

Irish Congress of Trade Unions

**Statement by Patricia King to the Oireachtas
Committee on Education and Skills.**

**Investing in National Ambition: A Strategy for
Funding Higher Education, Report of the Expert
Group on Future Funding For Higher Education.**

8th December 2016.



1. Chairperson and Members Committee.

2. I am pleased to accept the invitation to address the Committee and to outline the views of Congress on the Report on the Future Funding of Higher Education.

3. As the report rightly points out higher education has made a significant contribution to the development of our country and it is essential that we reposition the sector so it can continue to act as a driver of strong economic and social progress. However as the report points out this will require significant increased levels of investment in higher education, further education, apprenticeship and other post second level opportunities.

4. The Report recommends that the funding for the sector be increased as follows:

- an increase in the annual core funding of the sector by €600 million by 2021 and €1 billion by 2030;
- a €5.5 billion investment in capital expenditure over the next 15 years; and
- an additional €100 million to enhance the provision of student supports.

Congress agrees that this level of increased funding is required and it is essential that the debate now moves to finding a sustainable and fair means of providing the required investment.

5. The report points to three possible options for the future funding of the sector, namely:

- a predominately state funded system;
- an increased state funding with continuing student fees; or
- an increased state funding with deferred payment of fees through income contingent loans.

Congress believes that the first option, a predominately state funded system, is the most equitable and sustainable option. Moving to a fully publicly funded system, in our view safeguards the contribution of the higher education sector to the economic and social development of the country. We agree that providing additional funding to the sector must be done on a phased basis and the timeframes envisaged in the report in our view are realistic and achievable.

6. A predominately state funded system also avoids putting many thousands of future graduates into long term debt. This is important not only in light of our recent economic history but also from the experience of student loan schemes in other

jurisdictions. Ireland already has the 3rd highest level of personal and household indebtedness in the EU. The introduction of a student loan scheme will add to this already high level of indebtedness. The experience of student loan schemes in the USA shows that 69% of graduates had to borrow money for their education and in the USA it takes a primary degree holder, on average, 21 years to pay off his or her student loan.

7. As the Report points out, employers are major beneficiaries of the outcomes of higher education. Congress agrees with the recommendation in the report that employers should be required to make a structured contribution to the funding of higher education. We further agree that this contribution should be made by increasing the National Training Fund levy. The levy raised €350 million in 2015. Congress notes that every 0.1% increase in the levy will raise an additional €50 million and we would propose that the rate of contribution be increased so that €700 million is raised through the levy annually.
8. If the required investment can be delivered it places an onus and responsibility on our Universities and IOT's to ensure that they:
 - maintain and improve the quality of teaching and learning and ensure that there is an improved student experience arising from the increased investment;
 - continue to adapt and respond to the changes taking place in our economy and society, with a particular focus on ensuring the employability of graduates through the provision of high quality career advice for students;
 - provide significantly improved access to students from disadvantaged backgrounds;
 - end immediately the use of precarious forms of employment and offer conditions of employment so that the third level sector is seen as an employer of choice capable of attracting the most talented people.

ENDS.