

# Post-Secondary Sector Sustainability Review

## Executive Summary

**Prepared For:** Whom it may concern

**Prepared By:** University of Victoria Graduate Students' Society

**Date:** February 26, 2026

### SITUATION AND BACKGROUND

On November 25, 2025, the Province announced a review of sector sustainability for post-secondary institutions (PSIs). The review is led by Don Avison, KC and the report is to be presented to the Province by March 29, 2026. While a review of the post-secondary sector is certainly in order, the lack of transparency in this process is of great concern, and it threatens the affordability, sustainability, and academic freedom of post-secondary education in BC. The University of Victoria Graduate Students' Society (GSS) objects to the terms of this review and are seeking support in these concerns.

### DISCUSSION

The GSS is concerned with the review's refusal to rule out the revocation of the 2005 Tuition Limit Policy, which ensures post-secondary education remains accessible and affordable. Unregulated increases would cause massive financial strain on students and their families who are already struggling to make ends meet. Instead, the review mandates that there will "no new funding" for PSIs, despite this being the root cause of the PSI financial crisis. Funding PSIs is critical not just for supporting high-quality education, but also the local communities and economies around them: PSIs are anchors of their communities, contributing hundreds of millions of dollars to their local communities. Instead of shouldering students with the burden of financially sustaining PSIs, alternatives exist in capping excessive executive compensation packages, which in some cases outstrip that of even the Prime Minister. In addition, the GSS is concerned that the 2022 PSI funding review, which we are given to understand included information relating to the chronic underfunding of PSIs by the Province, was never released, indicating a lack of transparency in the current review. Lastly, the review proposes changes to the University Act that would allow the Province more direct control over PSI's academic affairs. This could threaten the academic freedom of institutions, which is a large proponent in ensuring excellent, high-quality education.

### RECOMMENDATIONS

The GSS is issuing the following calls to action to the Province:

- 1. Publicly commit to maintaining the 2% cap on domestic tuition.**
- 2. Remove the "no new funding" restriction for this review's mandate. There can be no successful sustainability review of Provincial entities without Provincial funding.**
- 3. Release the 2022 PSI funding review results to promote transparency as to the cause of the current funding crisis and to respect the significant work done across our sector to support this review.**
- 4. Cap PSI executive compensation.**
- 5. Maintain academic freedom protections under the University Act, including those under Section 10, Article 48 – Minister not to interfere.**

# Post-Secondary Sector Sustainability Review

Supplemental

**Prepared For:** Whom it may concern

**Prepared By:** University of Victoria Graduate Students' Society

**Date:** February 26, 2026

## SITUATION

The Province has initiated a review of the financial sustainability of Post-Secondary Institutions, and while a review of the post-secondary sector is certainly in order, the process raises significant concerns. The University of Victoria Graduate Students' Society (GSS) is seeking support in these concerns. The lack of transparency in this review process is a significant issue, and it will result in significant threats to the affordability, sustainability, and academic freedom of post-secondary education in BC. We believe these principles are fundamental to upholding a well-functioning post-secondary system that meets the needs of British Columbians. We therefore recommend the following:

- 1. Publicly commit to maintaining a cap on domestic tuition.**
- 2. Remove the “no new funding” restriction for this review’s mandate. There can be no successful sustainability review of Provincial entities without Provincial funding.**
- 3. Release the 2022 PSI funding review results to promote transparency as to the cause of the current funding crisis and to respect the significant work done across our sector to support this review.**
- 4. Cap PSI executive compensation.**
- 5. Maintain academic freedom protections under the *University Act*, including those under Section 10, Article 48 – Minister not to interfere.**

## BACKGROUND

On November 25, 2025, the Province announced a review of sector sustainability for post-secondary institutions (PSIs). The review is being led by Don Avison, KC and the report is to be presented to the Province in Spring 2026. This is the second PSI funding review the Province has undertaken in the last four years, with the results of the 2022 review never being released to the public. We would like to see the 2022 review released to promote transparency and to allow for a comprehensive review of the distal and proximal causes of the current funding crisis impacting the post-secondary sector.

The terms of reference for the current review states that “[a] large injection of permanent, net new funding for the sector is not expected given the fiscal reality.”<sup>1</sup> We understand the current fiscal state of the Province with the recent announcement of Budget 2026 and that significant deficits are predicted for the next several years. However, as we will articulate below, providing affordable, accessible education for all BC residents remains a Provincial responsibility which has been neglected by many successive governments. The chronic underfunding of our PSIs for the last sixty years has made the current funding crisis an inevitability. Given the questions raised in this review regarding “effects of government’s limits on tuition increases over time” and the “consider[ation] adjustments to current policies to address anomalies,” we are given to understand that the Province intends to shift more of the financial burden of PSI operating expenses onto students.

There has been no commitment to maintain the 2005 Tuition Limit Policy, which caps tuition increases at 2% per year. The GSS, alongside the entire student society sector, are gravely concerned with this. It indicates that the Province is considering significant increases to tuition, which will make post-secondary education less affordable for all, limiting educational access for BC's low- and middle-income families.

In addition, this review is proposes drastic changes to the PSI system, while avoiding the only true solution: new funding. It instead threatens to offset costs and challenges to students – which goes against the province's mandate to provide affordable and accessible education. The GSS calls on the Province to commit to maintaining the 2005 Tuition Limit Policy to ensure post-secondary education remains accessible and affordable, and repeal their restriction against new funding.

Lastly, the review proposes changes to the University Act that threaten the academic freedom of PSIs. These changes would allow the Province more direct control over PSIs' academic affairs, potentially violating Section 10, Article 48 of the University Act preventing the Minister of Post-Secondary Education from interfering in key aspects of PSIs.

## **AFFORDABILITY**

### *2005 Tuition Limit Policy:*

Along with the Alliance of BC Students,<sup>2</sup> we are demanding the Province immediately and publicly commit to maintaining the 2% cap on domestic tuition. Taking this step would allay concerns that the Province is undertaking a fast-tracked review to eliminate or hamstring the 2005 Tuition Limit Policy. The Province must keep public education public. To quote the Confederation of University Faculty Associations of BC's 2023 report coming out of the abandoned 2022 PSI funding review: "Public post-secondary institutions must be primarily publicly funded. While there is a place for private funds generated by tuition and public-private partnerships, the public purposes of post-secondary education can only be ensured when the citizens of British Columbia, through their elected government, maintain a majority interest in the public post-secondary sector."<sup>3</sup>

Data from Statistics Canada clearly demonstrate that access to higher education in Canada is tied to parental income. In 2022, only 43.2% of 19-year-olds in the lowest-income quintile were enrolled in post-secondary education, compared with 75.2% of their peers in the highest-income quintile.<sup>4</sup> This report indicates that, "when expressed in relative terms, the decline in the enrolment rate [2019-2022] was larger in the bottom income quintile (3.5%) than in the top income quintile (1.9%)." While Canada has seen gains in reducing educational attainment disparity based on parental income, the trend is at risk of reversal, which would be exacerbated by tuition increases.

The familial socioeconomic enrolment gap highlights the financial barriers low-income youth face in accessing university, which discourages enrollment. Students from less affluent backgrounds are already less likely to attend or complete their programs under current funding models. Lifting tuition caps risks triggering steep fee increases that could place post-secondary education further out of reach for the province's most vulnerable groups, widening equity gaps. We urge the provincial government to recognize the tuition cap as a crucial tool for maintaining equitable access to higher education for all.

Should the Province opt to alter the 2005 Tuition Limit Policy, which we strongly oppose, we urge them to adopt a model similar to that recently announced by Ontario. The new Ontario tuition policy allows for tuition increases of 2% or the three-year average rate of inflation, whichever is lower.<sup>5</sup> This policy revision is accompanied by an additional \$6.4 billion in provincial funding over four years, to secure long-term financial prosperity for post-secondary institutions. We acknowledge that there are genuine fiscal losses to PSIs in every year that inflation exceeds 2% and are willing to work closely with the Province to find sustainable solutions that support students and strengthen institutions at a critical moment.

### *Sustainable Funding for PSIs:*

BC's PSIs reached a financial crisis once Immigration, Refugees, and Citizenship Canada restricted international student visas, limiting their capacity to balance budgets on international tuition. However, the crisis does not originate from IRCC student visa restrictions. The Province's contributions to PSI budgets have fallen from ~80% in the 1970's to ~40% today, which represents a significant divestment in the future of post-secondary education for BC's young people. More specifically, the Confederation of University Faculty Associations of BC (CUFA BC) found that in 1977-8, government grants accounted for ~75% of university revenues. By 2006-7, government grants accounted for 52.9% of university revenues while tuition and fees accounted for 21.9% of university revenues. By 2020-1, government grants slipped to 43.8% of university revenues, while tuition and fees grew to 31.0% of revenues. (pages 14, 31, 33) From 2010-1 to 2020-1, CUFA BC found that tuition income grew by 72.6% in real terms for BC's research universities.<sup>6</sup>

The current review does not include provisions for additional operating funds for PSIs. As a result, this review cannot meaningfully address the root cause of the PSI financial crisis. As student advocates, we ask the Province to meet their mandate to provide affordable and accessible education to all BC residents. If we want to have a resilient, innovative, and high-quality public education system, we need the Province to take a leading role.

### *Economic Sustainability for All: The Role of PSIs*

PSIs also have a broader economic impact, contributing hundreds of millions of dollars to local economies.<sup>7</sup> Public sentiment continues to support PSIs as economic and community anchors.<sup>8</sup> Funding PSIs funds the community. However, as PSIs across BC contract their budgets, the positive economic impact of the PSI decreases.

Universities and colleges across BC have already made substantial job cuts in the last three to four years. When factoring in the multiplier effects generated by the in-region spending of PSIs and their employees, these losses have a significant impact. Universities are an essential investment for the future of the economy. Rapid cuts and a lack of investment will only worsen economic growth and lead to more austerity. As we've noted above, as family income decreases, access to post-secondary education declines. If parents of students lose their PSI sector jobs, the odds of their children pursuing and completing post-secondary education decrease, leading to a negative feedback loop for PSI enrolment and worsening the financial crisis.

Beyond the immediate local impacts of job losses on families, PSIs are a significant economic driver. Reductions in this sector result in fewer trained professionals and tradespeople in the job market a decade from now. The provincial labour market outlook predicts that over the next 10 years, 77% of the job openings and high-opportunity occupations will require some type of post-secondary education, training or previous experience.<sup>9</sup> Without investment in post-secondary, we could be left with labour shortages and loss of productivity.

To take the University of Victoria as an example, our graduate students and alumni are uniquely positioned to improve economic resilience. The most populous programs within the Faculty of Graduate Studies are Business, Computer Science, Educational Psychology and Leadership, Electrical and Computer Engineering, Nursing, and Public Administration.<sup>10</sup> Health care and social assistance, professional, scientific and technical services, and public administration are all among the top industries impacted by UVic.<sup>11</sup> By training new and emerging professionals in these high-demand industries, our PSIs ensure we will be able to meet evolving labour market needs. For BC to remain on the cutting edge of technological innovation, resource management, education and healthcare, we must invest in our PSIs.

### *PSI Fiscal Sustainability and Executive Compensation:*

The University of Victoria Graduate Students' Society calls on the Province to review policies and procedures with the Public Sector Employer's Secretariat in relation to PSI executive compensation. Some BC PSI presidents have yearly salaries that exceed that of the prime minister of Canada<sup>12</sup>, and many other executives follow suit with extensive compensation packages. As something the Province has direct control over and a stake in, capping executive compensation packages in line with the current fiscal climate is an effective way for the Province to stabilise spending within PSIs. This call has been issued by numerous campus labour unions throughout the last two rounds of collective bargaining. At present, the President, Vice-President, Associate Vice-President and other excluded management suites at public PSIs are expanding, and with them the total labour costs for a very small number of individuals. We respect the need for BC PSIs to remain competitive in hiring these top leadership positions but feel strongly that these university and college leaders should lead by example and cap their pay.

## **TRANSPARENCY**

When the PSI funding review was announced in 2022, the GSS engaged immediately with the University of Victoria to facilitate student engagement on the topic of the current enrolment-based, per-seat funding allocation model set by the Province. We were instructed that this review would examine possible new funding models for operating grants to BC PSIs. Given the framing we were presented with for the 2022 review, we are gravely concerned with the Province's refusal to release the reports from this review. We were given to understand the report included information relating to the chronic underfunding of PSIs by successive provincial government, as any examination of per-seat funding for PSIs would yield results indicating significant losses in funding in real terms. We still strongly believe that this information is relevant to the current fiscal crisis for PSIs.

While the Province has argued that the unilateral changes to student visas imposed by Immigration, Refugees, and Citizenship Canada (IRCC) has fundamentally altered the economic landscape for PSIs such that the 2022 review is no longer relevant, we disagree. As we've noted above, the rate of Provincial funding for PSIs has declined substantially over the last sixty years. We are calling on the Province to increase base funding for PSIs (outside keeping up with inflation and contract negotiations) to decrease reliance on international tuition. We are firmly in agreement with the necessity of decreasing reliance on international student tuition.

Many provinces across Canada have decreased their per-seat funding for PSIs since the 1970's. At the same time as the rates of provincial funding for PSIs decrease, domestic and international tuition increased. As BC's international tuition rates are not capped, international students have borne the brunt of tuition increases. Balancing PSI budgets through uncontrolled international tuition rates has always been a gamble, as immigration is not under Provincial control. We will note here that the demographic and legal changes which will impact PSI enrolment are as unknown today as the IRCC student visa policies changes were in 2022 or in 2005 when international tuition was exempted from the Tuition Limit Policy. Any attempt to balance PSI budgets through tuition may result in financial crises in future due to unforeseen demographic changes.

We acknowledge the profound losses our sector unexpectedly suffered due to unilateral immigration policy changes. However, funding affordable, accessible education that supports the development of informed citizens and meets our province's workforce requirements remains a provincial responsibility. The Province must not continue to abdicate their responsibility to fund education that supports our community needs and economic priorities.

There is an intense focus on the proximal causes related to IRCC imposed student visa caps. However, there's been limited to nonexistent focus on the distal causes of many decades of decreased provincial funding for post-secondary education. As should be evident from the previous review, there is an urgent need for increased base funding for public PSIs, beyond keeping up with inflation and labour costs. Therefore, we further demand that the Province remove the limit on "no new funding" from the current review's terms of reference.

## ACADEMIC FREEDOM

A key part of ensuring excellent and high quality education is allowing institutions and instructors the academic freedom to teach and research according to their professional expertise.<sup>13</sup> The review opens the door for changes to the *University Act* which would allow the Province more direct control over PSIs' academic affairs. Such changes could threaten the academic freedom of institutions, and should be handled with extreme caution. We are calling on the Province to maintain academic freedom protections under the *University Act* following the results of the review, including those under Section 10, Article 48, which prevents the Minister responsible for post-secondary education from interfering in key aspects of universities' academic affairs.

Academic freedom describes the right to teach and conduct research in an academic environment and is fundamental to the functioning of a free and democratic society. As noted by the Association of Universities and Colleges of Canada in 2011, academic freedom "must be based on institutional integrity, rigorous standards for enquiry and institutional autonomy, which allows universities to set their research and educational priorities".<sup>14</sup> This understanding of academic freedom stands in stark contrast to the language used in the Terms of Reference, which states that "put simply, the sector needs to be positioned to deliver the right programs, in the right places, at the right times to the people" (p. 3).

The terms of reference further indicate that the province intends to force institutions to shut down select programs that do not serve its broader economic goals. This objective appears to directly violate the understanding of academic freedom referenced above and the protections currently established under the *University Act*, which prohibit the Minister for post-secondary from interfering in the "formulation and adoption of academic policies and standards" (Section 48.1.a.).

Programs that are seen to have 'low enrolment' are also likely to be targeted under the review in the name of reducing inefficiencies. This is especially concerning for graduate programs, which are often designed for smaller cohorts due to the logistics of providing highly specialized training. The academic, societal and economic value offered by these programs and individual graduate students is difficult to quantify, which a process like the one outlined in the external review's terms of reference is poorly equipped to assess.

Additionally, as we noted above, the Province's financial contributions to PSIs has fallen drastically. It is counter-intuitive that the Province should have majority decision-making authority over PSIs while being a minority financial stakeholder. We firmly argue that protecting academic freedom is essential to the long-term wellbeing of BC's post-secondary education sector. BC's universities are among the highest ranked in the country and maintain a strong international reputation. We believe that maintaining the independence and academic integrity of our institutions is paramount to securing this reputation now and into the future.

## RECOMMENDATIONS

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We hope you will represent our calls to action.

Thank you,  
University of Victoria Graduate Students' Society

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