



## **Submission from HECA to the Oireachtas Education Committee**

**Facilitating the continuing and future contribution which  
privately funded colleges can make to Irish Higher  
Education**

**November 2016**

## 1. Introduction

1.1 The Higher Education Colleges Association (HECA) is an association of sixteen privately funded higher education colleges<sup>1</sup>, providing quality assured, flexible, cost effective and focused programmes at higher education levels (between Levels 6-10 on the National framework of Qualifications) which are both accredited and awarded by QQI (Quality and Qualifications Ireland). The ongoing contribution of the private colleges sector is set out in 3 below. The range and number of courses provided in and volume of students enrolled with the member colleges in HECA is set out in Appendix 1. Some HECA member colleges have been in existence for 40 to 60 years, with a well-established and credible tradition of responding to third-level educational needs of full and part time students over this period. The Association believes that the member colleges within the Association have a valuable contribution to make to both provision and the development and implementation of Government policy responses to the challenges facing Higher Education in Ireland.

1.2 The Expert Group on Future Funding for Higher Education was tasked with identifying and considering the issues relating to the long term sustainable funding of Higher Education in Ireland and to identify options for change.

1.3 This submission, (i) outlines the current contribution of HECA colleges to Irish higher education, (ii) addresses the capacity challenge to Irish higher education already identified by the Expert Group, (iii) proposes how HECA colleges can positively contribute to meeting this challenge and, (iv) offers reflections on the key messages of the Report of the Expert Group. Investing in National Ambition: A Strategy for Funding Higher Education (The Cassells Report)

## 2. Summary of Recommendations

2.1 The increase in capacity and funding mechanisms chosen should recognise the entitlement of learners and the imperative of cost effectiveness. Learners on QQI approved courses should not be disentitled to registration fee funding, maintenance grants or disability grants merely because their chosen course is provided by a private college as long as that course is cost-effective compared to public sector provision.

2.2 We support the introduction of a model of tendering for teaching and learning activities as set out in Recommendation 21 of the report of the National Strategy for Higher Education effectively similar to the Springboard to address excess demand situations or initiative skills shortages.

2.3 It is of crucial importance that any decisions on higher education funding be made in the light of the impending surge in demand for third level places (of the order of 29% by 2028). This was highlighted in earlier reports by the Expert Group but seems to have received less prominence in the final report.

2.4 HECA colleges should be called upon and supported to address the extremely serious higher education capacity challenges highlighted by the earlier reports of the Expert Group. This would have the advantage of the saving the State substantial investment in new educational buildings.

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<sup>1</sup> HECA Colleges: College of Computing Technology (CCT), Dorset College, Dublin Business School, Galway Business School, Griffith College, Hibernia College, IBAT College, IICP Education and Training, Institute of Physical Therapy & Applied Science, Irish College of Humanities & Applied Sciences, SQT Training Ltd., Irish Institute of Purchasing & Materials Management, National College of Ireland, Open Training College, Setanta College, Saint. Nicholas Montessori College Ireland.

2.5 Specific initiatives to increase higher education access for the disadvantaged are now required to make good the lack of significant progress in this regard as intended under the free fees initiative.

2.6 Ideally HECA member colleges would wish their students to be fully funded under a State grant scheme. HECA acknowledges however, that an income contingent loan scheme funded in part by the National Training Fund would represent a fairer distribution to beneficiaries of the costs and benefits of higher education.

### 3. The ongoing contribution of the Privately Funded HEIs

3.1 Appendix 1 provides total enrolment in HECA colleges broken down between undergraduate and post-graduate provision.

3.2 In determining the current contribution of HECA Colleges to Irish Higher Education, this submission concentrates on comparing HECA with the Institutes of Technology which are believed to share a similar vision of the type of higher education they provide with awards clearly linked to the economic development of the State. The significance of HECA's contribution is clear despite being smaller in terms of overall numbers. in undergraduate full time provision. However, as shown in the charts below, HECA enrolment numbers compare favourably in relation to part-time provision and full-time taught Masters enrolment. One of the reasons that continue to limit growth in full-time undergraduate enrolment in the private higher education sector, is the fact that students are required to pay tuition fees. However, increases in recent years in the student contribution fee in public higher education, combined with the very limited tax relief allowed by the Revenue Commissioners on programme fees have begun to reduce the difference between the private and public sector costs to the learner.

3.3 With the development of the National Framework of Qualifications (NFQ), colleges in HECA have moved progressively over the last decade to validate an increasing number of their awards under QQI. This provides the necessary assurance to stakeholders as to the quality of programme design and delivery, and the comparability with State-aided HEIs and international benchmarks.

3.4 Key Statistics are as follows

1. The HECA college sector is growing. Overall student enrolment on programmes aligned to the NFQ grew to 13,930 by 2014/15.
2. 9,430 students were enrolled on QQI validated higher education programmes in 2014/15; this figure increases to 15,684 in 2015/16 with the inclusion of National College of Ireland, a recently joined HECA member.
3. This represents 9% of all taught higher education programmes in Ireland.
4. HECA Colleges account for students attending 9.3% of all taught Postgraduate activity in Ireland;
5. 53% of the undergraduate cohort is mature learners.
6. 70% of the postgraduate cohort is mature learners.

This illustrates the capacity of privately funded colleges to offer specialised programmes and professional instruction in small sized classes, and to rapidly and flexibly respond to the changing requirements placed on higher education and to the evolving demands of those seeking higher education.

Programmes not validated by QQI, accredited by professional bodies make up the bulk of the remaining provision (Fig 1).

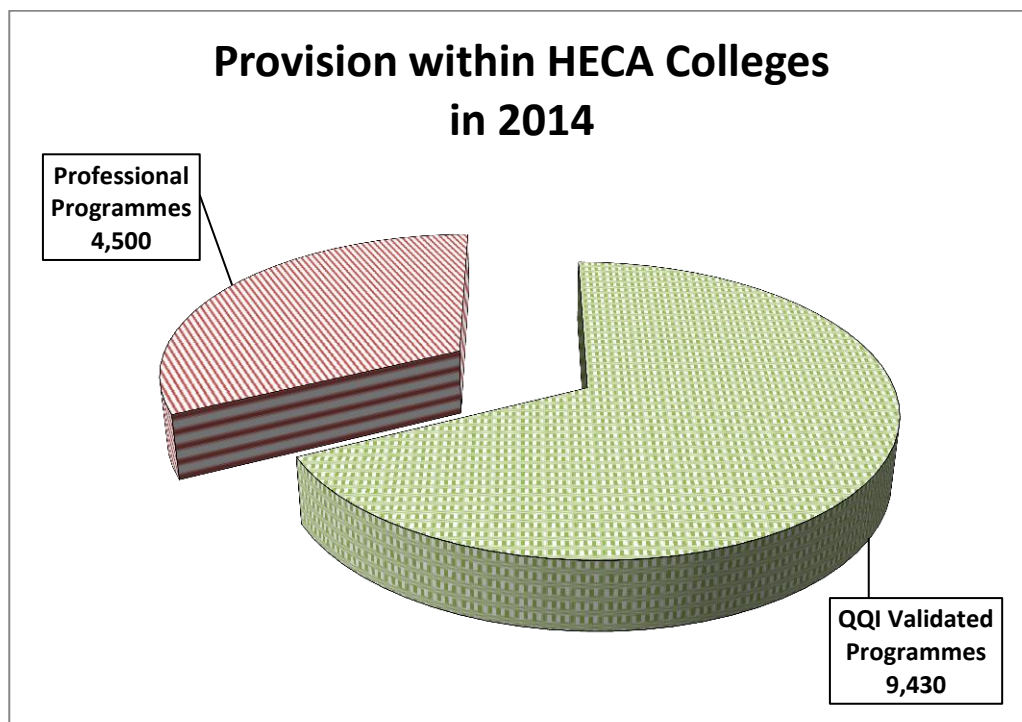


Figure 1. Level of provision of QQI validated programmes in HECA institutions in 2014.

3.5 Flexible and quality assured part-time provision that provides for professional and occupational development opportunities; building on foundational knowledge and skills, re-skilling and up-skilling is essential to a developing economy. Much of this type of provision in Ireland is provided by the Institutes of Technology and by Privately Funded HEIs.

Figure 2 below shows that privately funded colleges provide a significant portion of part-time undergraduate education and training, while the IoTs provide the bulk of part-time postgraduate education and training.

In regard to part-time learners we fully support the recommendation of the Expert Group that it is timely to consider the extension of the grant system to part-time learners and for a review to consider the merits of this.

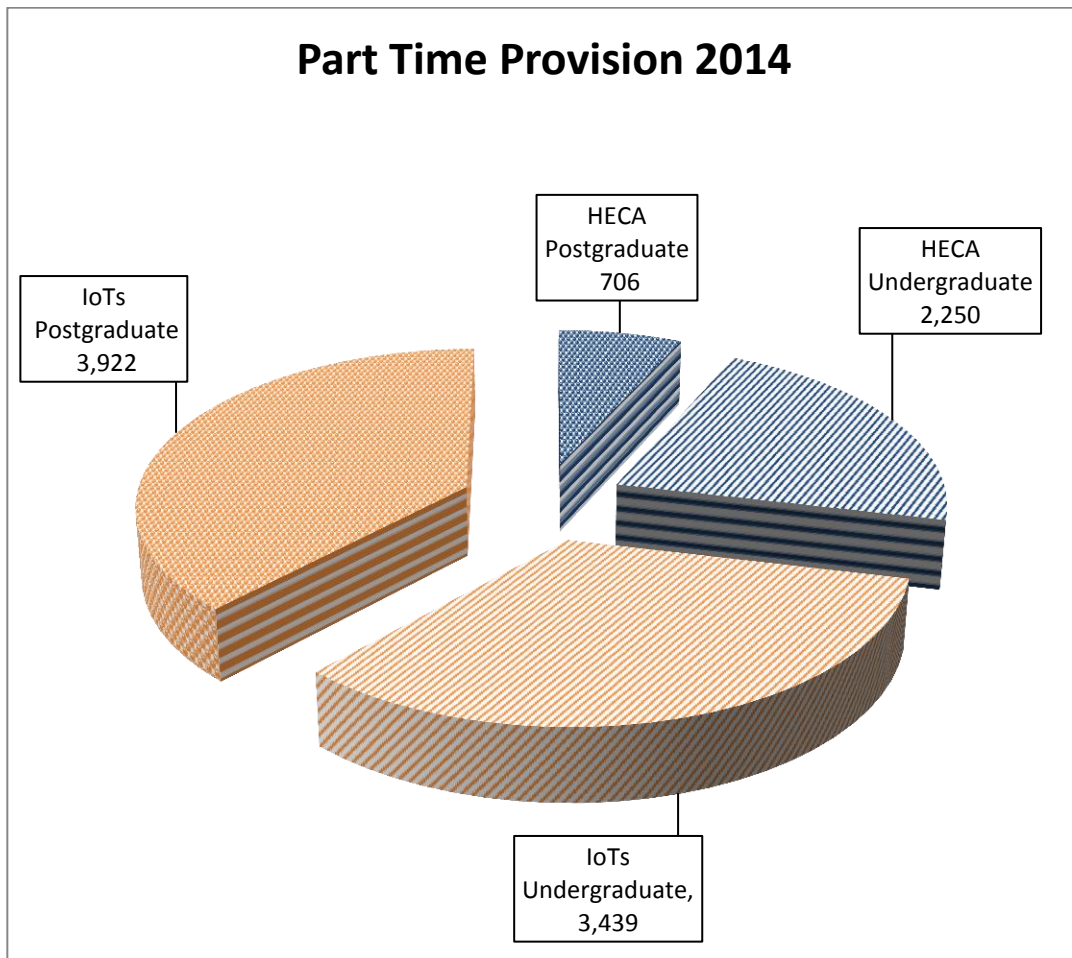
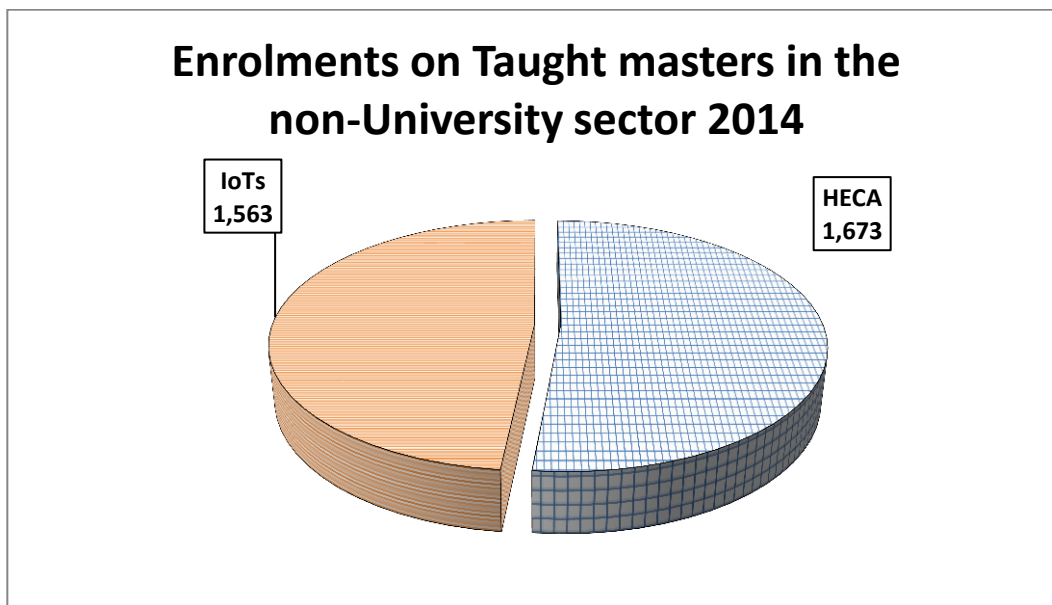


Figure 2. Undergraduate and postgraduate enrolment in part-time QQI validated programmes in HECA Institutions and IoTs in 2014.

3.6 Private HEIs currently provide a significant number of Postgraduate and Masters level programmes which address the skills and capacity needs of employers, in areas such as Finance, ICT, Education, Brand Management, Design, Counselling and Psychotherapy and Law. These programmes provide opportunities to people in employment, or seeking to change their employment, to up-skill or re-skill. They are developed by experts in their field who draw on individual professional, and research experience. Many are inter-disciplinary or cross-disciplinary, in their teaching approach and facilitate learners to hone transversal skills, such as collaboration, critical thinking, problem solving research, and leadership. It is of note that Privately funded HEIs provided more full time taught Masters programmes in 2014 than the entire IoT sector.

## Enrolments on Taught masters in the non-University sector 2014



### 3.7 Contribution to the Public Good

Privately funded HEIs benefit the public economically, culturally and socially for example:

- Griffith College led the way in opening access to the legal profession to non-university students
- Hibernia College played a significant role in addressing the shortage of qualified primary school teachers in a time when many children were in classrooms with unqualified teachers
- There are a number of provider / employer collaborations that contribute to enhancing the workforce
- IICP have the village counselling service attached which provide vital services at extremely low cost (10 euro not matched anywhere).
- DBS, and many others, have a strong CSR / volunteering programme that all staff are encouraged to participate in, making contributions to disadvantaged groups in society.
- There are FE/HE partnerships that promote progression for those learners who traditionally may not consider HE, particularly from those Colleges in more disadvantaged areas and these would benefit from direct student support .
- ICHAS, Griffith College and DBS run scholarship schemes to enable access for learners from poorer socio-economic backgrounds to participate in HE
- A number of the member colleges also have very active researchers in their midst with research that can be identified as serving the public good, coming out of private colleges such as for instance, the research by Dr. Niall Meehan of Griffith College on the Bethany Homes, . Creating new knowledge is one of the most commonly cited public goods of higher education.
- HECA member college staff make a strong contribution to the National Forum on Teaching and Learning and the various projects it funds and promotes. Likewise, they act as experts for QQI working groups, validation panels etc. All this work helps raise and maintain the standards of higher education in Ireland.
- As already highlighted in the report HECA colleges do a significant amount of work with international learners thus raising the profile of Ireland and also facilitating the growth of a multicultural society and workforce.
- Some of the niche programmes provided by HECA Colleges are the only ones of their kind within the country, or for the field of study (for example, areas of strength and conditioning in Sports and Montessori Education)



## 4. The Access and Capacity Challenges for the HE System

### The Access Challenge

4.1 The access challenge is underlined by the failure of the free fees policy to significantly improve access to higher education for the disadvantaged.

Higher Education tuition fees for undergraduates were abolished in Ireland in 1996. One of the best studies is by Dr Kevin Denny from UCD who examined the effect of this reform on the socio-economic background of students (SES) to determine if the reform was successful in achieving its objective of promoting educational equality. It concludes that the reform clearly did not have that effect.

“The only obvious effect of the policy was to provide a **windfall gain to middle-class parents** who no longer had to pay fees,” he said. The failure of this policy to redress educational inequalities was also noted in an OECD report in 2004 “The free fees policy has not had the effects that were hoped for in improving participation from students from disadvantaged backgrounds”.

Similar results were reported for the UK in Chowdry et al (2009) who find that basing higher education access on educational attainment at second level largely explains the socio-economic participation profile at third level.<sup>2</sup>

This access challenge which is relatively unmet in the last twenty years needs to be addressed by provision of additional third level capacity. Given Ireland’s recent demographic trends and the global massification of higher education, a daunting capacity challenge, outlined in 4.2 and 4.3 below, already exists between now and 2028. In the light of this access to higher education by disadvantaged communities is more likely to disimprove than improve. Hence there is a need for specific initiatives targeting access for the disadvantaged. Some proposals in this connection are set out in 5 below.

### The Capacity Challenge

4.2 The National Strategy for Higher Education to 2030 report, together with publications of the Expert Group project that the total demand for higher education will almost double over the next twenty years; with significant growth coming from non-traditional students such as mature students and international students, as well as increased postgraduate activity. The need for lifelong learning, part time - flexible learning, and up-skilling among the workforce will also contribute to growth. Increased demand will bring serious challenges in terms of capacity (e.g. infrastructure, human resource practices, funding streams, modes of learning etc).

4.3 The deterioration in overall capacity within the HE sector has been well documented, and a case for urgent action is supported by the following key pressure points in the system:

- Since the economic downturn in 2008, the per capita state funding for HEIs has dropped by 25%. Associated with this, has been a drop of almost 30% in the number of staff employed largely as a result of the Employment Control Framework. This is juxtaposed against a 12% growth in student numbers over the period 2008 - 2014.
- In the recent past, HECA Colleges have grown in enrolment and in the number of

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<sup>2</sup> Sources: OECD (2004) *Review of National Policies for Education: review of higher education in Ireland*. OECD, Paris ; Gill, J. (2009) *Fees do not harm access, says architect of policy*, *Times Higher Education* (January 22nd 2009); (Chowdry, H., C.Crawford, L.Dearden, A.Goodman & A.Vignoles (2010) *Widening participation in higher education: analyses using linked administrative data*, *Institute for Fiscal Studies, London, Working Paper 10/04*

graduates who have completed QQI awarded degrees, with 46,358 graduates across higher education levels 6 - 10, on the NFQ, between 2010 - 2015<sup>5</sup>. However, although Ireland has one of the highest participation rates in Higher Education within the OECD, the number of applicants who did not get a place in Higher Education between 2008 and 2014 has increased by 15%.

- Given the anticipated increase in applications for Higher Education in Ireland to 2030, it is clear that the public sector alone will not be able to cope with predicted increasing demands.
- The scale and pace of public funding reductions means that some of Ireland's higher education institutions are now falling into financial and resource deficits;
- Overcrowded and mixed quality facilities—such as lecture halls, classrooms and libraries—arising from increased student numbers in a context of limited investment and a shortage of income for maintenance of capital stock;
- Further increases in student numbers due to demographic growth is likely to result in a 29 per cent increase by 2028. We may also have to add to this a potential Brexit impact in terms of returning Irish students from Britain, and increases in International Students opting for Ireland over Britain. In one of its earlier publications the Cassells group wrote that “the latest available projections suggest that by 2028 the number of new entrants to higher education will increase by 29 per cent over 2013 levels. These projections are based on the participation rate remaining constant at 56 per cent,”<sup>3</sup> The Department of Education and Skills uses different scenarios in its latest projections. It says the increase in enrolments could go from just under 170,000 (169,474) in 2014 to 207,544 by 2029 or to as high as 227,244, depending on the percentages transferring from secondary school, as well as increases in mature and overseas students.<sup>4</sup>
- Increasing ratio of students to staff resulting in ever larger classes;
- High non-progression rates in parts of the higher education system;
- Growing pressure on student support funding, leading to reduced resources available to support maintenance and living costs;
- The significant reduction in higher education grant supports for postgraduate students, creating the real risk that the social class gradient that once characterised all of higher education could reappear at postgraduate level;
- Increased need for life-long learning, part-time and more flexible higher education, which is still not sufficiently supported within Ireland's system of higher education funding.

4.4 An analysis of CAO<sup>5</sup> new entrants figures over the period 2008 - 2014, reveals that since the onset of the economic downturn in 2008 the number of CAO applicants who did not receive a place in a HEI increased from **26,692** in 2008 to **31,400** in 2014, this despite the fact that the overall number of acceptances of a college place over the same period grew by **4,885**.

4.5 An examination of demand and supply curves over the period from 2008 (Figure 4) indicates a system in stasis as an average of 39% of applicants each year fail to get a place.

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<sup>3</sup> QQI Statistical Graduate QBS information

<sup>4</sup> Source: *PROJECTIONS OF DEMAND FOR FULL TIME THIRD LEVEL EDUCATION, 2015 – 2029. DES NOVEMBER 2015*

<sup>5</sup> *CAO Annual reports - www.cao.ie*



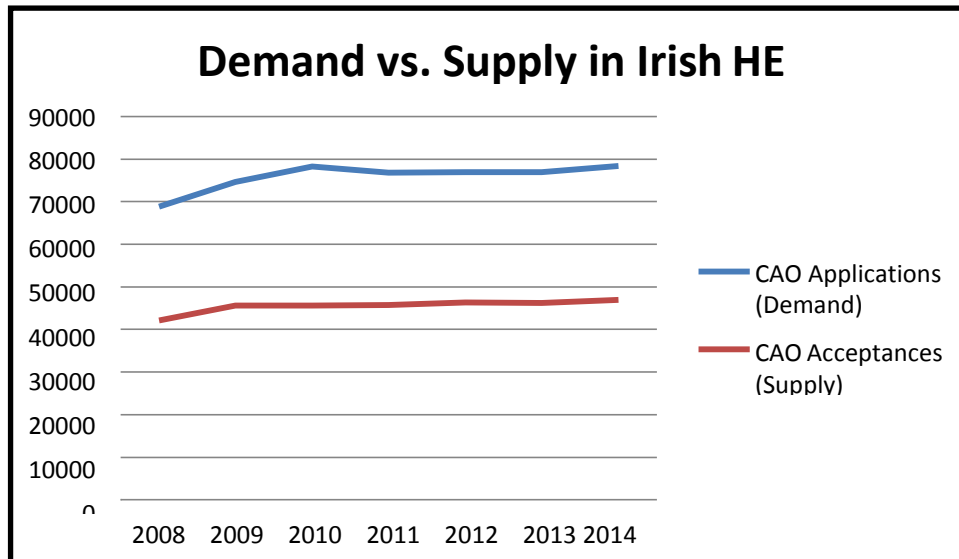


Figure 4. Demand and supply trends in Irish Higher Education 2008 – 2014

## 5. How HECA Colleges can contribute to Meeting the Challenge

5.1 The additional capacity challenge posed by the Cassells report can be met in a number of ways, some involving extensive investment in physical capacity and others less so.

Possible ways include:

- Increasing physical and human resource capacity in existing higher education institutions
- Part-time provision
- Flexible, distributed and blended learning
- On-line learning
- Apprenticeships
- Public private partnerships utilizing physical educational capacity at times when currently unused

5.2 The contribution that HECA Colleges make to Irish higher education is not inconsiderable. In order to replicate current HECA provision, the State would have to open a minimum of three medium sized IoTs. In addition, HECA Colleges provide 25% of the total part time places available between HECA and the IoTs. This is significant, particularly when it is taken into account that a majority of HECA Colleges are located in Dublin.

5.3 It is also worth noting that HECA Colleges play a significant role in providing opportunity for mature applicants. Some 53% of HECA colleges' students on undergraduate programmes, and 70% of HECA colleges' postgraduate students are mature students (over 23 years of age). This contrasts with an average undergraduate and postgraduate enrolment in the Institutes of Technology of 33%. We estimate as detailed in Appendix 2, that HECA colleges can provide 4,059 additional places in full-time higher education of which 979 would be at Masters level.

The National Strategy for Higher Education report also highlights the importance of flexible Adult Education and Lifelong Learning, which noted:-

*Over the coming years, the demand for higher education opportunities from the adult population will increase. Their needs can be met only by an increase in flexible learning opportunities, part-time provision, work-based learning and short, intensive skills programmes. To ensure greater flexibility and responsiveness from the higher education system, flexible learning will need to have full parity within Irish higher education funding policy, and this would begin the broader transformation that is urgently needed in the responsiveness and accessibility of higher education to the needs of adults in the labour force.*

We estimate, as detailed in Appendix 2, that HECA colleges can provide 2,844 additional places in part-time higher education of which 413 would be at Masters level. An additional 170 places can be immediately provided on-line.

The figures detailed by the Expert Group confirm in their earlier reports confirm a capacity deficit that State-aided higher education institutions will find extremely challenging to satisfy. If the higher education system is to address increasing population levels, increased demand for higher education and constrained funding into the future, then it is clear that private higher education institutions will need to play a more significant role. HECA institutions welcome such a challenge. Our view is simple. Funding should follow the student. Once learners have a guarantee that the higher education awards they seek are fully quality assured under QQI, and HEA have endorsed that a provider is eligible to accept such students, then learners should be able to choose the programme that best suits their needs. Ability of institutions to participate should be competitive and involve both public and private institutions making a bid to the HEA for the number of students they propose to accommodate. Continued participation could be contingent on meeting clear and agreed objectives and outcomes.

5.4 Given the scale of the general capacity challenge there is a clear danger that attempts to address it will overlook the specific challenge of improving access for the disadvantaged. This urgent social challenge needs to be addressed by specific initiatives such as

- Public funded scholarships targeted at school leavers from DEIS schools in disadvantaged communities
- Additional publically funded progression arrangements between further education including Education and Training Boards and publically and privately funded higher education institutions.
- Springboard type initiatives targeted specifically at enrolment from disadvantaged areas and focused on paid work placement.

| Like the Springboard scheme, these proposed initiatives are more likely to succeed if open to both public and private institutions. The success of the Springboard scheme in this regard is highlighted in 5.6 below

5.5 Calling upon private higher education institutions to help address higher education capacity challenges is not a novel proposal. The **Springboard Programme**. This government initiative is managed by the HEA on behalf of the Department of Education and Skills. It provides thousands of free part-time education programmes (at Levels 6 to 9) and training opportunities in 42 public and private educational institutions nationwide for people who are actively seeking employment or who are in employment and are seeking to upskill to technical positions in the area of ICT. It is consistent with the Recommendation 21 of the National Strategy for Higher Education

Recommendation 21:

*In respect of private institutions (independent colleges in receipt of no direct funding), it should be open to the HEA to commission teaching and learning activity (our core competency) on an economic cost basis to meet priorities that may be identified within a cluster.*

*Independent providers, including those in the 'for-profit' sector should be free to tender for provision on this identified needs basis.*

*Such public funding to these institutions will be allocated through the HEA*

We submit that the teaching and learning activity referred to in this recommendation is a core competency of HECA member colleges

5.6 The HECA Colleges viewed the **Springboard and ICT Conversion initiatives** as an opportunity to demonstrate their commitment to contribute and respond in the national interest. This scheme sets a good precedent in terms of state funding for higher education programmes, allocated for the first time to the privately funded higher education institutions. HECA Colleges have excelled in provision of these funded programmes with a high focus on quality, excellent levels of student support and responsiveness, and impressive rates of graduate progression to the job market. Private provider<sup>6</sup> institutions have experienced increased funding allocations year on year over the life cycle of these initiatives (Table 1)

Year	Total HEA approved numbers	HEA approved numbers (Private Providers <sup>7</sup> )	% success by Private Providers
2013/2014	6103	1945	32%
2014/2015	6059	2878	47%
2015/2016	9054	4044	45%

Table 1. Success of Private Providers in securing Springboard funding

## 6. Loans are on balance the fairest option

6.1 HECA welcomes the discussion by the Expert Group on Future Funding of Higher Education on the need to secure contribution from those who benefit from higher education. The extension of the National Training Fund to support the cost of higher education is important and acknowledges the high proportion of graduates in the Irish workforce. In this regard, it is also important to reflect on the private benefits secured by students through higher education through greater opportunity and increased salary earnings. In reviewing the principles of fairness, equity and justice, the report also acknowledged that 'pure public good' nature of higher education as a basis funding solely by the State must be tempered by the 44% of the Leaving Certificate pupil population who do not enter higher education and yet contribute to the funding of higher education through taxation.

In HECA's view an income contingent loan system, which

1. supports student choice to pursue State accredited higher education programmes, and
  2. is supported by the extension of the National Training Fund,
- represents a fairer distribution to beneficiaries of the costs and benefits of higher education.

6.2 In the interests of equity for all learners seeking higher education in the future, it would appear logical that the mixture of student supports, be it grants or loans or both, based on the same criteria for entitlement should apply to students irrespective of their choice of College. Support should extend across both public and private provision, and State subvention should follow the students to whichever programme on which they choose to enrol. It is submitted that this principle is implicitly supported by the Expert Group in its Recommendation 6 for a review of extending support under the student grant scheme to learners in private institutions. HECA would envisage that accreditation of all HEIs to participate in such a new funding model would be adjudicated by the HEA, and would include metrics of success, including maintenance of quality (in accordance with QQI standards and guidelines), value for money, and completion rates.

<sup>6</sup> Private providers in this case includes a number of non HECA members

## 7. Conclusion

7.1 HECA Colleges have evidenced their capacity to deliver QQI accredited programmes, underpinned by its quality assurance policies. The stated strategy of all the HECA Colleges is to increase student capacity, achievable through onsite and online provision.

Some colleges have focused on niche disciplines, complementing the activity within State-aided institutions, while others have grown to numbers which match, if not exceed, many of the State-aided institutions. The hallmark of each college has been a very clear demonstration that the commitment to deliver a quality student learning experience is not compromised by sustainability of its business model. They, of their nature, have shown themselves nimble in response to demand increases and fluctuations.

7.2 It is of crucial importance that any decisions on higher education funding be made in the light of the impending surge in demand for third level places (of the order of 29% by 2028). This was highlighted in earlier reports by the Expert Group but seems to have received less prominence in the final report.

7.3 Specific initiatives to increase higher education access for the disadvantaged are now required to make good the lack of significant progress in this regard as intended under the free fees initiative.

7.4 The private sector colleges can assist in meeting the national access and capacity challenges. It shares the concerns of the Expert Group to present realistic and sustainable solutions to Government to address these challenges. Its role is complementary to State-aided institutions its provision hallmarked by key principles such as quality, industry-relevant programmes, an innovative and flexible approach, positive student experience, and an efficient and cost-effective approach providing value for money for the State.

7.5 HECA Colleges, with appropriate public policy supports, are determined to work in partnership with Government and State-aided institutions to ensure the right response is delivered to those aspiring to higher education. We support the introduction of a model of tendering for teaching and learning activities as set out in Recommendation 21 of the report of the National Strategy for Higher Education effectively similar to the Springboard to address excess demand situations or initiative skills shortages.

7.6 HECA is requesting the Oireachtas Education Committee to recognise the imperative of equity in the treatment of all in order to improve the overall learning experience, in a modern, learning environment with increased capacity.

7.7 Ideally HECA member colleges would wish their students to be fully funded under a State grant scheme. HECA acknowledges however, that an income contingent loan scheme funded in part by the National Training Fund would represent a fairer distribution to beneficiaries of the costs and benefits of higher education.

## Appendix 1

### Summary of Students on QQI Courses at HECA Colleges as at November 2016

DISCIPLINE	Number of Students	Undergraduate	Postgraduate
Accounting & Finance	1,329	1,264	65
Arts & Social Studies	2,406	1,671	735
Business	5,393	3,972	1,421
Computing	2,486	1,601	885
Counselling & Psychotherapy	663	495	168
Education	1,206	231	975
Engineering	347	312	35
Health & Welfare	364	364	-
Law	627	612	15
<b>Overall Total</b>	<b>14,821</b>	<b>10,522</b>	<b>4,299</b>

## Appendix 2

### Summary of Extra Capacity for QQI Courses as at November 2016 (based on current resources) Analysis by Full Time, Part Time and Online

Discipline	No. of Students	Undergraduate		Postgraduate		
		Full Time	Part Time	Full Time	Part Time	Online
Accounting & Finance	192	103	18	57	14	
Arts & Social Studies	1,568	822	531	170	45	
Business	2,233	845	910	291	187	
Computing	1,787	723	659	335	70	
Counselling & Psychotherapy	235	212		23		
Education	542	56	206	41	69	170
Engineering	216	157	34	17	8	
Health & Welfare	64	64				
Law	336	198	73	45	20	
<b>Overall Total</b>	<b>7,173</b>	<b>3,180</b>	<b>2,431</b>	<b>979</b>	<b>413</b>	<b>170</b>