gaining access to higher education for the first time.

Starting in the mid- to late-1960s, provincial college systems were established in most provinces. Because of public investment, tuition fees at most colleges were either token or nil. This era represented a time when Canadian governments not only recognised the social and economic value of mass post-secondary education, they also invest-

ed public funds to reflect that commitment. For a period the end of the 1960s, Newfoundland & Labrador abolished tuition fees altogether.

By the early 1970s, most of the discussions about post-secondary education began to focus on the elimination of tuition fees. In 1976, the Canadian government signed on to the United Nations' Covenant on Economic, Social, and Cultural Rights promising to gradually introduce free education at all levels.

### 1980s

In the early 1980s, a value shift began to take root in governments in Canada and most other western countries, as most jurisdictions began cutting funding for public programs. Post-secondary education was an easy target for these funding cuts. Because universities and colleges are funded through a combination of both federal and provincial grants plus user fees, governments were able to cut funding by forcing students and their families to subsidise the difference. For various reasons, this option was not available for governments looking to cut public investment in health-care or primary and secondary education. Between the early 1980s and the early 1990s, average tuition fees at Canadian universities more than doubled. Average tuition fees at colleges, excluding those in Québec, more than tripled.

### 1994 to 2000

In 1995, the federal Liberal government announced a further cut of \$7 billion in public funding to provincial programs, including post-secondary education, health-care, housing, and social assistance. These post-secondary education cuts were directly passed on to students, resulting in the largest tuition fee increases in Canadian history.

### 2000 to the present

As access to university and college became increasingly restricted and students were forced to suffer greater debt loads in order to afford higher education, the Canadian Federation of Students was able to successfully turn the tide in several provinces. Since 2000, British Columbia, followed by Manitoba, Newfoundland and Labrador, Ontario, Saskatchewan, Nova Scotia, and Prince Edward Island responded to pressure from students by introducing tuition fee freezes and increasing provincial funding for post-secondary education. Tuition fees were actually reduced in British Columbia (2001), Manitoba (2000), Newfoundland and Labrador (2002, 2003, and 2004), and Prince Edward Island (2007).

Québec was unique among the provinces because it resisted passing the cost of federal funding cuts on to students. Until 2007, tuition fees in Québec were frozen for 35 of the last 40 years and college remains free for Québec students.

At the beginning of the 1990s, average undergraduate tuition fees in Canada were \$1,464. Today, average fees are \$4,524 for undergraduate arts and science, an increase approximately four times the rate of inflation. Other compulsory fees, commonly referred to as "ancillary fees", have also increased rapidly. In fall 2007, average ancillary fees in Canada reached \$663, up 10% from 2006.

## GRADUATE, PROFESSIONAL, AND INTERNATIONAL STUDENTS

Master's, PhD, international students, and students in professional programs have faced the steepest increases in tuition fees. Unlike most undergraduate students, graduate students are enrolled year-round, and therefore have to pay tuition fees during the summer months. Thus, not only do graduate students pay higher fees, they also pay them for four months more than undergraduate students on the typical fall and winter academic schedule.

The higher fees for graduate and professional students are often justified by arguing that those with advanced degrees earn more during their lifetimes in the workforce. However, the increased earnings of professionals has been notoriously exaggerated by university and college presidents in their campaign for higher fees. In addition, advocates for higher fees also ignore the fact that those who earn higher incomes as a result of post-secondary education also pay higher income taxes that pay for the cost of their post-secondary education. Finally, the earnings-potential argument for higher fees does not address the up-front impact of sky-high tuition fees on entry to these programs.

Students studying in Canada from other countries probably fare the worst of all, since tuition fee regulation has rarely applied to international students. Tuition fees for these students are typically triple those of Canadian students.

## WHAT IS THE IMPACT OF HIGH FEES?

Recent studies reveal the effects of high tuition fees on access to post-secondary education for students from low- and middle-income backgrounds. Statistics Canada reports that students from low-income families are less than half as likely to participate in university than those from high-income families.<sup>2</sup>

Statistics Canada's Youth in Transition Survey tallied the reasons cited by high school graduates who did not participate in post-secondary education. By an overwhelming margin, the most frequently reported barrier to university and college for these students was "financial reasons".<sup>3</sup>

University of British Columbia researcher Lori McElroy found that students with little or no debt were more than twice as likely to finish their degree than students with high levels of debt. The completion rate for students with under \$1000 of debt was 71%, while the completion rate for those with over \$10,000 was 34%.<sup>4</sup>

Similar results were found in the United States. Researchers at the University of California, Los Angeles (UCLA) found that for every \$1,000 increase in tuition fees, enrolment rates dropped

by 15%. The study  
ment was composed  
low-income students.

The Canadian Ass  
analysed the long-  
of after-tax family i  
burden of rising tu  
on the budgets of t

## TUITION FEES THE INTERNA

### New Zealand

In 1992, the New  
tuition fees and imp  
for student loans.<sup>7</sup> E  
Today, total student  
mately \$4.3 billion

The New Zealand E  
it takes women in N  
to pay for three year  
takes men.<sup>8</sup> It also e  
student loan would  
have to pay over \$2  
notes that a non-sup  
the same debt (\$30  
but she will pay \$69

### United States of Ar

According to the Na  
between 1988 and  
primary factor in tu  
institutions. Moreove  
since the 1999-2000  
tion system is still suf  
of a 14% tuition fee  
increase in more than  
have reported progra  
layoffs. Tuition fees a  
reached approximate  
families.

### United Kingdom

Under the auspices o  
British universities, the  
tuition fees for the fir  
2001, the Guardian  
strating that the oper  
increase after tuition  
because once the cos  
and their families, the



## 5. Statutory Damages

If a person is found liable for copyright infringement, the owner of the infringed work is entitled to actual or statutory damages. Actual damages, which may be a very small sum of money, are based either on the losses suffered by the owner, or the gains obtained by the infringer. Statutory damages, on the other hand, are set out in legislation and can result in payments from \$500 to \$20,000 for each work infringed. Because of their punitive nature, the very availability of statutory damages often acts as a constraint against exercising allowable user rights such as fair dealing. For user rights to be meaningful, statutory damages need to be limited. If someone acts with a good-faith belief that their use of a work was justified by fair dealing or some other limitation, they should not be held liable for statutory damages.

## 6. Crown Copyright

Crown copyright is the means by which the government is granted copyright in all work created under its direction. Government work is paid for by public tax dollars, and so the public should not have to pay twice in order to access and make use of that work. The elimination of crown copyright would increase public accountability and government transparency.

## 7. Moral Rights

Section 14.1 (1) of the *Copyright Act* says:

*The author of a work has ... the right to the integrity of the work and ... the right, where reasonable in the circumstances, to be associated with the work as its author by name or under a pseudonym and the right to remain anonymous.*

These rights, characterised as moral rights to distinguish them from the economic rights (to publish, reproduce, exhibit or perform a work) contained in the Act, protect an author's honour and reputation and cannot be sold or otherwise transferred. They can, however, be waived and creators often find themselves under enormous pressure from commercial publishers to do so. If a student is hired to write a report, for example, the contracting agency may wish to change the conclusion but still attach the student's name to the document. With moral rights intact, a student can prevent this from happening. If moral rights are waived, the student has no such power. To avoid these situations the *Copyright Act* should be amended to, at the very least, state that, in circumstances where a power imbalance exists in creator-distributor negotiations, moral rights shall be inalienable.

## Conclusion

Students are served by a *Copyright Act* that fairly balances the interests of users, creators, and owners of copyright works. It is only with such balance that a robust information commons—a place where information and knowledge exist as our shared heritage—can thrive.

# STATEMENT ON COPYRIGHT REFORM

Canadian Federation of Students

Should copyright law lock down music and literature to protect the financial interests of rights-holders? Or should it promote broad access to, and use of, intellectual goods? These questions are at the core of the growing public debate over the need for fair and balanced copyright law, a debate that college and university students have a critical stake in.

As creators and owners of copyright material (essays, articles, theses and multi-media productions), students need to protect their work from unjust appropriation. But to study, research, write and create new knowledge, students also need ready access, at a reasonable cost, to the copyrighted works of others. This tri-part perspective—of use, creation and ownership of copyright—gives students special credibility in the struggle for fair and balanced copyright law.

## Copyright

Intellectual property is a legal concept governing the ownership and use of goods created by intellectual labour. Copyright is the intellectual property sub-category that protects expressive "works", including literary, dramatic, artistic and musical creations.

The *Canadian Copyright Act* gives copyright owners a bundle of economic rights (including the rights to publish, reproduce, exhibit or perform a work) and to creators a series of moral rights (including rights to protect the integrity of a work, to be associated or not associated with a work, and to preserve an author's honour and reputation in relation to a work).

Copyright is infringed when someone, without the consent of the copyright owner, does something with a work that only the owner of the work has the right to do. People found liable for infringing an owner's copyright are subject to a variety of financial penalties. The Act protects the public interest by limiting the duration of the copyright term (generally to the life of the author plus fifty years, after which the work enters the public domain), allowing certain exceptions to what would otherwise be infringement (for example, permitting the transfer of copyrighted works to formats accessible to visually impaired persons) and through fair dealing (the right to use works without permission in various circumstances).

## Copyright Act Reform

In the early 2000s the federal government began a round of copyright reform aimed at addressing developments in digital information technology. Advances in this technology have disrupted the traditional operation of the *Copyright Act*, simultaneously creating opportunities for complete copyright control by corporate rights-owners as well as mass, illegal, instantaneous duplication by commercial pirates. More subtly the new technology has also enhanced the ability of copyright users to become creators in their own right; breaking down old distinctions between creator and user, between broadcaster and audience, and even between educator and learner.

Good public policy must therefore ensure that digital technology protects the legitimate copyright interests of creators (artists, writers, musicians, researchers) and prevents copyright owners from using new technologies to restrict reasonable access to, and use of, information resources. Unfortunately, copyright policy in Canada has long been dominated by commercial

interests who reject such balance. Canada continues to be under intense pressure from the U.S. government and the international entertainment industry to grant sweeping new protections to rights-holders. In particular, successive Canadian governments have been urged to adopt a version of the U.S. *Digital Millennium Copyright Act* (DMCA), a controversial piece of legislation that locks down digital data.

In a break with tradition, a groundswell of grassroots opposition has prevented the federal government from bowing to this corporate pressure. A new generation of activists from the general public and specific groups such as students, teachers, consumers, librarians and even sectors of the business community has stopped the *Copyright Act* from being tipped further in favour of commercial rights holders at the expense of the public interest. While this is a great victory, the struggle now is moving from a defensive position to one from which actual improvements to the Act can be demanded. As users, creators, and owners of copyrighted works, students are well-placed to play a prominent role in the struggle for balanced copyright law. Key issues in this struggle are:

## 1. Fair Dealing

Fair dealing is the fundamental right to, in certain circumstances, access and use part or all of a work without permission or payment. More specifically, the Act provides that fair dealing for the purpose of research or private study does not infringe copyright. If certain attribution requirements are met, fair dealing also applies to criticism, review, and news reporting. While there is no precise formula defining exactly what fair dealing is, the law is guided by several factors including the nature of the use, as well as its character, purpose and amount.

Traditionally, fair-dealing was frowned on by Canadian courts and seen as a limited technical defence to claims of copyright infringement. But this restrictive view has been transformed as a result of a recent judgement by the Supreme Court of Canada. The key shift came in 2004 with the *CCH Canadian Ltd. v. Law Society of Upper Canada* decision. The court rejected the view that fair-dealing was simply a limited defense to infringement:

*... Procedurally, a defendant is required to prove that his or her dealing with a work has been fair; however, the fair dealing exception is perhaps more properly understood as an integral part of the Copyright Act than simply a defence. Any act falling within the fair dealing exception will not be an infringement of copyright. The fair dealing exception, like other exceptions in the Copyright Act, is a user's right. In order to maintain the proper balance between the rights of a copyright owner and users' interests, it must not be interpreted restrictively.*

The court ruled that the actual fair dealing categories of research and private study need to be given a broad and liberal interpretation. In addition to broadening the scope of the fair-dealing categories and allowing it to be performed by an intermediary (a library for example), the Court also confirmed the list of factors that should guide a finding of fair dealing:

- ▶ the purpose of the use;
- ▶ the character of the dealing;
- ▶ the amount of the dealing;
- ▶ alternatives to the dealing;
- ▶ the nature of the original work; and
- ▶ the effect of the dealing on the work

The Supreme Court's recognition of a new copyright doctrine based on users' rights and the need for careful balancing of interests between the rights of owners and users now needs to be enshrined in the *Copyright Act*.

This open-ended approach reflects the meaning of the CCH case, and also serves the interests of students, teachers, librarians, and administrators; as well as other life-long learners who aren't affiliated with an institution. This general approach would avoid having to ask for special exceptions for educational institutions that are not available to the general public.

## 2. Exceptions for Educational Institutions

Asking for special institutional-based exemptions is the approach that was taken in the last round of copyright reform in 1997. It resulted in a complicated, and not very useful, set of narrow privileges for educational institutions. Unfortunately, this approach is still being pushed by groups representing a narrow band of university and college stakeholders: administrators. Seeking further special exemptions that are not available to the general public is a fundamentally flawed strategy. The better option is an expanded and open-ended definition in the Act of fair dealing that reflects the principles laid out in the CCH judgement.

## 3. DRMs, TPMs and other Anti-Circumvention Rules

To shield digital works from unauthorised access and/or monitor their use, some copyright owners are utilising encryption and other Technological Protection Measures (TPMs). TPMs have not proven to be the magic bullet rights-holders had hoped they would be because they are subject to circumvention. To shore up the efficacy of TPMs in the U.S. the DMCA prohibits both circumventing TPMs and the devices that facilitate circumvention. Canada is now under considerable pressure to adopt measures similar to the DMCA—pressure that must be resisted.

The danger of over-broad anti-circumvention legislation such as the DMCA is that, while it may have some minor effect on commercial piracy, it can also prevent otherwise lawful activity such as fair dealing, accessing works in the public domain, archival preservation, time and format shifting, device interoperability and library lending. To achieve balance in the *Copyright Act* Canada must reject DMCA style amendments. Any effort to address the issue of circumvention/anti-circumvention must not limit the ability of users to by-pass measures that undermine personal privacy or statutory rights of access. In particular, the *Copyright Act* must not prohibit devices capable of circumventing TPMs, as such devices are often used for purposes that do not infringe copyright.

## 4. Notice and Take-down

Under the DMCA, Internet Service Providers (ISPs) in the U.S. must comply with "Notice and Take Down" provisions to avoid liability for the acts of copyright infringement committed by their subscribers. Under "Notice and Take Down", if a copyright owner thinks there is infringing material online, they need only send a notice to the ISP ordering them to take it down in order to have the material removed. "Notice and Take Down" rules do not give the user a chance to respond to these allegations and not only allow for, but encourage a form of censorship.

The alternative is "Notice and Notice", for which the ISP only has to pass the notice on to the alleged infringer. This is a reasonable compromise. The idea that materials could be unilaterally removed from one's website based on unproven allegations of infringement is offensive not only to academic freedom but to everyone's rights to expression.