ADVOCACY POSITION STATEMENT
October 2024

WUSA ADVOCACY POSITION STATEMENT:
International Student Tuition

ISSUE: Ensuring international students at the University of Waterloo have access to an affordable and meaningful university experience, and quality education.

RESPONSIBLE AUTHORITY:

- University of Waterloo
- Federal Government
- Government of Ontario
- Students

DETAILS:

International students at the University of Waterloo make up approximately 19% of the undergraduate study body. The University of Waterloo advertises the institution as one with an experience-rich education and world-class scholarships, where students with co-op degrees graduate with up to two-years of paid work experience and earn an average of $14,000 on a co-op work term.

Despite these opportunities and what the University advertises, international students encounter unique challenges with their student experience. The issues international students face regarding international student tuition can be categorized into three (3) main domains:

1. Unpredictability
2. Student vulnerability
3. Affordability

IMPACT / ANALYSIS:

Unpredictability

International student tuition was deregulated in 1994, which has caused it to grow at a disproportionately higher rate when compared to domestic tuition. This growth is often

unpredictable from one semester to the next, making it difficult for international students to predict their upcoming tuition bills and manage their finances in advance. Provincial government funding for post-secondary institutions has stagnated over the years, resulting in universities relying more on tuition fees for their operations. In 2016-2017, tuition made up 57% of Waterloo's Operating Revenue sources (University of Waterloo, 2024). However, since 2019, due to the Tuition Fee Framework and Ancillary Fee Guidelines which instituted a 10% reduction in tuition for funding-eligible students, institutions have been faced with a reduction in tuition revenue. This decrease has forced institutions to explore other cost-recovery avenues, such as increasing international student tuition since it is not regulated. In Ontario, international student tuition has increased by 68.61% between 2006 and 2017, even when accounting for inflation (Ontario Undergraduate Student Alliance, 2020). A survey conducted by the Ontario Undergraduate Student Alliance found that among international students that were surveyed, 55% had difficulty affording tuition and 34% said that they found their tuition fees to be unpredictable from year to year.

Additionally, everchanging immigration, employment, and legal policies create a need for unique assistance to be provided to international students. The immigration consulting services sector has also grown in the last decade, with the number of designated Regulated Canadian Immigration Consultants (RCICs) positively correlated with the increase of international students. Between 2014 and 2019, the number of RCICs increased by almost 50%, doubling in Ontario from 1125 in 2014 to 2320 in 2019 (One Voice Canada, 2021). This shows that international students do need support navigating the unpredictability of these immigration, employment, and legal policies.

In 2024, the Government of Canada set an intake cap on international student permit applications to stabilize new growth for a period of two years. The cap is expected to result in approximately 360,000 approved study permits, a decrease of 35% from 2023 (CBC/Radio Canada, 2024). Considering international students pay more than four times the tuition fees compared to domestic students (Statistics Canada, 2020a), the budget cuts resulting from the cap on international student permits would lead institutions to investigate other funding methods. This threatens the stability of current tuition fees and suggests a potential increase to the already unreasonably high international tuition fees.

University budgets often greatly depend on international students, and as the number of international students decreases, institutions will have to look to other funding methods. This poses sustainability concerns, as highlighted by University Affairs Aidan Thompson's statement that if any other institution in the province or the country was only 20% publicly funded, it would not be considered a public institution but a private one.

Student vulnerability

In the early-to-mid 2010s, as cuts to domestic funding began, institutions in Canada swiftly expanded international enrollments to compensate for the shortfall. Consequently, the income derived from international students nearly doubled since 2018, with these students constituting over half of the student body in 2024 (Higher Education Strategy Associates, 2023). Tuition fees for international students contribute significantly to sector-wide revenue, estimated to be around 76% of total tuition fees (CBC/Radio Canada, 2024). International student tuition fees are often unpredictable from one semester and year to the next. International students face difficulties predicting their next tuition bill, therefore causing challenges in managing their finances, especially when faced with unpredictable tuition increases. The government commissioned a Blue-Ribbon panel in March 2023 to examine the post-secondary education sector's financial sustainability, which reported institutions were at risk if the domestic tuition freeze continues and schools increase their dependence on international student tuition.

Canada's approach towards international students contrasts the approach taken in other countries. For example, in France, the country's Constitutional Council ruled against the government's planned increase of tuition fees for international students (Boring, 2019 as cited in One Voice Canada). The court's decision stated that affordable education is a constitutional right for all students, including international students (Boring, 2019). Germany's public, tuition-free universities extend to international students (Trines, 2019 as cited in One Voice Canada). This approach does not treat education as a commodity and creates a better incentive to attract foreign talent. In contrast, Canada has gained an international reputation for having a post-secondary sector that "milks international students as cash cows" (One Voice Canada, 2021). Immigration Minister Marc Miller previously criticized some colleges for operating like "puppy mills" when recruiting international students, arguing that they lure in international students but provide inadequate education or lack resources to properly support those students when they arrive (The Varsity, 2024).

In addition to being exploited at their post-secondary institutions, in 2017, a House of Commons Committee studied the exploitation of international students by unscrupulous immigration consultants. The Committee learned that consultants are known to ask for $15,000 to $20,000 to help an international student gain permanent residency (House of Commons, 2017). With everchanging immigration, employment, and legal policies, international students opt to hire these immigration consultants, as many times they do not find support at their institutions and are further exploited by the system.

These contributing stressors can lead to mental health challenges for international students and represent a critical issue that cannot be overlooked. Tragically, instances of suicide among these students are not isolated incidents but rather are symptomatic of deeper, systemic issues. A significant proportion of international students, particularly those from modest-income families, encounter overwhelming pressures that are difficult to navigate. These pressures often arise from various stressors, including the exorbitant costs of tuition and living expenses, mounting debt obligations, academic performance expectations, and the daunting task of securing employment to fulfill work permit requirements (CBC/Radio Canada, 2023).

Affordability

International students are subjected to limited funding opportunities to manage their high and increasing tuition fees. According to the provincial government's website, international students are ineligible for bank or government student loans (Government of Ontario, 2024). Since there is a lack of provincially funded financial aid for international students who display academic excellence, they rely on financial aid through institutional scholarships, which varies across institutions and lack consistency.

Additionally, housing is one of the largest costs an international student in Canada will incur. In housing markets in the past few years, both affordability and accessibility have decreased, calling for close monitoring of the situation by stakeholders across the international education sector. The Canadian Bureau for International Education reports that while almost all (97%) of respondents feel safe in their accommodation, 79% of respondents indicated feeling either somewhat (42%) or very concerned (37%) about being able to cover the cost of their accommodation (Canadian Bureau for International Education, 2018). Currently, both the provincial and federal government do not require post-secondary institutions to build housing that corresponds with the number of students they receive. With lack of affordable housing, and limited availability close to the institutions, the quality of life has severely decreased, with up to 10-12 students residing in one space to decrease rental costs.

POSITION / RECOMMENDATION(S):
The Waterloo Undergraduate Student's Association supports initiatives that encourage:

- the provincial government to take primary responsibility for operational funding.
- reworking the Ontario tuition funding framework to account for international students.

- ensuring that no more than one-third of a post-secondary institution's operating budget be made up of tuition from international students.
- diversifying funding sources to reduce reliance on international student tuition fees.
- complementing the introduction of intake caps on international student permit applications with long-term strategies to ensure sustainable growth and support for international students. Policies should aim to strike a balance between revenue generation and the well-being of international students.

The Waterloo Undergraduate Student's Association opposes initiatives involving:

- viewing international student tuition as the alternative source for operational funding shortfalls.
- recruiting more international students than the city can accommodate, providing inadequate housing options for international students and decreasing their quality of life.

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