



**Oireachtas Joint Committee on
Education, Further & Higher Education, Research, Innovation & Science**

FUTURE FUNDING OF HIGHER EDUCATION: February 22nd 11.00am

Universities as Key Partners in Economic Growth, Social and Cultural Development

Introduction

Chair, Committee members, thank you for the opportunity to meet with you to discuss this critically important issue. We have supplied a detailed submission so I will keep my comments to the key points.

1. Our universities have clearly shown their value to the country and to society in the national response to Covid-19. The value of our skills and our research was never more relevant to the lives of our people. As we now seek to recover from the pandemic, our universities have an equally important role to play.
2. High-skilled jobs, centered on talent and innovation, will underpin our future economic, social and cultural development. As a nation, we face a range of challenges in the areas of climate change, housing, healthcare and social services and balanced regional development. The higher education and research system will provide the bedrock of talent and innovation to meet those challenges. The need for ***a sustainable funding model for the sector, repeatedly emphasized by this Committee, must now be delivered if the potential of the sector is to be fully realized.***

Funding Higher Education – The Case is Clear

3. ***There is now universal acceptance on the need to increase higher education funding.*** The long-awaited government response to the future funding of higher education, which we're told will soon be revealed, must be ambitious, sustainable and reflect the realities of the current challenges facing the sector.

4. Access to higher education has been a particular success story in Ireland with the proportion of 25–34-year-olds with a third level qualification at around 60%, well above EU averages. But, investment in higher education continues to lag behind our competitors with ***total public expenditure on tertiary education as a proportion of GDP (or GNI* in the case of Ireland) at 0.6% as opposed to an OECD and EU 22 average of 1.0%***. This puts Ireland joint second last in OECD league tables.
5. ***Public investment in research also lags well behind key competitor countries.*** Government Budget Allocation on Research & Development (GBARD) is 0.92% of total government spend as compared with the EU average of 1.43%. We are again way behind many other small countries such as Norway (1.98%), Denmark (1.8%) and Estonia (1.6%) and a 50% increase in GBARD is required just to reach the average.

Future Funding Needs

6. The investment required in our higher education sector was clearly set out in the 2016 Cassells Report. It called for:
 - Additional ***annual core funding of €600 million by 2021 and €1 billion by 2030.***
 - A ***capital investment programme of €5.5 billion*** over 15 years.
 - An additional ***€100 million in student support funding*** per year.The report also stressed the need to front load investment in the first 3-5 years.
7. ***The actual increase in state recurrent grant funding in real terms in 2021 amounted to €121m, considerably less than the €600m per annum identified by Cassells.*** The Employer Levy is generating additional annual investment through the National Training Fund of €190m over 2017 levels. It is clear, therefore, that:
 - The additional funding to the sector in recent years has been funded to a significant extent by employers.
 - The State investment to date is only a fraction of that recommended by Cassells.

The Need for a Comprehensive Government Response

8. The IUA proposes an investment programme for the sector totaling €418m in additional recurrent funding and €490m in capital spend. Our proposals, spelt out in detail in our Submission to you, provides for:

- **A decisive lift in core funding to support our students**, address quality-related issues, and widen access and participation.
- Sustained **investment in talent and skills** as the lifeblood of the economy and to support lifelong learning.
- **Investment in innovation and research** to prepare Irish society for the challenges ahead and to enable us to compete internationally.
- The continued expansion of ***access programmes*** to give a fair chance to disadvantaged students and ensure that no student is penalized because of their post code at birth.
- Investment to support universities in harnessing opportunities to ***develop international partnerships*** and enhanced mobility for students.

9. Much of the reinvestment in the sector since 2016 has been absorbed by 'stand still' requirements such as costs for national pay agreements and additional student places. Stand still is no longer good enough if we are serious about the future talent and innovation needs of the country.

10. ***Our research-intensive universities will be a key partner in addressing the major societal and economic challenges we face*** over the coming decades We can and will deliver the talent pipeline for a knowledge intensive and high skills economy and the research and innovation to underpin economic and social development. We can only do this if we are adequately funded on a sustainable basis.

IUA February 2022