

# DÁIL ÉIREANN

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## AN COMHCHOISTE UM OIDEACHAS AGUS SCILEANNA

### JOINT COMMITTEE ON EDUCATION AND SKILLS

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*Déardaoin, 24 Samhain 2016*

*Thursday, 24 November 2016*

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The Joint Committee met at 9 a.m.

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#### MEMBERS PRESENT:

Deputy Joan Burton,	Senator Maria Byrne,
Deputy Thomas Byrne,	Senator Robbie Gallagher,
Deputy Ciarán Cannon,	Senator Trevor Ó Clochartaigh,
Deputy Jim Daly,	Senator Lynn Ruane.
Deputy Catherine Martin,	
Deputy Carol Nolan,	

In attendance: Senator Pádraig Ó Céidigh.

DEPUTY FIONA O'LOUGHLIN IN THE CHAIR

*The joint committee met in private session until 9.55 a.m.*

### **Scrutiny of EU Legislative Proposals**

**Chairman:** In regard to Schedule A, COM(2016)382 and COM(2016)625, is it agreed that these proposals warrant further scrutiny in the form of a written response from the Department? In regard to Schedule A, COM(2016)381, COM(2016)383 and COM(2016)532, and Schedule B, COM(2016)622, is it agreed that these proposals do not require any further scrutiny? Agreed.

I propose we suspend for a moment to allow the witnesses to take their seats.

*Sitting suspended at 9.56 a.m. and resumed at 9.58 a.m.*

### **Higher Education Funding: Discussion**

**Chairman:** On behalf of the committee, I welcome Mr. Peter Cassells, the report chair, and Dr. Aedín Doris, the report researcher. We will now have a discussion on the findings of Investing in National Ambition: a Strategy for Funding Higher Education. This is the report of the expert group on future funding for higher education.

I wish to record the committee's thanks to Mr. Cassells and other members of the group as well as to the secretariat for the invaluable work they have done on the report as well as the extensive process of research, evidence gathering and consultation. That has all been distilled into this report which has sparked much comment since its publication. We certainly owe Mr. Cassells and his team a great debt for the work they have done.

I wish to draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

I also wish to advise witnesses that any submissions or opening statements they make to the committee will be published on the committee's website after this meeting.

Members are reminded of the long-standing parliamentary practice to the effect that they should comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

I call on Mr. Cassells to make his opening statement. He will be followed by Dr. Doris. Members may then ask questions, as we agreed earlier.

**Mr. Peter Cassells:** I thank the Chairman and the committee for the opportunity to talk about the report. As members will know, reports end up being named after the chair of the

group. Like the Chairman, I acknowledge the enormous work that the other members of the expert group put in as a public service. They did so without payment and put in a lot of very hard work. As the Chairman did, I also acknowledge the secretariat for the group. A lot of the heavy lifting was done by the secretariat from the National Economic and Social Council and Dr. Aedín Doris.

The committee has received the report. On 10 November the committee heard from the presidents of the universities and the institutes of technology and, therefore, I do not intend to go through the report in detail. Instead, I will concentrate on the thinking behind the group's conclusions and recommendations. That is probably a better way of assisting the committee. When members get down to discussing the specifics they will know why the group reached a certain conclusion or talked about an option in a particular way. The report is not technical but has dealt with political and societal issues. That is why we had extensive consultation with students, parents and employers around the country, and with institutes of technology and universities. We also had two sessions with the Joint Committee on Education and Social Protection which preceded this committee.

The group approached the work by concentrating on three areas. First, why as a country do we need to invest more in higher education and, in that context, put students first rather than just institutions? Second, what level of investment is needed? Third, if that is the level of investment required, then how does one fund the investment?

The committee will be aware of the report's conclusion that higher education has been at the heart of this country's transformation since the 1960s. Members do not need me to tell them that. Education has been at the heart of our transformation individually, which is crucial for an individual and his or her social and economic development. When I left school in 1968 only one person in my class went on to higher education but today half of the workforce have a third level qualification. Nobody in my family went directly from the leaving certificate into higher education, although later on they did so in various ways. Now all of my family, including nieces and nephews, are all expected to go into higher education. We must recognise this significant transformation.

The second main conclusion we reached was that we once again need to restore education, in particular higher education, as a key enabler of future development. Members will know better than anybody else, as politicians and people who are close to the ground, that the country is once again at a turning point where we are trying to transition from a very deep crisis and revive development and future prosperity while trying to address a number of key societal challenges in housing, the health services or other areas at a time of uncertainty with Brexit and what is happening in other countries. The report has concluded that as a people we need to rebuild and enhance our capabilities at a personal level, in terms of an individual being crucial, at an interpersonal level and at an institutional level. We often have the habit of concentrating on the institutions instead of working the other way around. We need to build those capacities in order to address the challenges and opportunities generated by moving again into a future phase of development. That is why we reached the conclusion that we need to restore education as a key enabler of our future development. Some people would conclude that it is not all about attracting students, foreign direct investment and multinationals. If one considers the key societal challenges we are trying to address one will realise that it cannot happen without higher education as an enabler. For example, members on the Joint Committee on Health when considering the health services would look at whether more nurses, carers, psychotherapists and doctors are needed. We will recruit people only if there is a significant investment in higher education.

The same applies to issues such as housing and homelessness, regional development and local enterprises. We deemed higher education to be the key enabler of all that and not just a means to feed into foreign direct investment. We concluded that this requires significant investment in higher education, further education, apprenticeships and post-leaving certificate level opportunities. It is that role that determined the level of investment that we have recommended.

We acknowledge in the report that the requirement for the significant level of further investment that we recommended comes at a time when, despite a stabilisation of the national finances, public resources and household incomes remain stretched. We need to take account of that context. We must be aware that we face multiple competing choices, not conflicting ones, with understandable demands for increased resources for housing, health services and other areas of education the Chairman has mentioned before, in particular child care. The committee must acknowledge that there are no easy options and it is a difficult area because a political and societal response is required as opposed to a technical one.

At the same time, if we say that higher education is the key enabler for Ireland's future development, dealing with societal challenges, as I mentioned, and prosperity, then that role comes at a time when the current system of funding higher education is no longer sustainable. I know the committee had a meeting with the presidents of the universities and institutes of technology. They may not have put it as bluntly as I do when I say that the system is broken. There is no other way to describe the situation. Whatever solution the committee comes up with, the one conclusion that the report reached was that keeping the *status quo* is not an option. In fact, the *status quo* will worsen the situation significantly. I have said all this in terms of how we approached the matter. First, we said the current system fails to recognise the pressures facing higher education institutions. I will not go into the figures as the committee rehearsed them all on the last day. The committee had the report so members know how much the number of students has grown. They know about the reduction in staff numbers and the fact that the student-staff ratio has deteriorated significantly. In the report, we said that the average was 20:1, which is way above the OECD average. In fact, in any of the institutions the ratio is probably 40:1 or 50:1 in many cases.

The report does not take account of the scale of the coming demographic changes. Members will all know that these people have already been born. That is how we know that 45,000 people will want to access the system between now and 2030. They are already in primary education or wherever.

The current system has been highlighted a lot in the responses to the report. The system fails to recognise the pressure on families and students. If we state students and families are at the centre of this and it is about building individual capabilities, we need to look at their experience of trying to access the system.

The €3,000 is a fee, and it is felt particularly by families with more than one person attending third level. We had extensive consultation with credit unions and families in various parts of the country who borrow money to pay for it. The State has had to step in to pay this for almost 50% of students because of the drop in household income in recent years. There is also the cost of going to third level and the high living costs and maintenance costs associated with studying. As a result, to progress through successfully, a very high percentage of students undertake additional work outside of their studies, and many students travel long distances because of the costs of trying to rent or stay close to the university. It is important the committee concentrates not only on the funding required for student numbers and the demographics but also on the actual cost of going to third level.

The group decided we would not look at patching up the existing system but that we needed to recommend a reformed integrated funding system for higher education which would do a number of things. It would significantly increase investment in higher education to take account of the demographics. It would restore the staff-student ratio, given the quality issues. It would enhance financial supports for students, including increasing the value of payments and extending supports to part-time and postgraduate students.

In the 1960s, which I mentioned in the context of my family's experience, the social class gradient of those accessing third level was very clearly upper and middle class. Something that has crept up on us, which we may not have noticed, is this social class gradient is re-emerging in postgraduate study, because a very high percentage of people from middle- and low-income backgrounds and disadvantaged backgrounds, including very good students, cannot afford to go on because the funding systems for postgraduate study were withdrawn. We need to be aware of this.

There is a need to increase capital expenditure significantly, and not only because of the demographics. We do not want to speak badly about our institutions or the sector, but we certainly found many of the laboratory-based engineering and technical programmes would not be accredited if they were to apply for it today because a significant element of practical work is associated with these programmes. This is the scale of the difficulty we found.

The report states this increased investment must be underpinned by complementary reforms in the sector, and it would be quite in order for the committee to state this also. We need a more flexible and responsive higher education system. People speak about lifelong learning, but we have not embraced it as a concept involving all of society and the entire economy. Our figures for the numbers and costs involved do not take account of the growth that would happen if we opened up in a responsive way to lifelong learning. The funding numbers do not take account of pay increases. If a pay increase process opens up, given the public discussion at present, it must come out of another pot. It is not provided for in our figures.

This brought us to the level of funding required. Based on the role we mentioned earlier of higher education being a key enabler, the demographics, what has happened to the staff-student ratio and the quality of education, we stated it must be an ambitious rather than incremental increase in investment to take account of the numbers, small group learning and the next phase of our development being very much involved in high expectation teaching. We have provided the committee with numbers on this and I will not go through them except to say they are substantial. This year's budget provided €36 million for higher education. This is welcome and is significant in the context of the difficulties we have in other areas, but what the report discusses would require more than €100 million. This is the scale of the difference we are speaking about and where we are in trying to deal with it incrementally.

Funding is also required for an ambitious and major increase in access, participation and progression for various socioeconomic groups, and the committee can recommend this. It is almost like a social contract, where we state as taxpayers in society we are prepared to make a significant level of investment in order that anybody who has the capacity and wants to access it should be capable of doing so. Committee members already know the figures. Almost 100%, that is 99%, of youngsters in Dublin 6 go to third level but in Dublin 15 only approximately 15% do so. We cannot have a social contract between society and the taxpayers which has this level of disparity in accessing what people believe is crucial for future capability development, not only for employment but for the societal challenges we mentioned. This is why we recommended a significant increase in the value of student supports, the extension of supports to

part-time and postgraduate students, whom I mentioned earlier, and a more effective system of student financial aid.

With regard to funding, regardless of which option is chosen what is important is that it is underpinned with a major reformed maintenance and student support system. This is where the problem is with regard to general access and students from particular backgrounds being able to access, continue and progress.

Having increased investment, and I will not go into the figures as they have been provided to committee members, we dealt with how this would be funded and the funding options available. We put forward three particular options. We were asked to provide options but we were happy to do so because these are political and societal decisions. This is not a technical report and we need to put out the various options and their consequences to let people decide what they want from a political perspective. We had a set of guiding principles, the main one being that fairness and balance need to guide the funding system. We need fairness and balance between the public benefits of higher education and the private benefits to the individual. We also need balance between investment in the sector and cost containment and, as I mentioned earlier, the committee is quite entitled to ask the sector to reform and be more flexible in this context. We also need fairness and balance between various levels of family income. This action is what brought into focus for us the key issue of how to share out the costs and funding given the collective benefits of higher education for society and the individual benefits. The three beneficiaries are society, the individual and employers. That is why we went with an employer contribution.

On the collective benefit, the committee does not need me to rehearse the contribution higher education has made to our society, economy, culture, public life and the formation of citizens. We found that was well understood in the consultation process, and it is important to see higher education in its own right as something somebody would want to do for its own sake as well as preparation for employment and so on. It has been the key enabler of our economy and our social services. The OECD has estimated a return in excess of 20% on that investment by way of tax returns. However, there are also gains in personal terms for the graduates. Someone with a higher degree will earn 100% more than an adult whose educational attainment is the leaving certificate over their respective lifespans. That relates to the question of how the individual benefit is dealt with. Higher education contributes to individual success and to the collective good. That core idea underpins the country's long-standing drive to widen access to higher education. We have submissions stating too many people are going into the system but the reason it is an open system is we can see the individual success and growth and collective good. That is, therefore, an important consideration when we look at how we fund the system.

We gave three options to approach this. One is a predominantly State-funded system. It is important to remember that in all three options the State remains the biggest contributor. People have pointed to what happens in other systems such as in the United States. The state is not involved in the US and we reject that system in the report. The three beneficiaries all have to contribute but the State will remain the biggest contributor. In Britain, there has been a significant increase in the student contribution but that was because there was an ideological decision that the state would withdraw from higher education. None of that underpins our report. Currently, the State invests approximately 60% of funding. It varies by institution. That would increase to 80% under the State-funded option. The other 20% would come from philanthropy, fees from foreign students and so on. We said all three options are feasible and we outlined the pros and cons of each. In the case of a predominantly State-funded system with the State paying 80%, it would deliver higher education free at the point of access to everybody and if



that is the goal, that could be key. It is also administratively simple. However, the question the committee has to ask itself is whether in the current climate or over the next number of years sufficient State resources will be available to underpin that. That is what members have to look out for. Another question posed in the report is whether, if higher education gives such great individual benefits, it can be considered to be solely a public good and, therefore, whether every taxpayer must pay for those who access it.

The second option is the continuation of the current system, which provides for a significant investment-----

**Chairman:** I am terribly sorry but a division has been called in the Dáil. This does not happen normally.

*Sitting suspended at 10.25 a.m. and resumed at 10.42 a.m.*

**Chairman:** I offer my sincere apologies for having disturbed the proceedings. I ask Mr. Cassells to continue.

**Mr. Peter Cassells:** It is understandable.

I have dealt with the question as to why one would invest significantly in higher education. The investment should be made because of the role of higher education as a key enabler of future development and because of the scale of investment needed. Before the break, I was commenting on the funding options. I have already talked about the predominantly State-funded system which would see State funding of 80%. The question if this model is adopted is whether there should be a breakdown and sharing of the cost between the individual who benefits and us as a society benefitting.

The second option is the continuation of the current system. As we need the €1 billion, this would require a significant increase in investment by the State and a continuation of the student contribution of €3,000 and the waivers for students who do not qualify for the student grants, which, as mentioned earlier, account for 50%. This model increases the State's contribution from 60% to over 70%. It delivers a balance between the State and the student and it is already in existence. However, there are a number of issues with it which the committee needs to consider. First, it does not deliver free higher education at the point of access. It does not deal with the impact of the €3,000 fee on some families, particularly those above the threshold. As I said earlier, we found in the work we did that significant personal borrowing is taking place, particularly from the credit unions and in situations in which more than one member of the family is in higher education. People on moderate incomes are taking out fixed-term loans. If a person does not benefit from or complete a higher education course, he or she must still repay the loan but does not have the earnings to do so. In addition, this model deals neither with the fairness of the grant system, which, as I mentioned earlier, is key, nor with the lack of supports for postgraduate or part-time students. These are the pros and cons of the second option.

The third option is a new system of deferred fees supported by income-contingent loans. This model would require increases in State funding and the student contribution, so the State's share of the investment in higher education would continue to be over 60%. The fees would be charged to all students, but payment would be deferred, as I said, and supported by an income-contingent loan. The repayments would therefore be linked to the benefit of higher education, future salary levels and one's ability to pay. One would not be liable for repayments during any period in which contingencies arose such as unemployment, maternity and so on. The loan

expires after a period if not repaid. We modelled two possible fee levels in this scenario: the current €3,000, an increase to €4,000 and an increase to €5,000. We indicated, given the experience of what has happened in Britain, that the fee level needs to be regulated and should remain moderate and affordable. The question whether there would be a different fee level depending on the cost of the programme - for example, medicine - also came up, and we considered this. The system allows for such differentiation. It was brought in in Australia, but we did not go down that road. We are not saying it should not happen; we are saying the system we have come up with allows for it to happen if desired. We had enough individual issues in the report to deal with at the time without exploring the matter further. This model would deliver higher education free at the point of access for all students. It also opens up and enables the maintenance support to be provided to a broader base of students. Again, the report is quite clear that the model should not be adopted unless the maintenance system is increased and reformed radically. Furthermore, as I said, with future repayments being linked to future earnings and ability to pay, the report raises the point that the model should not be a deterrent to participation as a result of one's family circumstances.

However, the report also highlights a range of concerns raised with us during the consultation process. One is debt aversion. There is a sense that people from particular backgrounds may be averse to taking on debt even though it would be repaid in a particular way. However, as I mentioned earlier, we discovered that significant numbers of such people are borrowing money for the €3,000 contribution at the moment anyway and repaying it. The impact of emigration was also mentioned to us. The answer to this question is that the debt is the same as any other debt. If one emigrates, it does not evaporate; it remains and must be repaid at some stage. The question of the future graduate debt burden and the need to take on debt at different stages of one's life - for example, for a house - together with the level of default and the possible implications of this are matters about which the Department of Finance will want to talk to the committee. One matter we did examine, because it was raised with us, is that if the State is to set this up, it needs to borrow the money to do so. We clarified that this can be done within the EU fiscal rules, just in case this is raised with the committee. With Dr. Aedín Doris's help, we also did some initial modelling of the likely cost to the graduate and to the State across a range of fees and repayment parameters.

The last point we made was that whichever model the committee recommends should be underpinned by a new employer contribution to higher education. We did not make the point just because we saw this might be an easy source of money. The argument in the report is that if one takes the guiding principle of balance and fairness between the various beneficiaries and a better sharing of the cost among the main beneficiaries, in Ireland we do not have a high level of philanthropy. However, equally, we are investing in higher education as a way of ensuring we have high-end jobs and people available to take them. Therefore, there should be a contribution. There is the National Training Fund, which helps with Springboard but nothing else in higher education. At the moment there is more than €350 million in the fund. Therefore, if we expanded the fund to provide support for programmes in higher education with, say, a 1.1% increase, that would raise an additional €50 million. That is how we came at the issue. It also opens up options in regard to how these programmes can be supported.

The main point about the options is that they need to be considered together. Each of the options has strengths and weaknesses, and these have to be taken into account. Each obviously has a negative aspect. With the first option, it is significantly increased taxes. With the second, the fees would still continue and people would have to borrow to pay them. With the third, there is the question of student debt repayments, or there is a combination of all three. Some



people in the debate are sticking to their first preference, but if everybody sticks to their first preference, there is no way we will be able to come to an outcome and we will end up back at the *status quo*. As I mentioned earlier, the *status quo* is probably the worst place we could end up. The three options need to be considered together rather than saying one option is being ruled out because it has a negative aspect to it. All the options have negative aspects and some positive aspects, depending on what one wants. We cannot cite the negative character of any one option in isolation as if there was another way of funding it other than that. These are overlapping circles, so we could end up with a hybrid system, and there is nothing to rule that out.

In a sense, the report has a home but it does not have the home which it normally would have, with a Minister promoting it. Therefore, I have been asked by the Department to stay involved in explaining the report. So far, from the feedback I have been getting, there would certainly appear to be general agreement on the investment requirements but, obviously, some level of understanding that the universities and the institutes of technology need to be more responsive to the needs I mentioned earlier. However, it is when it comes to the funding requirements that the divergence occurs because people go to their first preference. That is why I think it important that we do not end up back at the *status quo*.

It is important for the committee to realise that the *status quo* is not a cost-free option and it will actually leave us with deep costs in terms of the student experience, as I mentioned earlier. At the moment, it also excludes a lot of young people from disadvantaged areas going to education, so by keeping the *status quo*, we would be saying that is what we are providing for.

Ultimately, obviously, it will affect the career opportunities of Irish graduates because we must remember we are operating in a European labour market. Most of these companies people talk about are recruiting people across Europe, not just in Ireland, so they are competing against students from other countries for positions, particularly those in the newer companies. There is then the overall contribution of higher education to our social and economic development which would also be affected.

The report concludes that we now have an opportunity to recommit ourselves and to re-invest in higher education. Obviously, this committee has the opportunity to set a new level of ambition that would restore higher education, further education and apprenticeships as the key enabler in getting us from where we are now onto a much better trajectory. The report concludes that whatever is done will require a comprehensive and fundamental change to our funding model, and we should have an open and considered debate on that. Ultimately, we need to come to decisions and, in some way or other, they will have to be bold decisions, requiring decisive action.

**Chairman:** I thank Mr. Cassells for a very insightful presentation and also for setting it in the social and political context within which we find ourselves. As he said, it is really about balancing fairness right across our communities and the education sector. Before I move to the committee members, I will ask Dr. Doris to make her contribution.

**Dr. Aedín Doris:** I thank the committee for inviting me today. I should mention that I was not a member of the expert group and was not on the secretariat either. My contribution to the report was to assist the group by sharing with them the results of research that I was undertaking on the viability of income-contingent loans in the Irish context. That is the aspect of the report I will focus on because assessing the student loan option was my role.

The results of some of the analyses I have conducted are contained in the appendix to the

report. I will not go through these results in detail. Instead, I will give a broad overview of the rationale for income-contingent student loans and the issues that need to be considered to implement such a system in a way that results in a level of repayments that is fiscally acceptable and that will not cause problems for the Exchequer while not placing an unreasonable burden on graduates.

I begin by explaining why income-contingent student loans are being considered as a way of funding investment in higher education in an increasing number of countries. In these remarks, I will take it as given that students are expected to pay a contribution to the cost of their education. I completely accept that is not necessarily the case, but that is the starting point I am going to work on, given my role in the report.

The key problem with charging fees for higher education is that, while returns to higher education are high on average, they are not the same for everyone. They vary substantially according to the discipline studied, according to the employer and according to differences in life circumstances, such as illness, child care responsibilities and so on. Given the risk of non-repayment if a student turns out to be one of the unlucky ones who ends up with low earnings, banks do not generally offer loans to students, so they must rely on their parents either to give them the money or to borrow on their behalf. However, if parents do not have savings and do not have the ability to borrow, perhaps because they themselves have low earnings or no collateral to offer or a combination of both, some students who could benefit from higher education will not be able to access it, resulting in too few graduates being produced. This is inefficient and also inequitable because those who cannot access funds are those whose parents are worst-off, resulting in intergenerational mobility being curtailed. As we know and as Mr. Cassells mentioned, education is a key enabler of intergenerational mobility and plays a very important role in society.

Income-contingent loans, ICLs, are designed precisely to solve the problem of earnings risk. The basic principle behind them is that repayments are made only to an extent that is affordable. Affordability is ensured by placing an explicit cap on the proportion of earnings that can be taken up by repayments, and this is typically in the range of 5% to 10% in the countries that have introduced this. Therefore, income-contingent student loan debt should not be thought of as debt in the usual sense. It is a debt that has to be repaid only if the graduate can afford it. Repayments fall to zero in months when earnings are low or zero. Thus, there is no possibility of hardship due to loan repayments.

As the committee will know, ICLs have been introduced in several countries, including Australia, New Zealand, England and Hungary. However, these systems differ from each other in the specifics of their designs. Moreover, graduate earnings over the life cycle follow different paths in different countries. Given these differences, these systems entail different repayment patterns and different levels of government subsidy. Therefore, it is important to consider how alternative designs would work when applied to Irish graduate earnings. That was my motivation for beginning this research, namely, to look at Irish data and to see whether these systems were viable in an Irish context.

The parameters of ICLs are the rules that govern whether and how quickly the loans are repaid. These include the earnings threshold beyond which repayments start, the earnings base on which repayments are calculated, the rate at which repayments are made, the interest rate charged, if any, and the date at which outstanding debts are written off. The total amount borrowed is also important in comparing alternative systems, a point Mr. Cassells also made. In my work for the expert group, I considered how varying some of these parameters, especially

the earnings base and the interest rate but also the amount borrowed, affects both the fiscal sustainability of the scheme and the affordability of repayments. I will briefly explain these in turn. Fiscal sustainability is typically measured using a figure that gives the proportion of the total debt that is not repaid. This is often referred to as the government subsidy. It is important to note that non-repayment of an ICL is a feature of the system, not a flaw. ICLs are designed in order that those who do not benefit from their qualifications do not pay for them. Nevertheless, it is important for fiscal planning to have a good idea of what the figure will be in advance of such a scheme's introduction.

Affordability can be measured in many different ways. In my work, I calculated the number of years in which repayments were made, the proportion of gross and net earnings accounted for by the repayments, and the mean monthly payment averaged over the years of repayments.

To conduct the analysis of the various alternative schemes, the most important ingredient is a reasonable representation of graduate earnings across the entire distribution. Knowing how the average or median graduate's earnings evolve over the life cycle is of little use because these graduates typically have no difficulty in repaying their loans in most systems, even the American one where the loan is like a mortgage. It is the graduates towards the bottom of the earnings distribution that are of greatest concern. Most of my work was to try to capture the earnings distribution of graduates.

I based my analysis for the expert group on a methodology I have used in joint research with Bruce Chapman of the Australian National University that models graduate earnings in great detail across the distribution and separately for men and women. This latter point is important as women earn less than men over the life cycle and tend to work part time to a greater extent than men during the middle years of their careers. That is true for graduates and non-graduates.

Once life cycle earnings profiles have been modelled, the analysis entails applying the rules of alternative schemes to those profiles and then taking into account labour force non-participation, unemployment and emigration. In doing this, I assumed that 20% of graduates emigrate, with half of those, 10% of graduates, staying abroad permanently and another half leaving temporarily. I made the conservative assumption that emigrants pay nothing towards their student loans while abroad.

A further conservative assumption that I made is that there will be no productivity growth in the economy in the future, a very pessimistic view, implying that real wages for graduates will stay at their current levels for the foreseeable future. I should mention that in research I have completed since I contributed to the expert group's report, I have made the more realistic assumption that productivity growth of 1% per annum occurs, which is probably more realistic. Given that 2% would typically have been made in the past, 1% is quite conservative.

To summarise the results regarding affordability, I found that for the parameter combinations considered, repayments are quite affordable, varying between €100 and €150 per month for a graduate with median life cycle earnings. It will be less for graduates with lower earnings and sometimes zero if their earnings are low enough and higher for graduates with higher earnings. The loan is typically paid off over ten to 15 years. The longer times apply to scheme designs in which a positive real interest rate is charged, and where repayments are based on marginal income, only that portion of income above the threshold, rather than being based on total income once the earnings threshold has been reached.

In terms of the size of the Government subsidy required, I found that for the schemes where

a positive real interest rate is charged, the estimated subsidy is about 30%. This figure allows for time discounting, for repayments received in the future to be given lower value than repayments in the present, which is the sensible way to do things. The discount rate I used is 2%, which is a fairly high rate. Any productivity growth in the economy in years to come will lower the subsidy below this figure.

One lesson that came from the analysis I conducted is how important emigration is to the size of the subsidy. The emigration scenario that I have assumed adds about 10% to the Government subsidy compared with a scenario with no emigration. If a mechanism can be found to increase repayments by emigrant graduates above the zero level that I have assumed, the subsidy will be substantially reduced.

I wish to stress that I have investigated only a few of the many possible specifications of ICL student loan schemes. As the expert group's report mentions, if an ICL were to be recommended, further research should be done before settling on the final combination of parameters that would govern the scheme.

**Chairman:** I thank Dr. Doris. The issue of access for students, particularly those who come from socially disadvantaged backgrounds, came up in a couple of presentations. That is a major priority for us for any new funding arrangement. Do we accept that there is a danger that the introduction of student loans may serve as a deterrent to these students who wish to pursue full-time undergraduate courses? Anecdotal evidence suggests that low-income families may be very apprehensive about their children taking out significant loans. Maintenance costs were mentioned in a separate context but would also be a big deterrent. The presidents of the institutes of technology, ITs, made the point at our meeting on 10 November last that their cohort of students includes a larger group of disadvantaged students compared with universities. They would require more significant supports. Did the expert group fully take account of that distinct challenge in the IT sector? Are there any views on the best way to structure the ICLs? I am interested in the approaches made internationally. The witnesses have said there are some disadvantages. What type of loans would they single out as good examples and what are the models in other countries that would not be good or should be avoided?

We spoke in private session about the national training fund levy. University presidents proposed that an increasing amount of the large surplus in the fund would be directed towards higher education and that the employer contribution be increased. What are the witnesses' views on that?

What type of indicators would be suitable to measure quality and verification to measure how effectively money has been spent? Accountability is significant. That was the subject of some comment in our previous meeting in terms of gaining and winning public support too, because as Mr. Cassells said, we are competing with the health sector and many other areas and within the education sector for the money that needs to be spent in primary, secondary and special education.

Will Dr. Doris put the Government subsidy into the international context? She assumes emigrants will pay nothing towards their student loans while abroad. There is a fundamental inequity if that is the case. Could there be a mechanism to allow graduates accelerate repayments of loans? For example, graduates who have significant earnings in their early careers could pay those off.

*Sitting suspended at 11.09 a.m. and resumed at 11.20 a.m.*

**Chairman:** Deputy Thomas Byrne was the first to indicate, but he is not here. The next speaker is Senator Ruane.

**Senator Lynn Ruane:** I thank the witnesses for their presentations. One of my questions is around the loan schemes, although I admit that I hate to start with it. With the loan scheme, we will see an increase in fees of €4,000 or €5,000. Looking at the Australian model, there was a different economic climate when it was introduced. Our young people face an intergenerational debt burden in Ireland which is miles apart from the context in Australia. Was that taken into consideration? Why was the Australian model chosen rather than a fairer model like the Dutch model, which seems much better to me? Perhaps the witnesses can speak to that. Both speakers referred to migration in the context of repaying loans, however, they did not talk about it in terms of us losing talent or whether the loans would act as an incentive to migrate leading to the loss of good graduates rather than it just being a matter of the State absorbing the cost of their loans or fees.

My other question relates to access and participation. Both speakers referred to disadvantaged students and the worst off and the ways in which a loan scheme could increase access or has, in some cases, elsewhere. I find that logically difficult to understand. If we say that free fees did not work, can we also say that poor children were just waiting until they would have to pay the fee at a later date? It makes no sense. It means the poor child is saying, “I am not going to go to college while the fees are free but I am going to go when there is a loan in place which I will have to repay later”. I do not understand how this impacts those students at all because that is not logical. I see a further unfairness in a loan system. As a mother, I am now in a position to pay my children’s fees for college, which I will whether there is a loan scheme or not. A child from a less well-off family with no income does not have the option or choice whereas children from better-off backgrounds do. If the latter do not choose the loans, their parents will, in many cases, continue to pay. It is still those kids from more disadvantaged areas who do not have an option. The choice is taken away from them. Can the witnesses speak to that?

**Deputy Ciarán Cannon:** I thank both of the speakers and the whole team for the exceptionally valuable work they have done in producing the report. It is exceptionally important that we act on it sooner rather than later. In the engagement with the heads of all of our third-level institutions nationally there was obviously discussion around funding to support that third-level structure, but was there any discussion around the autonomy afforded to the heads of those institutions as to how they spend funding within their own universities and institutes of technology, respectively? Was there any discussion around giving them greater freedom or autonomy to spend those funds as they see fit to maximise the benefit to their students in terms of recruitment of academics, incentivisation and developing a culture of excellence in each institution? Do the witnesses see any further autonomy being given to the heads of our institutions as to how they spend the resources that are available to them?

We were very fortunate to be able to engage with the heads of all of those institutions a couple of weeks ago in this very room. There was significant discussion at that time around the national training levy and the fact that it is now running a surplus, albeit a fairly small one. There was also discussion of how that might be further leveraged to support third-level education given that it is the mechanism whereby most of industry contributes at the moment, predominantly to the FET sector. While our young people saw FET as an end in itself 30 or 40 years ago, it is increasingly the case that it offers a very clear and structured progression route through to third level. On that basis, would the witnesses support a diversion of a significant amount of the training levy to third level and a consequent increase in the contribution towards



that levy from industry itself?

We are all very much aware that the cost per student of education in a third-level structure depends very much on the course a student is participating in. For example, while the average cost of providing education per student is approximately €8,000, the cost for a medical student is €30,000 per annum. Some jurisdictions have looked at banding the fees that would somehow be subsumed into a loan structure. On the basis that those who avail of those higher-cost courses would expect to see a significant boost in their income as a result of participating in those courses, was there any exploration of the banding structure and subsuming it into our structure? I think one existed in Australia.

**Senator Trevor Ó Clochartaigh:** Cuirim fáilte roimh na finnéithe ar fad agus gabhaim comhghairdeachas le Ms Forbes agus an tUasal Esslemont as ucht a gceapacháin. Tá súil agam go n-éireoidh go han-mhaith leo. I apologise as I must ask questions and then run out the door but they will be on the record and I welcome the responses. We had a very interesting conversation yesterday about rural development. It taps into what the witnesses said about access and participation from a geographical perspective. We have some really good examples, for example, the furniture college in Letterfrack that is under the auspices of Galway-Mayo Institute of Technology and Acadamh na hOllscolaíochta Gaeilge in Carraroe, which is a satellite campus. Sometimes the issue of people participating is about geographical access, being able to pay for accommodation if they leave their home place, transport facilities, etc. Have the witnesses had any opportunity to look at devolved education as opposed to a centralised model where it is all on the one campus in a large urban area? Should we be looking at funding more devolved education in rural areas? It would have the knock-on effect of rejuvenating rural areas and local schools and communities as well as providing educational benefit.

I am very interested to hear the witnesses say that social class grading at postgraduate level is re-emerging. The cutting of the postgraduate grant was really cynical. Will the witnesses elaborate on how that is borne out in the statistics? Concerns have been voiced about the liberal arts in third level being dumbed down in favour of the more vocational courses - what are seen as the practical engineering, mathematics and scientific sectors, which would be more vocationally orientated - to get people into the workforce.

Have the witnesses looked at non-academic issues in funding in third level? The amount that is spent on legal fees and consultants in third level education is raised with me regularly. Vast sums of money are being spent on investigations and reports - up to €500,000 in some cases. Have the witnesses had a chance to look at how that money is being spent and how it could be better used?

In respect of procurement and outsourcing, many agency workers are being brought in. Is that saving money in third level institutions or is it costing more money in the long run? Do the witnesses have any thoughts about how that should be reformed? The witnesses also said that students are borrowing significant sums of money. I see that regularly. Students who contact me are doing two or three jobs in restaurants and bars so they are struggling. Is it feasible even to contemplate bringing in a loan scheme that will affect them down the line? Does Dr. Doris's model take into consideration that these people will be getting married, could have to go to work in Dublin or Galway where the rents are very high and will have mortgages, children and health care costs? It would seem to me that one of the arguments put forward against the loan idea is that people will be on very modest incomes anyway and will be trying to get on to the property ladder and make a life for themselves and that having another debt around their neck before they even start is a very detrimental step. Leis sin, fágfaidh mé na ceisteanna sin ar an

taifead.

**Senator Robbie Gallagher:** I welcome Mr. Cassells and Dr. Doris and thank them not only for their contributions but for this report, which is very thought-provoking, to say the least. Mr. Cassells mentioned that the *status quo* is not an option. I made a point here last week when I spoke to the heads of the universities that we have run out of road on this issue. I was told that not only have we run out of road but an articulated lorry is coming up behind us. It highlights that doing nothing or maintaining the *status quo* is not an option.

My concerns about a loan system, which have been articulated by a number of speakers, are that the thought of a loan would be enough for low-income families to ignore third level because they might not have much experience or knowledge of loans. This would be a shame. The one thing we must keep in mind is that regardless of the option we decide to choose, it should not deter access but promote it for as many people as possible. This must be the key driver. The witnesses mentioned how a 1% increase in the employer's contribution could yield an extra €50 million per annum. How much further scope is there for employers to pay into the system?

In respect of how the universities and institutes of technology function, has much work been done on how efficient they are? Is there room for improvement in how they spend the resources allocated and, if so, where do those resources lie? On the face of it, option number one would seem to be the safest option in that the State provides the funding and access is there for all who might require it. The only problem with that is that it is dependent on the Government increasing funding from the current 60% to 80% at a time when there are a number of challenges on the horizon from the economic perspective, such as Brexit and the election of Donald Trump in the US. All these issues are of concern to a varying degree and could have a negative impact on our economy, which is very much exposed to outside factors, as we all know. It would appear to be the fairest way if we could get a commitment that this funding would be increased long-term rather than being year to year, but therein lies the challenge. The job of this committee is to debate after we have heard all the contributions and try to find a solution or a recommendation we can put forward. Ultimately, it is important to point out that it is not this committee that will decide. That is a matter for the Minister and Government of the day.

**Deputy Carol Nolan:** The report states that we need an increase of €600 million by 2021 to address the chronic funding needs of the third level sector. How much of this relates to demographics? Has any of it been provided for in Government calculations? I am aware that €25 million has been costed for the increase in staff, but are any other demographic pressures included in the figure of €600 million? The report outlines a cost of €450 million to reduce student-staff ratios at third level to 14:1. Do we have a breakdown of the other initiatives the report envisages and their costs? How much will increasing the core grant to higher education institutions cost? Are staff costs included in the core funding increase? The report mentions increasing access to higher level education. Does the background work of the report identify any increased spend in this area, and if so, by how much? Have any strategies been put in place by third level institutions to meet the challenges posed by Brexit? What are these strategies if they are in place?

In respect of student loans, how realistic is the prospect of recouping money from graduates who emigrate? I met a delegation from the University of Worcester in the UK who told me that the loan system is failing miserably. There is significant concern about it in countries that have implemented it. I know the report states that there is a 31% repayment rate among graduates in the UK, but is there any evidence that the number of graduates who emigrate has increased

as a result of the student loan scheme? A significant number of graduates already emigrate so has there been any consideration of this? Could the witnesses clarify the State subsidy for 30% and what that means for State finances? How would this typically play out as the student loan scheme comes into operation? Does it mean the State will bear 30% of the cost of the loan? That is not clear.

**Deputy Catherine Martin:** I welcome Mr. Cassells and Dr. Doris and thank them for producing a report which appears to have earned the respect of all the relevant stakeholders. Needless to say, I fully concur that higher education has been at the heart of the country's transformation and needs to be fully restored to make it a key enabler of future development. Access is a key concern and one I share with other members. I taught in a DEIS school in Dublin for more than 16 years and I have known children who were the first in their family to attend college. Choosing to go to college is a major decision for such children and their families. It is important, therefore, that such children can make a smooth transition into third level education. I am concerned that a loans system would cause a child from a disadvantaged background to stop and wonder if he or she or his or her family are willing to take on the burden of a loan. This factor must be taken into consideration.

There is a significant deficit in third level supports for students with mental health issues. We hear, for example, of waiting lists of 18 months to access services and many universities and institutes of technology have noted a marked increase in the number of students with mental health issues. As the witnesses pointed out, the current system fails to recognise the pressures placed on families and students by fees and high living and maintenance costs. We must not increase the pressures and burden on students as this would cause even greater mental health problems when supports are not available to them.

It is assumed that 20% of graduates will emigrate and 10% will remain abroad permanently. It is a serious concern that a loans scheme would incentivise graduates to stay abroad permanently on the basis of a conservative assumption that they would not repay any of the loan while living abroad. Would a loans scheme result in the country bleeding its most talented graduates? That is a major concern.

I ask Mr. Cassells to elaborate on the loans students may face. He indicated that smaller student-teacher ratios are a desired outcome of a student loans system. The student-teacher ratio varies significantly between colleges and courses. Is it possible that, for example, students studying architecture would end up with a larger student loan than, for example, business studies students given the differences in funding required to run architecture and business courses? The former are more labour and materials intensive than the latter.

Mr. Cassells noted that the presidents of the universities appeared before the joint committee two weeks ago. At that meeting, they stated that the national training fund is projected to be in substantial surplus by the end of 2017, to the tune of €272 million. What are the witnesses' views on the possibility of directing some of this surplus into funding third level education? How precisely does he envisage this would be done?

If additional moneys are to be allocated to third level education, how can we ensure they go directly to students? There is a consensus in the health sector that money should follow the patient. How can we ensure that, where funding to third level is increased, the money will follow the student to ensure it yields an improved student experience and better learning outcomes?

**Senator Maria Byrne:** I apologise to the two witnesses for leaving during their presenta-

tion. I had to speak in the Seanad. I concur with much of what has been said. Every family fears the introduction of student loans because people are concerned about how loans would be repaid. The education of their children is the priority of families and I know many couples who had two or three children in college at the same time, which places a severe burden on them. I acknowledge that all options must be considered.

I was pleased the report refers to lifelong learning, which should be encouraged from a young age. I do not believe sufficient emphasis is placed on lifelong learning.

From my experience of the University of Limerick and Limerick Institute of Technology, I am aware that they co-operate with local companies and tailor some of their courses towards the needs of industry. This approach needs to be encouraged nationwide because it is certainly working in Limerick. Furthermore, industry is contributing funds towards some of the courses and investing in students by offering them work experience. This model should be extended.

**Deputy Joan Burton:** Not long ago, members had an opportunity to speak to some of the witnesses' colleagues in the colleges, universities and institutes of technology. I am concerned about the quality of the student experience both at undergraduate and master's level. Without a doubt, one can have large and successful class sizes for lectures but it becomes much more difficult if additional resources are not available to give students a personalised experience. At the previous meeting, a number of speakers referred to the social and mental health pressures that students experience. Greater contact with staff can substantially improve the student experience of third level education.

Do the witnesses have a view on the way in which third level staff are being recruited? How do recruitment policies impact on the quality of institutions and the experience of students? In the past decade, universities and colleges have shifted towards a model of limited staff contracts that are subject to constant renewal. In our system, many third level staff do not secure tenure in the traditional manner. I am not sure if the witnesses were able to identify the extent of this practice but it is especially difficult for women.

People doing PhDs are often offered welcome and supportive teaching hours while doing their PhD and this may continue for one year or two years after completing the PhD. While they have a reasonable expectation of making a career in third level education, many of them never move on to a tenured position. This is a significant problem. In STEM subjects, for example, unless one is in an environment where there are many campus companies and employers in which PhD students can secure well paid jobs, it can be very depressing and demoralising and the system can lose very good people.

I will raise a concern I expressed at previous meetings. The Teaching Council has moved to a two-year model for the postgraduate teaching qualification. Finding funding for these courses will be a significant challenge to students because postgraduate fees are set at upwards of €5,000 per annum. I assume the current rate will apply to all the third level institutions. I do not know if much consideration has been given to this issue. Many of those who come through access programmes are attracted to teaching because it is a way of securing a job and they are often attracted to teaching because their experience of education will have been very positive. I worry that students from working class backgrounds will be unable to afford postgraduate courses in education. Did the witnesses give any thought to that issue?

On the issue of funding, my preference is for a combination of State funding and the use of the national training fund. The fund has a major and positive role to play in this regard. We

need employers to buy into third level education. I am very concerned that there are so few structures around the national training fund which would prevent it being raided for other purposes, for instance, for paying social welfare. The overall Social Insurance Fund has come from a deficit five years ago of €2.8 billion to being in surplus this year and next, and increasingly in surplus. I wonder if the witnesses have a strategic view of how the national training fund should be managed. I believe it has been underspending on apprentices and apprenticeship-type education. That process has been slow. From my knowledge of Germany, Austria and France, in particular, where they operate the dual model, I support an increase in the national training fund. I put forward in the recent budget proposals that some of the fund would go to third level. It would also involve employers more in their contribution to third level given that it is not just society generally that will benefit; employers will benefit from having very high-quality graduates, which we know is a very big draw, especially for foreign direct investment coming into Ireland.

**Chairman:** I will interrupt the Deputy there as I must suspend the meeting. I was waiting until she had finished-----

**Deputy Joan Burton:** On my last point-----

**Chairman:** We will both miss a vote in the House.

**Deputy Joan Burton:** My last point is that I looked at the history of many of the loan schemes in different countries and I have spoken to people. I am not convinced it would work in a small society like Ireland. The level between emigration and bad debts would be unsustainable.

**Chairman:** I am going to suspend the meeting for five minutes. I thank all the members for their contributions. We will resume in five minutes when we will go back to Mr. Cassells and Dr. Doris.

*Sitting suspended at 11.55 a.m. and resumed at 12.05 p.m.*

**Chairman:** My apologies to our esteemed guests, both those who are present and those who were hoping to start at 11 a.m. I am sorry for the interruptions. I will call the final speaker, Deputy Thomas Byrne, and I ask him to be very brief.

**Deputy Thomas Byrne:** I apologise as I had to leave for a short time due to another commitment. I was helped by the vote but I was not able to be present for the questions. I will not ask too many questions as I am sure they have all been asked.

Is the word “loan” the right word for the scheme? If the question has already been asked, there is no need to answer it. It just does not seem like the right term. If someone goes to AIB tomorrow to borrow money for college, he or she will have to start to pay it back almost straight away, regardless of his or her income. Is it a loan or is it some sort of contribution or tax?

**Chairman:** That is a fair point. Is that the Deputy’s only question?

**Deputy Thomas Byrne:** I have another question. A teacher with five years’ service who is on the new scale earns approximately €37,000. What about his or her payment? If it is not possible to answer then there is no need to answer it. I do not want to put anyone on the spot. I am just asking about an average worker.

**Senator Lynn Ruane:** Deputy Byrne definitely wants to put the witnesses on the spot.



**Deputy Thomas Byrne:** I am sorry. I apologise if I am doing that. It is a fascinating subject and it provides much food for thought.

**Chairman:** Absolutely. Thanks for that. We have had excellent contributions from members in terms of focusing on all the issues and challenges. I will start with Mr. Cassells and then Dr. Doris can respond.

**Mr. Peter Cassells:** What I will try to do, both in the interests of time but also because of the way the questions came up, is to group them according to issue. I will comment on access, the national training levy and then a range of issues relating to how the system works at the moment in terms of accountability, staffing and costs and then Dr. Doris will deal with the questions relating to the operation of a loan system.

Deputy Byrne is right in what he said about the scheme. We struggled with the issue. At one stage, we called them deferred fees. We tried to say it is not a debt in the usual sense because one does not have to pay it if one does not have the resources. At one stage the idea of calling it a graduate tax was in the frame. The way to look at it is as a deferred fees scheme. It is not a debt. If one considers it as a graduate tax then one is repaying the cost of one's education as a result of the significant benefits one got. One only pays if one goes over a certain amount for a specific period. One of the questions the Chairman raised at the beginning was about public engagement and winning public support for the scheme. In our consultations we brought many groups together and spoke to many people. There is no doubt about the great support for the contribution made by higher education and the investment that is required but there was less consensus on how one would fund it. What Deputy Byrne said is correct and the public funding element, as you raised, Chairman, is also important.

The overall point I made in response to the three categories of question is that at the end of the day a lot depends on the scale of one's ambition in terms of what one believes is required to put higher education back in as the key enabler, because that determines the level of increase in funding one needs and it therefore determines how one is going to fund it. For example, a number of the questions refer to the fact, and Senator Robbie Gallagher mentioned it, that option one, which is a fully funded State scheme, appears to deal with the question of access and certainty. The question we had to ask ourselves, and which members have to ask themselves, is what is the increase in taxation that will be needed to fund the €600 million required between now and 2021, in addition to the other demands such as health and housing. If we say it will be a fully funded State system and that will be the level of ambition we are talking about and we tell students and their parents that is what we are doing and then we do not put in the money or do not say to them that it will require an increase in taxation of X amount, because that is the scale of the funding we need, that is where the difficulty will arise.

In terms of access, as Senator Ruane rightly said, half the people at the moment have their fees paid for them, and we discovered that the big difficulty was in two areas. The first concerns those who are just over the threshold and who have enormous difficulties in paying the €3,000 but the second issue is the maintenance and grant system. The maintenance and grant system needs to be radically reformed. In terms of policy and the political system, there are two or three reports knocking around on this issue but people have always backed off from doing it. If the option of a State-funded scheme is taken, something significant will have to be done on maintenance, perhaps by way of the tax system. If the second option of increasing State support while maintaining the €3,000 fee is taken, more will need to be done on the maintenance side to address the barrier of the €3,000 fee for low-income families. The income contingent loan option has all of the difficulties mentioned by members but it would allow for the retention

of State investment in the system, albeit in a different way. This would allow for reform of the maintenance system to ensure students of lower-income families can afford the cost of going to college. The reason some students are not going to college is because they cannot afford to do so.

**Senator Lynn Ruane:** I am sorry to interrupt Mr. Cassells but I disagree with him on his last point. There is continued focus on a lack of financial capital being the only reason disadvantaged students do not go to college but there is also a lack of social and cultural capital. It is misleading to say that a lack of financial capital is the reason people cannot access education.

**Mr. Peter Cassells:** The report deals with the question of access to different levels of education at primary and secondary levels, including the culture, career guidance and so on. Regardless of what new funding system is chosen - I am not steering the committee in any particular direction - there will be a need for a radical access programme that deals with career development, career guidance, DEIS schools, funding and so on and at the same time tries to address the barriers - such as the cost of living, travel, income foregone and the current €3,000 fee - for students with the capability of benefitting from education. If the ambitious level of funding being talked about is to be realised, the issue of what to do with the €3,000 fee remains. It cannot be increased because of the impacts it will have, yet it will need to be increased if that model of funding is chosen. For this reason, all three options will need to be considered together. If they are considered in isolation each one will lead to a dead end. The fully State-funded system will lead to the dead end in terms of the significant tax increases that will be required. Option two will lead to the dead end of the €3,000 fee still being in place, what to do in regard to maintenance and the need to examine whether taxation can be increased to support State funding. Option three also could lead to a dead end if one believes people could be adverse to doing this. It also is important to ensure the wrong model is not introduced. For this reason, we believe an implementation group should be established to oversee this process.

On the point raised by Senator Ruane, we did look at the Dutch model. The only cost incurred by the group was in respect of my meeting on this issue in Amsterdam. The Dutch model is maintenance based. They introduced income contingent loans not in respect of the student contribution but in respect of maintenance and State grants. As I said earlier, we could end up with a hybrid system. Nobody should be thinking that we have to choose one option or the other. We could end up with a hybrid for two reasons, one of which is that it is what is acceptable. There is not much point coming up with something that is not implementable. We need a system that is capable of being implemented. It may be that that is what is best suited to Irish circumstances right now.

On the national training levy, the State might want to invest a particular amount but that raises the difficulty of raising taxation and in terms of the demands of health services, housing and so on. There is a temptation to suggest the €600 million in the national training levy, or a sizeable portion of it, should be transferred to the training fund. The question that then arises is whether we want a higher education system which is funded in part by industry and employers. If we go down that road, we will be heading towards the American system. We suggest that there are three beneficiaries, one being employers, although not only multinationals but the State and the health service as an employer, local enterprises and so on. A 0.1% increase in that levy would provide €50 million, which would go a long way towards supporting graduates into those industries. Apprenticeships are now moving up to high-end manufacturing. Many apprenticeships, particularly under the Danish and German models, are a step towards degree level programmes and even to PhD level. I do not think the training levy fund should be raided

just because we are short of money. It should be viewed as an integral part of our funding system in the context of the benefits it provides to employers, with the decision in terms of an increase being made on that basis. We have suggested an increase of 0.1% for illustrative purposes but the increase can be whatever percentage the committee decides, bearing in mind that there should be no additional costs for companies competing in the context of Brexit.

The third issue was raised by a number of speakers, including Deputy Nolan. The report sets out the breakdown of costs for each of the areas. For example, it shows that the average increase in the demographics would be approximately 3,000 students per year. This would require an additional 350 staff, with the final cost being approximately €25 million. If the committee would like a more detailed breakdown, I am happy to have one forwarded to it. The report also shows that in terms of the reduction in the student ratio, in respect of which a reduction from 20:1 to 14:1 was mentioned, the cost for each point of movement is €60 million. It can be and has been done. All of the necessary detailed figures are available.

Deputies Catherine Martin and Cannon asked how we ensure we get the required outcome from this investment. The report is very strong about this not being a question of giving funding to the institutions but a question of the student experience because that is what determines the capabilities we have for the future in terms of jobs, the economy, societal challenges and so on. We have to ensure the investment is made at the front line. We dealt with the notion of accountable autonomy. The institutions argue for autonomy but we are arguing for accountable autonomy such that institutions would agree a compact with the Higher Education Authority on what percentage of students from particular backgrounds, in terms of access, they would commit to; what programmes they would provide; how they would be evaluated; the quality of programmes; student ratio and so on. That is the basis on which funding would be provided. If institutions want to do research and so on they are free to seek philanthropic funding for that or to apply for grants under Horizon 2020. If they want public investment they will have to agree a compact with the Higher Education Authority that could be rolled out over three to five years in order to provide certainty in terms of funding over that period but which would be evaluated on an annual basis in terms of the contribution being made. That is important because the committee will hear much argument in favour of autonomy.

I would give autonomy in one area - Deputy Cannon hinted at it. Once they have been allocated the resources, they should be allowed to deploy the staffing in the way that is required. At the moment there is the employment control framework introduced because of the difficulties arising from the crash. That meant they had to go to the Department of Public Expenditure and Reform, almost, to get authority for it. Now that that can be devolved and they are advised what their staffing budget is, they can decide what they require in terms of the types of people and the levels of qualification but stay within the budget. It would be possible to devolve a significant level of flexibility to the universities and the institutes of technology once a staffing budget is set for them to give them the flexibility as to who they want rather than having to get central approval for every one of them.

I will cover one other item before asking Dr. Doris to deal with the income-contingent loans, ICLs. A lot of detailed technical work went on behind some of these areas. If the committee members want a briefing - it does not necessarily have to be in public session - on the modelling done etc., I would be quite happy to have people make it available to them in order that they are not coming at things blind and wondering what might happen in certain scenarios. It is fair enough for the committee members to ask what would happen if it were taken a stage further and done in a particular way and whether that could be made available to the committee.

I would be happy enough to make that available to the committee.

**Chairman:** I thank Mr. Cassells. We will certainly take him up on that offer. We will discuss among ourselves the best way to proceed. His passion and personal investment in trying to solve the challenges we face are exemplary.

**Dr. Aedín Doris:** There were various interesting questions on emigration. Let me talk about that first and then come back to access and some of the other things that came up.

One of the difficulties in trying to incorporate emigration into the modelling is that there is a dearth of information about emigration, which is remarkable considering how much a feature of our society it is. It is clearly the standout issue when trying to work out whether an income-contingent loan would work. I took a guess at 20%. I subsequently found that an OECD study, which tried to calculate graduate emigration across different countries, estimated it at 21% of the stock of graduates. I was happy to see my guess was not too far out. It is higher than other countries. I believe that of all the OECD countries, it was the highest. The next closest was New Zealand, which has an income-contingent loan system.

Therefore, we have an idea that the proportion of graduate emigrants is about 20% in any given year, but we do not know whether they are abroad temporarily or permanently. Again I made a guess that the proportion is about 50:50. When emigrants come back, the repayment is not a problem because they slot back in. It delays things and sets the repayment schedule back a bit. It is a different matter with permanent emigrants.

Obviously, one of the big concerns is whether this would incentivise emigration or prevent return migration. Although we know there are some positive aspects to emigration, most of us see it as a negative thing. I have not seen any economic research on this for Ireland, but there is some research for Australia. It seems that the factors determining return migration are actually not economic but are mostly to do with life cycle. When people get to the stage of having children, they come home. If that is important to them, they come home even if they take a hit on their standard of living. On that limited basis, I would not be too concerned about preventing return migration.

However, there is very little evidence on the impact of student loans on outward migration. Deputy Nolan asked if there was any evidence of increasing emigration by graduates in the UK. I have seen no commentary on that, which makes me think it is not an issue, but the UK is starting from a lower base than we do. It has less graduate emigration to start with. As far as I understand it, an increase in graduate migration as a result of the student loan system there has not been an issue.

The Chairman asked about the size of the subsidy compared with other countries. In the absence of emigration, it is similar to other countries. That is why I say that emigration is key. Based on how I looked it, it would add about 10% to the subsidy, which is not inconsiderable but would not completely destroy the system either. I have assumed that emigrants do not pay anything while abroad, which is not necessarily the case. Other countries have started to try to work on how to bring emigrants in. I agree that it would be inequitable and would be perceived as very unfair by those left behind if emigrants did not have to pay anything. There may be exceptions to this, but broadly speaking graduates want to be legally compliant.

While it has only recently been introduced and we do not know how it will work, Australia has made it a legal requirement for graduates to pay a minimum amount of their loans every

year while they are abroad. People have to send that money home. In that way, it loses the income contingency aspect, which is a negative, but it is set at \$1,000 a year and so is not excessive. It is manageable and graduates can chip away at it. I think that is probably the way to go. Realistically we will not get 100% repayment from emigrants, but if we could get even a majority of it repaid on that basis, it would make a substantial difference to the size of the subsidy that was required and also counteract the feelings of inequity.

Deputy Thomas Byrne is exactly right on the access issue. Income-contingent loans do not result in debt as we usually mean debt. It is a debt that only has to be repaid if it is affordable. People understand that when they take the loans out. I accept a little bit of education will be required for school leavers, as has been done in the UK, to make them understand that this is not debt in the usual sense. There is evidence that lower-income people have a higher degree of risk aversion. The whole point of income-contingent loans is that it reduces the risk enormously and the students entering these systems understand that. When the fees in the UK went from £3,000 to £9,000 practically overnight, many people expected a big drop-off in participation by the lower socioeconomic groups, but it has not materialised at all. One of the reasons is that the students understand that they will not have to repay this if they cannot afford it. The key thing is to make it affordable.

Deputy Byrne asked about the €37,000 income. I have done a quick tot and I hope I have done it correctly. We ran a couple of different scenarios using different parameters. It depends on whether we have a system based on marginal income - that is income just over the threshold - in which case the loan repayments would be calculated on the difference between €37,000 and €26,000, or whether it would be calculated on the total income because that €37,000 would be over the threshold. Using the marginal basis, it would be €73 a month and using the total basis it would be €123 a month.

**Deputy Thomas Byrne:** Would that be for a period of ten-----

**Dr. Aedín Doris:** That would be while the person was on €37,000, because it would go up as they progress up.

**Chairman:** How long does it take to pay off?

**Deputy Thomas Byrne:** Up to 15 years.

**Dr. Aedín Doris:** It depends. The further down the income distribution one is, the lower one's monthly repayments and the longer the repayment period. One pays a smaller amount over a longer period of time. People on very high incomes can repay the loans in four or five years. That gives one an idea of the order of magnitude involved.

By setting the loan repayment rate, whether at 8% of margin, 2% of total or whatever, one is setting the level one thinks is affordable. It is up to policymakers to decide on that. Nothing is set in stone that states the rate has to be 2%, 8% or whatever. One can decide on the level of repayments one thinks is acceptable and pick the one that gives that level. The beauty of these loans is that the maximum of a person's income they can take up is set by law, unlike standard mortgage-type loans where if one becomes ill or unemployed one still has to make repayments which can be a disaster and result in poor credit ratings for those who default. That is the beauty of these schemes. If, at the end of one's working life one still has not repaid the loan it does not follow one to one's grave.

If students do not have upfront fees to pay and see them being postponed in a way they think



is affordable, the key issue then becomes the maintenance grant. Many issues of access raised by the committee are more related to maintenance grants. One of the major strengths of the report is that it envisages substantial reform of the maintenance grant system at the same time which, it could be argued, is only possible if there is some contribution to fees from students.

Senator Ó Clochartaigh mentioned geographic inequalities. One of the reasons that students from poorer backgrounds tend to attend local colleges is because grants do not allow them to attend any other institutions. Grants are the only way they can possibly afford to attend college. It is not optimal for people to choose courses solely based on proximity. If people want to study architecture in Dublin, we would like them to be able to do so. The aspect of the report that emphasises the importance of maintenance grant is significant.

I agree with Senator Ruane that intergenerational debt burdens are an important issue. The report comes at a time when we know the crisis has impacted most negatively on young people. There have been cuts to unemployment benefit and pay for entry level jobs has fallen. Younger people suffered more than anyone else during the crisis.

It is important to decide what level of burden one thinks is affordable and set the parameters in a way that provides affordability. It would also be really unfair to students if they are receiving a quality of education that is getting progressively worse. We are not doing anybody any favours by doing that. We have to believe that leaving the *status quo* in place is damaging young people which is not good for anyone. We need to take that into account when making decisions.

Bruce Chapman, with whom I have worked, said that when student loans were first introduced in Australia they were very much resented by the students who would be impacted by them first, but within a few years they thought the system was completely reasonable and fair. The students saw they were affordable, manageable and allowed them to attend university.

Deputy O'Loughlin asked which model we should go for. I do not think we have to go for any one country's model of income contingent loans, if that is the preference. We definitely should not go anywhere near the UK model; it is heading down a very negative road. The schemes in Australia and New Zealand differ in several ways. In New Zealand, one starts paying at a much lower income threshold. I am not sure I agree with that model. The Australian system is quite good, but it ran into problems when expanding to private sector providers which is something that needs to be considered in terms of regulation. If it is decided to allow private sector providers to access student loans, the system will need to be very carefully regulated. A lot of profiteering took place in Australia which increased the cost enormously without achieving much.

**Deputy Thomas Byrne:** Did that expand the cost to the state or to individual students?

**Dr. Aedín Doris:** Yes.

**Deputy Thomas Byrne:** There was a loan system and the state still-----

**Dr. Aedín Doris:** It increased the cost to the state.

**Mr. Peter Cassells:** The state has the subsidy.

**Dr. Aedín Doris:** The state was picking up the tab. Private sector providers saw a profit-making opportunity, entered the market and picked up students who, in many cases, could not complete degree programmes but still incurred fees. These students ended up with low-quality

or no degrees and did not earn enough to get across the threshold.

**Deputy Thomas Byrne:** Were extra courses provided in order to provide extra opportunities for loan companies to engage in the market? Was the market fixed in terms of-----

**Dr. Aedín Doris:** No, the private sector providers got access to the state-funded student loan scheme.

**Deputy Thomas Byrne:** I understand that, but was the student body or level of course provision expanded?

**Dr. Aedín Doris:** Yes, the course provision was expanded.

**Deputy Thomas Byrne:** To make the market bigger.

**Dr. Aedín Doris:** New education providers came into the market.

**Deputy Thomas Byrne:** They did not really operate for educational purposes. We always see it as a good thing that more people go into education.

**Dr. Aedín Doris:** I heard one anecdote of pensioners being approached in supermarkets and being promised an iPad if they signed up for a degree.

**Deputy Thomas Byrne:** Dr. Doris is joking.

**Dr. Aedín Doris:** I do not know how widespread that was, but it certainly did not help costs. If private sector provision is to be included careful regulation is needed.

Senator Ruane asked how a loan system would help access. The truth is that I do not think it will help access. Rather, it will not discourage access. I am absolutely convinced that all of the evidence from other countries is that it does not discourage access. Access issues are much more complicated. The maintenance grant issue is much more important.

The biggest problem in terms of access is at second and primary levels. We can do some work at third level to increase access, but the maintenance grant is much more important than the provision of a loan that is only repayable if earnings go beyond a certain level. I am very concerned about access.

If I thought loans would hinder access I would not advocate for them. Access is a central consideration, and I am convinced that all of the evidence from other countries shows that loans do not hinder access. I am not saying they are a solution to access. Solutions to access are difficult to develop, but at least loans do not hinder access.

**Chairman:** I thank Dr. Doris and Mr. Cassels for coming here today. We have learned a lot from their insights and observations, and it has been a very informative and productive session. A lot of research went into producing the report. It is important that the committee has an open and considered debate on the challenges involved. We know we cannot allow the *status quo* to continue; that is not an option. Ultimately, bold decisions and decisive action need to be taken and we will play our part by drafting recommendations and presenting them to the Minister. We will have further meetings, and we have further stakeholders to meet, before we get to that point. I thank the witnesses and we will be back in touch with Mr. Cassells in regard to his offer to meet informally to gain a greater understanding of the mechanics of the system, so that every student has the opportunity to reach his or her potential within our third level system and

that we have a first-class system that suits all our needs and supports students in promoting their own mental health and transversal skills.

I welcome the next set of witnesses and thank them for their patience. We will now have a discussion with practising academics and researchers on their insights and perspectives on the Cassells report. I welcome Professor Michael Gilchrist, school of mechanical and materials engineering, UCD; Professor John Boland, dean of research, Trinity College Dublin; Professor Patrick Lonergan, professor of drama and theatre studies, NUI Galway; Dr. Caroline McMullan, associate dean for teaching and learning, DCU business school; Professor Aislinn O'Donnell, co-ordinator of structured PhD and MLitt programmes, department of education, NUI Maynooth; Dr. Michele O'Dwyer, associate dean, Kemmy business school, University of Limerick; and Dr. Niamh Hourigan, senior lecturer, University College Cork.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the same issues.

I also advise witnesses that any submissions or opening statements they make to the committee will be published on the committee's website after this meeting. I call on Professor Gilchrist, to be followed by other witnesses in the order in which they are seated. I ask them to confine their statements to three minutes so that members can ask questions.

**Professor Michael Gilchrist:** UCD attracts the largest cohort of engineering students entering Ireland's third level sector. Our courses require the highest CAO points of all engineering courses nationally. I speak today from my experience as head of the UCD school of mechanical and materials engineering. In doing so, I point to the key areas where additional resources would be applied if the Cassells report's proposals on funding were implemented.

Student numbers entering first year engineering have risen by 20% in the past ten years, from 250 to 300 per annum. These extra students include EU and non-EU students. We need to provide additional supports for these students because of the wider spread of mathematics ability across this wider student cohort coming from the leaving certificate, and to support our non-EU and mature students. Budgets for these supports were used previously for small group learning opportunities for our students via teaching assistants, tutorials and laboratory attendants. Taught masters student numbers have also increased dramatically. Ten years ago, my own school delivered only one taught masters programme to complement our honours BE degree in mechanical engineering; we now lead nine such programmes. This welcome growth has been largely in response to market needs in key industry sectors, including energy and biomedical engineering, but it led directly to my student-staff ratio exceeding 27:1 two years ago.

The FTE student cohort across our five engineering schools has increased by more than 35% since 2008. A key challenge for staff on our taught programmes is to provide good student feedback and to have small-group interactions with students. This can only be done with adequate student-staff ratios. International comparators indicate ratios of less than 15:1 in leading engineering schools, and less than 10:1 in the world's top ranked universities.

A constant concern that we face is how to ensure that the quality of education provided to our students does not diminish. Two issues make this increasingly difficult to achieve, despite the constant use of newer technologies. We have fewer postgraduate research students. These people largely deliver the supports I mentioned earlier. Academics have increasingly less time or capacity to carry out research with PhD students and post-docs and to seek the competitive funding that supports them. Within my own engineering school, we previously budgeted approximately €100,000 per annum to pay these as teaching assistants. It is almost ten years since our budget permitted this.

The lack of adequate space is an acute problem. In my own school, the dramatic growth in our taught student numbers has meant that rooms and laboratory spaces that were previously available to students for project work are almost in constant use for classroom and teaching purposes. Effectively, our students now have no dedicated space available to them for project work in our computer rooms, our workshops or our laboratories.

When I joined UCD, there were eight full-time technicians in our workshop. Last year, we had only two full-time technicians here. A key requirement underpinning the quality of our engineering programmes is the workshop, laboratory and hands-on project support that technicians provide as a major part of all students' training. The vast majority of the laboratory teaching equipment in my school is at the limit of its useful service life and its residual value has depreciated to zero. In the past five years, since I have been head of school, we have only spent approximately €50,000 to either repair or replace such equipment. Putting this figure in context, less than 0.5% of my annual operating budget is available for this.

Engineering at UCD is very ambitious for its research and innovation activities. The relationship between these and our teaching and learning activities is deeply intertwined, impacting positively on the experience our undergraduate students have when they work on cutting-edge topics with our research students. We have a diverse research income stream, with 40% coming from Science Foundation Ireland, including direct funding for two research professors in the areas of precision manufacturing and the Internet of things. The EU provides one quarter of our research funding and we are home to five ERC awardees. Industry provides a similar level of funding for research equipment and for people. However, the key factor that is beginning to limit our ambitions and future successes is the availability of suitable laboratory and office space to carry out engineering research.

In the last decade, there have been nine spin-out companies from UCD engineering, including OxyMem, which develops novel wastewater treatments and is the only Irish Global Cleantech 100 company; APC, which employs 60 people and is recruiting a further 100 for its Cherrywood premises; and BiancaMed, now part of ResMed, which specialises in non-contact sleep monitoring equipment and is based at NexusUCD. In summary, it is talent and innovation that will be key to developing Ireland's future indigenous industries and sustaining manufacturing multinational companies here. Education and research are fundamental to this. We simply must address the gaps in our higher education system as it is the foundation of our future economic growth and a vibrant society.

**Professor John Boland:** I thank the Chair and members. I am dean of research at Trinity College Dublin and a former director of the CRANN institute. As such, I will speak to the committee from the perspective of the student pipeline, the training necessary and the impact in terms of innovation. As a nation, we share a deep understanding of the value of education which provides the single biggest economic return to the State and the individual. Ireland's future prosperity, like that of other developed nations, depends on the quality of the education

we provide to our citizens. Universities are now recognised as the engines of modern economies, generating talent, engaging with enterprise and creating new ideas and the technologies of tomorrow. Universities are Ireland's front line in the global battle for talent.

Our economic ambitions are embodied in Innovation 2020 which details the investment needed for Ireland to become a technology leader. The entire Innovation 2020 strategy assumes a well-resourced and fully-functional third-level sector. Despite our shared values and stated ambitions, years of underinvestment have brought the Irish university system to breaking point, a crisis heightened by the emergence of protectionist ideologies in the UK and USA. As a small open economy, we compete in an increasingly complex and globalised world. Increasingly, we do so without the capacity to develop our human capital fully. The competition for talent is intense and knows no national boundaries. Every day, we hear of demand for skilled workers and many of these positions are now being filled by overseas talent. Our situation is perilous with our corporation tax advantage being eroded and the emergence of tax barriers jeopardising our position as a European hub. Maximising the potential of our indigenous talent is our only realistic strategy. There is no plan B.

The decline in third level funding is well documented. For example, Trinity's income from the Exchequer has dropped from 80% of total income to just 40% in the last ten years. Trinity has done everything possible to cut costs and generate new income and those cuts have had a significant impact. Class sizes have increased dramatically and small group teaching, a central provision of third level, is becoming impossible. Students in science and technology take fewer laboratory practicals while humanities students get the bare minimum of contact hours. To be honest, we cannot right now meet the needs of our own students and truly have little capacity to attract the best students from overseas. If left unchecked, this situation risks dumbing down the courses we offer and ultimately the loss of accreditation of professional degrees. Even new income streams pose challenges. We now face the very real risk of replacing qualified Irish students with less qualified non-EU students. We are also shutting off sources of philanthropic funding as donors are increasingly unwilling to fill the gap left by the shortfall in State support for public universities. This is a really serious problem.

An immediate consequence of underfunding is a slide in Irish universities down the international rankings tables. There is a direct and unambiguous correlation between our ranking level and funding into the system. Rankings are imperfect but they really matter in a globalised world. Many countries will no longer provide scholarships to their students to study abroad in poorly ranked universities, which closes off that income stream. Even now, the IDA is being challenged to explain the disconnect between the talent pool we have on offer and the rankings of our universities. That disconnect is real and obvious.

As parents we are heavily vested in primary and secondary education, taking active roles in our children's schoolwork and extra-curricular activities. It is not so for third level. Admission to university is often seen by parents as the end of the journey and the culmination of hard work rather than as an important step along the path of lifelong learning. The result is a completely unjustified confidence in the health of the third-level sector with profound consequences for the public support of Irish universities. We need a more holistic view of education which recognises the benefits it provides to the State and the individual.

The third-level sector is in need of investment, not additional funding. Investment means carefully examining the outcomes for individual students and the State. Investment means not rewarding HEIs based simply on student numbers, as we currently do, but including consideration of outcomes that reflect quality such as the employability of our students, levels of non-



Exchequer funding, patents, licences and spin-outs. For students, the outcome needs to focus on the capacity to secure suitable employment. The Cassells report correctly recommends that a component of this investment should be in the form of income-contingent loans. Students should be required to repay loans only if they materially benefit. Without a completely new approach to investment in third level, we will never reach our true potential as a people or as a society.

**Professor Patrick Lonergan:** I am grateful to the committee for giving us a chance to speak to the members. I am a professor of drama at NUI Galway and I would like to provide a snapshot of how things are for us, how the cuts have affected our students in particular and to set out what we can do into the future. As a lecturer, I see the human cost of higher education cuts on a daily basis. The number of students experiencing difficulties has increased significantly at a time when we are struggling to fund support services. We are seeing falling numbers of access students, evening students and mature students because of child care costs, mortgages, transportation costs and many other barriers. Postgraduate study is now closed off completely to very large numbers of people for financial reasons. I ask the members to think about that in the context of second-level teaching and what we heard from Mr. Cassells about how social class has emerged as a factor in who gets to do postgraduate study and who does not. All of this is a clear example of how things are in the wider university system now. All of those involved, which is to say staff, students and parents, are working incredibly hard and doing their best but they are doing their best to just about manage. It has become very difficult to do any more than that.

There is a great deal more, however, that we could do. Looking at my own area, we want to work to a much greater extent with our own communities. Drama is a very powerful medium to connect to parts of our society that have become isolated. It can give a voice to those who do not have one. Researchers in my department have gone into primary schools to work with children whose parents have immigrated here and whose first language is not English. They have worked with infants who are at risk of neglect and they have worked with adults with intellectual disabilities. This research attracts attention from all around the world but it also makes lives better here in Ireland. We have been able to do this because we went out and got competitive research funding for it and we will continue to do that. However, it would be great if we could put those kinds of activities on a sustainable footing and integrate them fully into our curriculums so that all of our students have opportunities to engage in these kinds of service learning activities.

We also want to do more to contribute to the creation of jobs, not just in the west of Ireland but nationally. Within my own field, corporations in the USA are increasingly recruiting graduates in the creative arts because they see their skills in teamwork, problem solving and creativity in general. Ireland is famed internationally for its creativity and for the creative arts. As such, there is a great deal we could do to work with industry to develop that area. Galway is going to be the capital of culture in 2020 which is an enormous opportunity for the west and the entire nation in terms of reputation and job creation. Looking at the humanities generally, we can see that if Ireland is to cope with Brexit, we need more graduates with language skills. That can only happen with investment in the humanities.

To conclude, I note that my students are brilliant. They are creative, confident, hardworking people and we want to do the best for them that we possibly can. Everyone in higher education wants to do that. As a sector, we want to do more than just cope. We want to do more than just manage. We could potentially even thrive but to do so we need action and we need it now.

**Dr. Caroline McMullan:** I am the associate dean for teaching and learning in the business school at DCU. That means I look after all of our taught programmes and the quality of the student learning experience. I am also a senior lecturer in risk, crisis and emergency management. I thank the committee for inviting me to come before it today to share my view of how the reduced funding for higher education has had an impact on the work we do as academics within the seven Irish universities and, in my case, within DCU. I will reflect on the three areas that have been impacted by the underfunding for higher education but first I will say that the impact on students has been greatly reduced because of the efforts of the university and academic and administrative staff to shelter students from the impact of these cuts as far as is possible. However, we are at a point where this is becoming increasingly difficult.

I will begin with a focus on quality. The poor staff-student ratios within the sector mean that quality cannot be sustained in the long term, no matter how much we try to reduce the impact on our students. The cuts have resulted in reduced subject choice within programmes, larger class sizes, less opportunity for small group tutorials, a reduction in the number of assessments being completed and fewer pieces of work of a formative nature. Instead, greater emphasis has been placed on terminal assessments, such as examinations, which are summative in nature and focus on checking if students have reached the specified learning outcomes rather than guiding their development along the way.

Enhanced funding would allow for greater innovation and diversity in terms of the learning opportunities, enhanced feedback on assessments at several points during the semester and even more industry and community-based projects for our students. DCU Business School, since its foundation, has been focused on industry and community engagement. We have always been recognised for our proactive approach to the development of programmes that we need at a national and regional level. However, time pressures now mean we have little time for developing new, innovative programmes. This lack of development can be absorbed in the short term but is not compatible with the medium to long-term economic and social well-being of the country. Our university strategic plan commits us to being a research-intensive university. This means the research we complete is fed into our classrooms on an ongoing basis. This is absolutely vital in order to expose students to cutting edge theory and practice.

Our students study research undertaken in an Irish setting and not just, for example, US-centric material. Teaching and research quality are inextricably linked. Sacrificing research to cope with unfunded increases in student numbers is a false economy. This approach is not sustainable if we are to produce graduates who can perform on a global stage. It is important to remember that there is a direct relationship between the quality of our university graduates and the quality of our national institutions and services. We need the resources required to produce the quality of primary and secondary school teachers, nurses and doctors, engineers, social workers etc. that our citizens deserve. Finally with regard to quality, I must mention the urgent need for investment in the infrastructure of our universities. Our buildings, classrooms and technology are in need of maintenance in the short term and upgrading in the medium to long term.

I am proud of our participation rates in higher education in Ireland and I too ask that all decisions on future funding preserve this important right for our citizens. However, it is important to remember that equality of access does not always mean equality of opportunity. Many of our students require specific supports because of special learning needs and competing pressures in their personal lives. The reduced level of funding, at a time when we have more students than ever entering via Higher Education Access Route, Disability Access Route to Education and

Access programmes, along with post-experience students, means increased time must be allocated to this element of our work at a time when we are already stretched. Improved student-to-staff ratios and additional specialist services will allow us to support all students to reach their full potential. We need to invest in our campuses so we can extend the capacity of our classrooms and so that students do not have to travel excessive distances each day because of a lack of student accommodation. We need to do so now so we are prepared for the opportunities which can come from the increased student numbers projected as a result of Brexit and as a result of our own demographic profile. Let us be ready to meet the challenge and not struggling to manage a crisis.

I will highlight the impact that the continued lack of funding and other restrictions has had on the overall success of Irish universities. We are often set incompatible objectives. We are asked to secure additional non-Exchequer funding to sustain high-quality teaching and research, yet we are asked to do so without additional staff and with inflexible human resource management protocols. A more balanced workload model is required if we are to have time to bid for and win international funding for all our activities. To conclude, I ask that the committee works with us to fund higher education to the appropriate level. It is clear that we have a mutual desire to have a higher education system held as an example of good practice across the world. The implementation of the Cassells report is an important step in the achievement of this ambition and I endorse it wholeheartedly.

**Professor Aislinn O'Donnell:** I am professor of education in Maynooth University. My background is philosophy of education and I work in initial teacher education so my comments will reflect that position.

I would like to us to reflect on the nature of public education and the question of what a democratic education system might look like. I want to reflect on this under the broad banner of two headings, access and quality. We have the ambition in Ireland to widen access and participation and we have witnessed dramatic and transformative changes in the country as a consequence of changed policies with regard to education. With changing labour markets come changing patterns of engagement with education. We need to think about higher education in its broadest sense as being for everybody, at some stage and in some way during their lives if they so choose. We also need to reflect on the diverse benefits that arise from educational engagement. Thinking about higher education as not only a universal aspiration but also a universal right should frame the way in which we understand and enact our commitments to education in the 21st century. It seems fitting for a republic to have a deep understanding of what public education means and the importance of this not only for the good it contributes to the economy but also to its citizenry.

If we are to understand public education as universal education, it must be democratic in its deepest sense. We know our grant system does not meet the living costs of our most vulnerable students. We know families are going into debt to put their children or themselves through college. An education system should be judged and evaluated not just by the achievement indicators of those who are flourishing in the system but by those who are marginalised or struggling to survive, working while studying and finding it difficult to meet the cost of living. This has an impact on the quality of the student experience and embeds inequality in the system because of the different capacity for full engagement in study. We know that numbers of part-time students and mature students have declined and this affects the rich diversity of higher education institutions. Higher education institutions should reflect the diversity of our society and create enabling conditions for all students. There are, of course, private benefits to higher education,

including increased personal wealth, but progressive tax systems should act to redistribute incomes in order to mitigate sharp inequalities. I am concerned by proposals that involve significant student debt, which will particularly affect lower to middle income families which have to manage that debt alongside the other debts that they will incur. There have been discussions about student debt and the implications for long-term national debt.

I will respond briefly to the question of how to communicate this to the wider public, as it has come up a few times. We need to better communicate to the wider public what it is we do in universities and the value of this. Universities create diverse benefits and it is not simply about educating students. We engage in a diverse range of activities. I am not sure this is fully understood according to research taken out in respect of the Cassells report, as people did not seem to fully understand the range of activities involved with the institution of the university. Furthermore, Ireland has had an anomalous relationship with education with regard to the relations between State and church in this regard. I suggest that we have not fully reflected on what public education means and this opportunity to discuss funding is also an excellent opportunity to begin the conversation of what we understand by public education.

We could think about the UN convention on economic, social and cultural rights, which indicates that higher education should be made equally accessible to all on the basis of capacity by every appropriate means and, in particular, the progressive introduction of free education.

**Dr. Michele O'Dwyer:** I thank the committee for inviting me here today to join the conversation, which is pivotal not only for our industry but Ireland as a whole. As a member of the department of management and marketing in the University of Limerick, I teach entrepreneurship, innovation and marketing to undergraduate, postgraduate and executive students. Education in this context is characterised by the saying “running to stand still”, with dynamic inputs, such as evolving learning styles and technologies on one hand, and changing employer demands and industry opportunities on the other. That combination of evolving inputs demands continual innovation and resource renewal.

The reduction in funding for the third level sector in recent years has impacted students, graduates and our country itself in many ways, three of which I will highlight. The first of these relates to the student experience. Minimising the impact of resource reduction on the student experience has been fundamental to university activities and practices during the past decade. Increased student numbers and correspondingly worse staff-students ratios have resulted in several inevitable consequences, including larger class sizes, reduced numbers of tutorials, reduced time to devote to individual students, reduced programme offerings such as electives and specialist modules, and reduced introduction of new programmes to meet new economic, technological, scientific, social and regulatory imperatives. These challenges impact both the current student experience and the future-proofing of student learning.

The second issue is the impact on research activity. An increased workload results in academics having less time to devote to translational research which addresses scientific, industrial, technological and societal issues. It starves innovation and stifles knowledge transfer. This affects academics in their individual and professional capacity, which in turn affects the reputation of Irish universities. The consequences of that are reflected in the recent university rankings. Irish universities have become less attractive for international investment and funding opportunities, less attractive to leading international academics and less attractive to international students. There is less opportunity to locate cutting-edge companies beside research centres of excellence.

The third impact of the reduction in funding relates to the future of the country. The funding challenges of the past decade have curtailed maintenance and development of what was an adequate hard and soft third level infrastructure. Lack of investment or reduced investment in technology and other learner supports have affected teaching, making it much more difficult to innovate pedagogically in line with students' environment. Students are working with facilities, equipment and technologies which are neither world class nor best in class. In addition, insufficient funding limits faculty engagement in current debates in international settings. Staff absence at the forefront of developing knowledge and technology means that although they can facilitate learning for today, they are not sufficiently equipped to facilitate learning for tomorrow. This directly impacts Ireland's competitiveness, our ability to attract foreign direct investment and our economic stability.

**Chairman:** Thank you, Dr. O'Dwyer. Finally, I invite Dr. Hourigan to give her statement.

**Dr. Niamh Hourigan:** I thank the committee for the opportunity to attend this meeting. I will focus on what has happened in my department since 2010, which provides an interesting context for the discussion we are having today. I have been working in the higher education sector in Ireland since 1997 and in UCC for 14 years. The department I run was particularly negatively affected by the crash. In 2009, we had a small staff for a large student cohort of 900 to 1,000 students, varying year on year. Between 2010 and 2011, as a consequence of both a demographic quirk in terms of when our staff were hired and the incentivised retirement scheme, five members of our very small core staff retired. We were left with a skeleton staff to deal with huge student numbers and with no possibility of replacing those staff as a result of the employment control framework. In that scenario we were obliged to collapse modules and create classes with larger student numbers, even though we all know the advantages of small group teaching. We launched new programmes even though we did not have the staff to teach our existing programmes. We also contributed to a range of other new programmes across the institution. We put a massive impetus into generating research funding.

In 2008, my department, together with the department of mathematics, was ranked as the top research department in the university, which placed it equivalent to the top 10% to 15% of departments in the UK. However, we have lost a lot of our core research-active staff as part of the retirement exit. Moreover, many local sources of funding - particularly in social sciences, which is my area - disappeared, as did many national sources. This meant we had to chase international funding, including schemes like Horizon 2020. We have been successful in that regard but it has involved massive demands in terms of engaging with other institutions. All such bids are required to be inter-institutional and involve travel to Brussels and other places to meet with institutional partners. We were facing those demands in the context of the constraints imposed on us in terms of staffing. We did all the things we were told to do under austerity. We did more with less, generated income through increased student numbers, started new programmes and won funding awards. Our performance has been mirrored in a number of other colleges and departments across the EU. However, as head of department, my concern is for how long this can realistically be sustained. A response to a Dáil question in 2014 indicated that the staff-student ratio in the sector was 1:19. The Cassells reports refers to a ratio of 1:21. My colleagues and I can only dream about those type of staffing levels. Our current staff-student ratio is 1:45. When we include our new programmes, it tops 1:50. That is the reality we are dealing with.

The international league tables have been hard on Irish universities, for good reason. In the case of my department, operating with a staff-student ratio of 1:45 makes it almost impossible to give students the level of attention that is required, particularly given the specific strains



students are experiencing in terms of housing and debt. Furthermore, we are finding it very difficult to deliver the inclusion agenda, to which my department and the institution have a strong commitment. There are huge challenges in supporting students with special needs in this type of environment. In the past two years, we have lost two of our most high-performing staff members and are struggling to replace them even though there is a huge supply in the labour market. That reflects the types of stresses under which we are perceived to be operating. As manager of a university department, I find the discourse around the requirement to perform and reform very problematic. We have done more work with half the staff in the past five years. If I tell my staff they need to perform better, it will be met with a good degree of cynicism. The source of the crisis in the third level sector is not a lack of performance by staff but the funding situation and the urgency with which it needs to be addressed. It is important that front-line staff in the universities are upfront about the extent of those challenges.

**Chairman:** I thank the witnesses for their excellent contributions. It is helpful to have so many faculties and areas represented, from engineering to social sciences, drama and philosophy. We have students from DCU coming in later to talk to us. I thank all the delegates for respecting the time parameters so closely. Every day is incredibly busy for this committee and we could spend hours discussing the various issues with witnesses.

In regard to Brexit, several speakers referred to engaging with the EU on funding such as that available under Horizon 2020. Do the delegates foresee that Brexit will impact on the potential for securing such research funding? Dr. O'Dwyer noted that Irish universities are less attractive to international students, which is part of the ranking issue. Is that likely to change in the context of Brexit?

I was interested in the comments regarding students with learning difficulties or emotional challenges and how they are experiencing particularly negative consequences as a result of lecturers being so stretched. That issue was brought to our attention at our meeting of 10 November with the presidents of the institutes of technology. Is there scope for other State supports, such as the health services, to link in more effectively and efficiently with the universities on mental health?

Dr. McMullan spoke about the challenges of developing new innovative programmes that are compatible with furthering the economic and social well-being of our country. I am getting the sense the same applies across other universities. Professor Gilchrist said equality of access did not always mean equality of opportunity. I could not agree more. He has outlined some of the areas there. He also spoke about the wider spread of mathematical ability. There has been a focus on the science, technology, engineering and mathematics, STEM, subjects and raising students' mathematical capabilities. Perhaps he could tell us about his experience in recent years regarding this issue among undergraduates. Professor Gilchrist said his department has nine taught masters programmes, which is a tenfold increase from one programme ten years ago. However, he also said there were fewer postgraduate students. I am sure there is a good rationale or explanation for it.

It is great to see Galway supporting integration in such a positive way linking in with the communities. All our universities should do this. While it is not feasible or possible for everybody, it is great to see universities and third level institutes playing a meaningful role. Professor O'Donnell said public education should be democratic education, and it is true. This concept would get a lot of support here. I get the sense that the maintenance costs are possibly a greater barrier than the fees charged. We went into it in an earlier session.

**Senator Lynn Ruane:** I apologise, I have to ask questions and leave given that I am next to speak in the Seanad and I will lose my spot. We are talking about what Brexit means for us. Perhaps those working in research could elaborate on the fact that, due to having no capital funding for a period, we would not be able to cater to any sort of research and development in the universities as they stand unless there is an injection of capital funding in order that they can increase lab space. This may be disproportionate. Trinity College has a historical relationship with England and is in a prime position to lead out on some of the English research. Is there a way this could be dispersed throughout the country in order that other universities could benefit from sharing the Horizon 2020 research projects? After Brexit, England will come under new EU rules and will not be able to lead on research. Ireland will be in a good position, given that we have the infrastructure to cater for it.

Between 2008 and 2011, there was a revision of the medical curriculum which directly impacted on the number of doctors now in place in our medical system. Perhaps Professor Boland can answer this. If third level funding increased, what kind of impact would it have on the medical curriculum and the people availing of it?

I read Dr. Hourigan's recent comments on emigration and her points were not picked up in the earlier session. Will she comment on how she thinks the loan system will impact on emigration and pensions? Is there anything about the loans that we are missing or that is not making it into the public arena and debate from a sociological perspective? We speak about the fact they asserted that the State stepped out regarding other countries and funding. Will there be a governance issue? We cannot predict whether the State will also step out once we open the door for income-contingent loans.

**Senator Trevor Ó Clochartaigh:** I apologise that I had to step out. It is one of the vagaries of the system. It is cracked, really. I thank the witnesses for coming in. I apologise if they have already addressed my questions. One of the issues I come across with academics, particularly younger ones, is fixed-term and part-time contracts and security of tenure, which is affecting the quality of the work and the departments. Where should we be going with the future funding model? My fear is that we are going towards the corporate model of education which will push for more of these types of contracts rather than having permanent staff in departments.

Is the assault on the arts really happening? Is most of the funding and focus of the universities going to subjects where the biggest industry financial input can be given? Is funding for the arts in the colleges being decreased?

How significant an issue is it that students are picking the wrong courses and how big an impact has the lack of career guidance at second level had on it? Are people trying to get on a certain pathway into work by doing a degree which is easier to get through given that it will get them to where they need to go, and then doing a postgraduate course? Are people, for example, going on to primary teaching having done the wrong basic course in which they did not have a fundamental interest?

How have the cutbacks associated with austerity affected gender equality in the colleges? I am aware of major issues in NUI Galway. Is it totally separate from the funding model, or is the funding model having an impact on these issues?

Earlier, I asked about the non-academic spend in colleges. When people look for lab equipment, money is very scarce. However, when there is a legal case to be fought, there seem to be buckets of money to back up the colleges. If an internal inquiry needs to be done, there seems to

be a lot of money available to do it in some colleges, while the funding available for academic elements in the colleges is always scarce.

**Deputy Carol Nolan:** Dr. McMullan referred to the DARE and HEAR schemes and the fact the increased number of students is a trend. I welcome the trend. It is fantastic to see. Does Dr. McMullan think the decrease in funding has impacted in any way on these students and on their progression? In general, would she consider students from disadvantaged backgrounds at particular risk of non-progression, and what is her experience? If it is a concern, what supports do we need to put in place to counteract it?

The decrease in funding and the employment control framework have had a major impact on the capacity of higher education sector to attract research funding, and there has been a knock-on effect on innovation and quality. Is this impact due mainly to the facilities in colleges or the reduction in staff, or are both of equal importance?

**Deputy Thomas Byrne:** I thank all the speakers. Most people are aware that there are two parts to the debate. The first is to make the case to the Government and the public that a lot of money is needed. This is separate from where the money is found. Professor O'Donnell, in an excellent speech, referred to public education. We all believe in public education. The question is how the public pays for it.

The Government has not accepted that there is a financial crisis. It has not accepted the Cassells report. We have tried to press the case. We have forced the Government to give a few extra quid in the budget that might make some impact. The case must be made and the committee has a solemn duty to make the case.

The witnesses have come here and set it out in dreadful terms. This is what we are putting our students, workforce and society into. The witnesses have made an exceptionally strong case that the sector needs money. Everyone says they believe it needs money. However, each of the speakers, who are from a wide variety of areas, has set out how it affects him or her in his or her area. Dr. Hourigan is in Celtic studies.

**Dr. Niamh Hourigan:** It is sociology. It is in the same college.

**Deputy Thomas Byrne:** I am sorry, I misread it. Gabh mo leithscéal. A ratio of 1:45 is extraordinary. What does it mean in terms of a class?

**Dr. Niamh Hourigan:** It means the person we are most afraid of is the fire officer. We have very large modules and we do not have the rooms for them. We are trying to find other rooms and we have to teach modules twice, given that we do not have the rooms for them.

**Deputy Thomas Byrne:** Last week, Tom Collins, the former president of Dundalk Institute of Technology, said the college used to give old computers to schools and joked that now they are going to ask for them back. Dr. Hourigan is telling us she is afraid of the fire officer. It is an extraordinarily dangerous situation in which to put the future of the nation. The witnesses have set the case out in stark terms that the Government will accept. However, the public also has to accept it. All of us around this table have been contacted by a primary school this week. They make a huge political impact locally. What we are trying to do with these hearings is to make the impact nationally that there is a crisis. As part of that, where do we find the money that is absolutely needed? I thank the witnesses. Nobody could have set it out better. It has really helped make the case.

**Chairman:** Who would like to respond? Not everybody needs to respond.

**Professor John Boland:** I will respond on a number of matters. First, Brexit is a very serious problem for Ireland in terms of how the economy will work. It is a very big deal for SMEs. For the educational sector there could be some upsides to it. There are a lot of academics who are hugely unsettled in the UK and looking for positions elsewhere. A lot of them have left the UK. There are now people moving to places such as Holland. In reality, we are not well positioned to benefit from Brexit because of the lack of infrastructural investment. We have great difficulty hiring anybody at the moment. It is not just a matter of providing the salaried position; facilities and reputation are also issues. Our rankings have dramatically impacted our reputation which does not make us an attractive opportunity for Brexit. There are some other structural issues that have to be dealt with. Brexit could work if we can provide UK colleagues a base in Ireland for UK universities to engage with European funding opportunities. This means that universities will have to understand how to operate real joint faculty appointments so faculty members can be in Ireland 50% of the time and benefit from that. We are not set up for this currently but we could possibly do it and it would have a big positive outcome.

I will address one of the specific items that was mentioned. There are very serious issues that nobody wants to talk about and which presidents do not want to mention but the reality is we are having a problem with the accreditation of professional degrees. This is happening in skills-based courses. For example in medical courses, where one needs time with the patient, the right kind of clinical training and the right hands-on time, whether in a lab or elsewhere, we are not providing the requisite level of engagement. We are running the risk that if we have to go for accreditation we will not be professionally accredited. That would undermine a huge range of courses and not only that, it would undermine Irish society.

One other last thing is fixed-term contracts. This is a major issue. There are two edges to this. It is a double-edged sword. Universities cannot become homes for everyone who engages in research. It is really important that we can identify the people who are engaged in research and, where appropriate, provide them faculty positions because we need that stream of new talent coming through. It means our universities have to work very effectively with industry so that these people are in our shop window. We need to be absolutely engaging with industry in terms of career development of the staff we currently have. There is not a single postgraduate or postdoctoral training programme in Ireland worth its salt. If we compare ourselves with professional entities like Imperial College, they have a shop window. They have huge numbers of researchers engaging in world class research and they interface with industry and employers in a way that can actually move people out of the system. Given the employment control framework, we will not solve fixed-term contracts in European law but we need to be conduits for training talent and moving them on to the next level.

**Professor Michael Gilchrist:** I will pick up on a number of points. The Chairman asked how we have had a ninefold increase in the number of taught programmes. They are taught master's programmes, not PhD level programmes. In engineering, to become a chartered engineer, it is important to have a master's qualification as the primary requirement rather than a bachelor's programme. In UCD we led the development of these. Industry demands that our courses are at this level and industry snaps up our graduates. Let me be particularly clear. We could double the number of engineering graduates and maintain their world class quality but we are at our capacity limit. What that means for us is that if we want to increase the numbers of students beyond our 300 at the moment, we will require significant recurrent funding to reduce our student staff ratio towards the 15:1 ratio. That is similar to the engineering schools at better

UK universities, including Imperial College, and other European universities, not even the universities that are the top ranked in the Ivy Leagues in the US, where the student staff ratios are lower than 10:1. It will also require significant capital investment to provide us with additional well-equipped engineering buildings. Deputy Thomas Byrne asked about making the case. I teach first-year engineering students. I was with them last night until 9.30 p.m. doing hands-on project based learning. When we do laboratories, we repeat every lab 15 times so that a small group of five students can get around a piece of apparatus and do it a multiplicity of times.

**Dr. Michele O’Dwyer:** I will offer an addendum to Professor Boland’s earlier comments. One thing that concerns me about the start of the discussion just now is that we are looking for opportunities. We are looking at Brexit as an opportunity. We are looking internationally for students to come here and pay substantial fees. It is obviously very attractive for us to focus on that but the danger is we are bursting at the seams right now with the students we have. We are not servicing them in the way we should. We are not providing them with the level of education we have in previous years. We are just about managing to service their needs now. We are not equipping them in the same way we used to previously for their future education. We are not sending graduates out who not only are dropping into the workplace but are able to run faster than everybody else. We are not equipping them and we are not equipping industry. I am concerned that we move on too fast to looking at the opportunities without looking at what we have right now, which is an immediate crisis. We have not even taken into account the demographics and the impact on that. We could easily take students from Britain. We could take more international students if we had a better quality product but we do not have an adequate quality product at the moment. We need to go back a few steps before we start to gallop.

**Chairman:** The point is well made.

**Professor Aislinn O’Donnell:** I want to respond to the question of access. We have heard about the kinds of changes we are seeing in higher education as a consequence of the lack of resources available to students to study, for example, as part-time or mature students. Senator Ruane discussed the way in which we need to think about access more broadly rather than simply creating financial conditions. When we are looking at initial teacher education, we really need to diversify the population engaging in initial teacher education at both primary and secondary level. We are seeing a drop off in the rates of mature students entering the profession, which is problematic. We need to resource the ways in which we engage a wide diversity of students, in particular those from hard-to-reach backgrounds, to think about becoming a teacher. Maynooth has begun a programme of reaching out to those communities and looking across the continuum of education from primary through to adult education. How we engage with the question of access is not just about funding in higher education. We need to think synergistically right across the sector and we need to stop chopping up public education into these different categories. That engagement, by creating a community of teachers who come from a wide range of backgrounds, will make a difference to kids in DEIS schools who see the possibility for themselves of becoming teachers. That is the kind of model we need to think of far more expansively than in our different sectors.

**Professor Patrick Lonergan:** I will respond to the question about the assaults on the arts. In my university, NUI Galway, the arts have continued to receive a lot of support despite the cuts, for which we are very grateful. That is because the university sees the value of them and understands that one thing that makes Ireland distinctive is our excellence in the creative arts. I have had colleagues working in science who have gone abroad on recruitment missions for students or trade missions with the State and have met people who might not be able to pick out



Galway on a map but know who W.B. Yeats is. That identification of Ireland with creativity is very important. There has been an assault not so much on the arts but on the arts degree. We have seen at open days, particularly after 2008, huge numbers of students coming in saying they desperately want to study French or want to do a degree that includes IT and archaeology because that is what their passion is but their parents are saying they must not do it. This will have an impact. We have talked a lot about Brexit. Where are the language graduates coming from, given that the number of people doing arts has declined? There are jobs to be created and jobs to be gained from studying the arts. It is something we need to focus on. We need to move away from the model of thinking that there are STEM subjects on one side and the arts on the other. We can be excellent at both. That is what I would like to see us doing.

**Chairman:** I thank Professor Lonergan and apologise. Meetings are running over and I was trying to explain that to people.

**Dr. Caroline McMullan:** I thank the Chairman and the Deputy for recognising that equality of access does not mean equality of opportunity. Something we have taken very seriously in Dublin City University, DCU, and I am sure it is the case in the other universities, is that allowing students into our universities is not enough. We have to make sure they develop to their full potential and that we eliminate as much stress in the system as possible. In the past, we would have had a team at the centre of our university that would have taken much of that work on board. We still have incredible specialist teams at the centre helping our access students in particular but much of that work has been mainstreamed into the general academic role within the business school, for example, but also across the university. To make up for the shortfall in specialist help, we had to put in place a system of one-to-one staff-student consultation in first year, which means that all our students are allocated an academic mentor. That has helped. We have also tried to put more sophisticated systems in place to identify early warning signals that a student is not engaging. If they fall off from, say, reading their notes online or their class attendance, we will very quickly intervene to see if there is a problem at home, etc.

Sometimes when we talk about figures, data and money we do not realise the human story behind them and how dedicated many people are in our universities. For example, I have a student who was on a one-year course. He is now four years into the course because of very serious issues that arose. He has come back year after year to try to get through the course. In the end I was calling him in the morning to make sure he was up out of his bed. I was identifying what he would do that day. I was calling him before he went to bed that night to check if he had achieved his objectives for the day and discuss what we would do the next day. I am not saying that to show that I am different. Every one of my colleagues here could tell the members that, but that is how serious we are about not just bringing our students in. We need to talk about access but we need the committee to give us the funding to make sure they exit correctly.

I am pleased to tell the members that in terms of our access programmes, because we are so aware of the students' needs they are competing and completing their programmes very well. I am very proud of that.

Another member asked if there was a problem with choice and whether students choose their own programmes. They sometimes do that. We are trying to eliminate that by opening at night and on Saturdays and bringing in careers teachers to give advice sessions. We all do that but in DCU we are putting more time into that to eliminate, as far as is possible, poor choice. We are also allowing flexibility within the university so if somebody comes in to do a business programme and it is not what they thought it would be or what they wanted, although that does not happen very often, we will transfer them to engineering, the sciences or *vice versa*.

We are genuinely committed to our students and to the quality of their education experience but we are at close to breaking point. We can extend the day to allow us see our students one-to-one, as Professor Gilchrist said, but we ask the committee not to make us do that for very much longer and instead to put the time and the money into getting this sorted for the benefit of every student in the country, regardless of their geographic or educational needs.

**Dr. Niamh Hourigan:** I want to respond to a number of issues raised by several members. A member asked if the maintenance grant was a particular issue. I would have a concern that the maintenance grant is being treated as a monolith. Within that, the question of accommodation is a massive source of tension and a problem for students, international students, new staff and that particular strata of staff who are more precarious, which the member and Senator Ó Clochartaigh highlighted. There is a link here to infrastructure because the universities can go a long way to providing accommodation. That is a nettle that will have to be grasped.

On the issue of career guidance, something that comes across clearly from the limited research we have is that middle class students whose parents have been through university are fairly well equipped to negotiate the transition from second level to third level. The cohort of students who are suffering from the career guidance cuts is that cohort whose parents have not been through university and who, with the best will in the world, struggle to negotiate. They are the group more likely to make decisions that are not the best fit.

On the issue of emigration, I have a slight concern in terms of the report because it leans so much on the Australian model. The Australian dynamic of emigration is quite different from ours in the sense that for many young people in Australia, emigration is part of the life course. In many cases, when they leave college they live abroad for a couple of years and then return for family formation, as Dr. Doris mentioned. As Ireland is located in a completely different part of the world, our emigration patterns tend to be much more strongly influenced by push and pull factors related to our economy. For instance, if we consider the early stages of the Celtic tiger boom, much of that was generated by graduates who had left in the 1980s and came back in the 1990s.

Peter Cassells said this morning that his report is not a technical report. I would say, as a social scientist, that we need a technical report because there is the issue of how income contingent loans will impact on people's capacity to access housing, particularly in terms of the debates we have just seen about Central Bank rules, and also in terms of saving for pensions. We have a looming pensions crisis. Some 30% of people in the United States are still paying back student loans when they hit retirement.

**Senator Thomas Byrne:** Barack Obama was still paying his when he entered the White House.

**Dr. Niamh Hourigan:** He was, yes.

**Deputy Thomas Byrne:** He sold a lot of books subsequently so I think it became-----

**Chairman:** We do not want to increase taxes either.

**Dr. Niamh Hourigan:** No. That is part of the matrix that needs to be examined. Also, there must be much more discussion of governance because we need to be sure that the State will not depart from the system as a funder if loans are introduced.

**Chairman:** Absolutely. I thank all the witnesses. They made a passionate case for an issue

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that is vitally important, both in terms of current students and those who will be in the ongoing present, as Fr. Peter McVerry said. I appreciate them giving up the entire morning, as it turned out, to be here.

### **Business of Committee**

**Chairman:** Members should note that on 30 November, the select committee will meet with the Minister on the Revised Estimates at 2 p.m. That is changed from 1 December. We are looking at 15 December for the joint committee meeting with the 12 different stakeholders on the Education (Admissions to Schools) Bill.

**Deputy Thomas Byrne:** There is a meeting next Thursday on the Cassells report as well.

**Chairman:** It is on 8 December.

**Deputy Thomas Byrne:** Good, because I will not be here next Thursday.

**Chairman:** We have meetings on 30 November and 8 and 15 December.

The joint committee adjourned at 1.50 p.m. until 2.30 p.m. on Thursday, 15 December 2016.