

November 1, 2010
237-C Centre Block

Finance Committee (Pre-Budget Submission) Committee Comments



Thank you Mr. Chair. On behalf of our 26 post secondary institutions across Canada, representing over 300,000 students, we would like to thank you and the members of the committee for inviting CASA here today.

Before we begin I would like to take a moment to remind the committee of the importance of investing in education. During the last federal election the Prime Minister commented on our education system by saying, “with all its challenges and problems, [it] is still a great unifier, a great equalizer, a great provider of opportunity, **a symbol of some of the best things about our country.**”

We come before you today on behalf of students to propose *smart solutions* that will help address the *challenges* and *problems* of post secondary education in Canada, and help create a high quality education system that is accessible, affordable, and innovative.

In a time of difficult choices, the government must prioritize investments in areas that will promote sustained economic growth and strong returns to Canadians. **The recommendations that we are advancing today are a series of high-return policy options for the federal government to ensure access to post-secondary programs.**

To address what we have put on the table today, CASA recommends investments to strengthen federal support for First Nations Education, address unmet student financial need, and make books cheaper.

Canada’s Aboriginal peoples face persistent inequalities in employment, wage levels and supported access to post secondary education.

Between 1971 and 2001, Canada’s Aboriginal population grew 322% compared to 37% in the non-aboriginal population. Further, a large proportion of the Aboriginal populace is now of school-age: **50% of Aboriginals are under the age of 25, while a third are under age 14. These numbers highlight the importance this demographic will play in ensuring Canada has the labor force to grow and be competitive in the future.**

To ensure that these important Canadians are prepared we must give them the tools to improve their educational outcomes.

CASA recommends that the federal government lift the 2% cap on spending to INACs Post Secondary Student Support Program (PSSSP) and ensure that the PSSSP program is supported with the appropriate program delivery budget. Our estimates suggest that the government would need to initially invest \$318 million with a 5.6% escalator for annual growth.

Another challenge facing Canadians is the extraordinary debt of new graduates, but for more than 1 in 3 student loan borrowers the problem is the opposite - an inability to secure enough cash or credit to afford tuition, books, and basic costs of living.

CASA is asking the federal government to increase the Canada Student Loan Program student loan limit beginning in the 2011-2012 academic year from \$210.00 a week to \$290.00 a week. This increase will cover 95% of a student's financial need - compared to the current 66%.

The recession has been particularly cruel to students that, on average, rely on employment for 40% of their college or university funding. **34% of students are working while in study to help pay for their education.** We are also asking that the federal government support working students by increasing the allowable in-study work income exemptions from \$50.00 a week to a minimum of \$100.00 a week. If the government went even further, to \$200/week it would result in \$81 million of new money for students, at only a cost of \$7 million to the government.

Finally, we would like to address the issue of parallel book importation regulations – an issue recently well presented by *Campus Stores Canada*. Supported through government legislation, textbooks in Canada have risen in price over the past fifteen years by 280%.

The importation regulations force retail booksellers to buy textbooks domestically at an inflated price and prevent domestic booksellers from capitalizing on more competitive prices elsewhere.

If these provisions were eliminated, it would save close to \$30 million annually for students alone¹ at no cost to government . As a matter of perspective, the most

¹ According to Campus Stores Canada, the trade on imported books is worth \$262 million at campus bookstores alone – approximately 50% of total books sold.

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recent reduction in the GST by 1 percentage point saved students \$3.75 million on textbooks.

CASA recommends that the Copyright Act be amended to eliminate section 27.1 prohibiting the parallel importation of books from foreign distributors.

In closing, let me emphasize the importance of increasing the percentage of people pursuing post-secondary education in this country.

By 2025, the number of persons retiring from the labor force will exceed newcomers by 34%. To continue funding health and social services, we need to substantially increase the value of our workforce.

The federal government chose to cut investments in education in the mid-90's to help reduce a deficit. Due to these cuts, Canada faced a brain drain as researchers and highly indebted graduates left to find opportunities elsewhere.

If as a country we want **to invest in ourselves and invest in our future prosperity this committee will recognize education as a symbol of what makes Canada great** and that investing in education will build our human infrastructure and strengthen Canada's economic position.

Thank you.