

IUA Submission to
Minister for Education and Skills,
Richard Bruton TD:
Department of Education and Skills
Statement of Strategy June 2016



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1. Introduction

The Irish Universities Association welcomes the opportunity to make an input into the development of the new Statement of Strategy for the Department of Education and Skills, following the recent general election and the formation of the new government.

It should be noted that the IUA has made detailed submissions to the DES in relation to a number of current and emergent strategies. These include the *National Strategy for Higher Education to 2030*, the *Innovation 2020 Research Strategy*, the *National Skills Strategy* and the emergent revised *Strategy for International Education and Foreign Languages*. In addition, IUA made a substantive submission on matters of policy to the Joint Oireachtas Committee on Education and Skills in 2015 – available at <http://www.iua.ie/press-publications/publications/iua-submissions/>.

This document does not seek to replicate those responses and submissions, but to highlight a smaller number of key issues which are pertinent to the Department’s new strategy. By way of structure, we first provide contextual information in each section and then highlight the particular implications for the Department’s strategy.

2. Context

Ireland is a small island nation which, agriculture aside, is possessed of few natural factor advantages. Because of our history, our transition from a poor agrarian society to our current relatively advanced stage of development came later in our history than many of our neighbours. Our economic and social history has been turbulent and we are faced with a global environment which is no less perturbed.

Against this backdrop, education is of extraordinary importance. The Expert Group on Funding for Higher Education¹ spoke in its first consultation paper of the need for “*graduates who can understand our past, engage with the present and imagine the future*” and this equally applies to those who work within our universities. Research and research informed teaching is a primary driver of economic and social progress. The capacity of universities to foster the discovery of new knowledge, to apply it, and to critically reflect and engage in debate is central to this.

Many of these capacities and attributes apply to education as a whole. In a university context, the relationship with second level is particularly important, but the continuum of education from early childhood through to lifelong learning must all be supported. Investments in research and education have significant positive spillover effects. These include enhanced employability, increased competitiveness and economic growth,

¹ Referred to subsequently in this document as the “Expert Group”

improvements in health and longevity, greater social cohesion, more participative democracy and reduced criminality.

Education therefore must be viewed as a productive investment, both for the state and individuals, both in terms of commitment of resources and time.

The temporal horizon of that investment is a critical factor. Even leaving aside early childhood, postgraduate education and lifelong learning, the duration of the three cycles of education is in excess of eighteen years for an individual. Education therefore requires both vision and a long term commitment to investment. We can see this clearly with respect to our demographics, where a population bulge now present in first and second levels is increasingly feeding through to third and fourth levels.

The need for long term vision is equally true of research. While Ireland has a rich history of innovators in the sciences, its embrace of research as a driver of social and economic progress is much more recent. This is in particular contrast to other small developed economies, particularly those in northern Europe. Significant progress has been made in establishing a strong base in excellent research and in building a healthy research and innovation ecosystem around this. However, that system has been threatened, both by resource constraints during the downturn, but also by policy changes which fail to properly recognize the level of interconnectedness within the ecosystem and the knock on effects of policy changes in one area for the system as a whole.

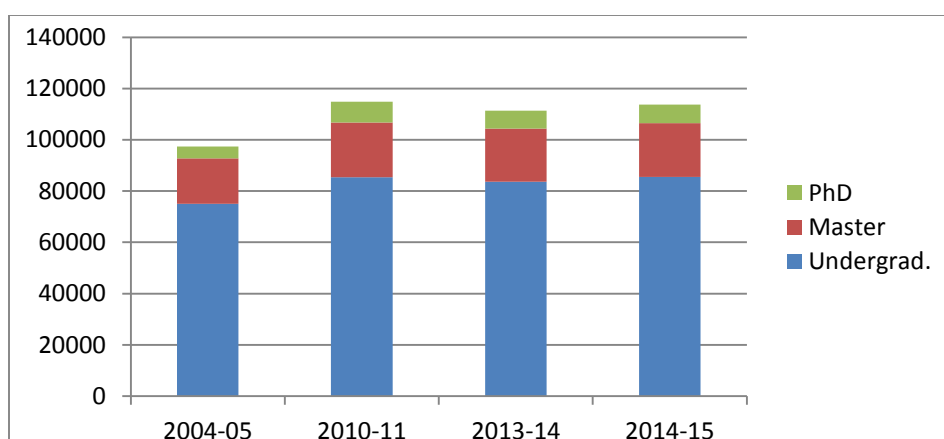
The foregoing illustrates that the role and functioning of universities has become much more complex. In parallel with this, society and government has a wide range of expectations of, and perspectives on, universities. Section two of the Programme for Government acknowledges a weakness in capacity for long term thinking on complex issues. To maximize the contribution of universities nationally more joined up thinking is needed across government, along with the creation of more opportunities for shared dialogue between the universities and government, supplementing bilateral relationships with specific government departments.

In this submission, we address issues of sustainability, quality, research and regulation as the principal areas of focus which we suggest for the strategy from the perspective of higher education.

3. Outputs and Outcomes from our Universities

At the macro level, our universities are notable for the degree to which they have increased the intake of students and the output of educated graduates and post-graduates. Notably we have done this in an environment of significantly declining resources.

The overall number of students in the university sector grew by 17% during the period 2004/05 to 2014/15. These numbers are projected to grow further to over 117,000 by 2016/17, in line with the Strategic Compacts agreed between the HEA and each university.



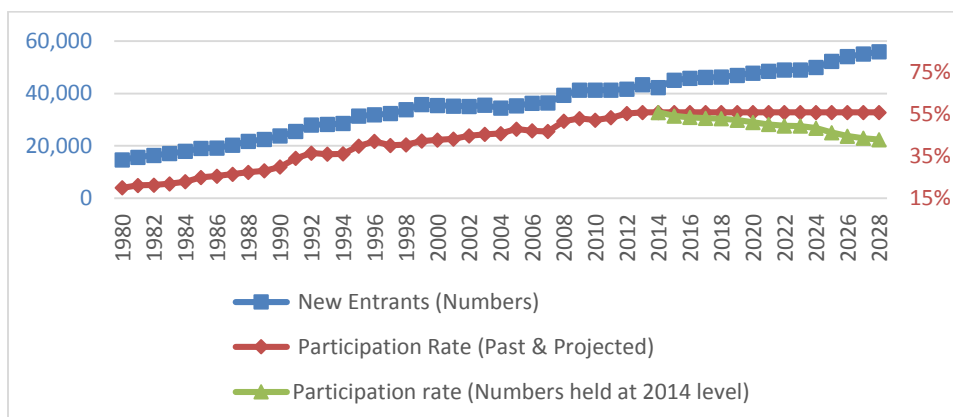
Student numbers in the university sector, 2004/05 to 2014/15 (HEA data)

The increases were particularly pronounced for PhD students (58% over the ten year period) and to a lesser extent for Masters students also (18% over the ten years).

Outlook

The Expert Group projections suggest that by 2028 the number of new entrants to higher education will increase by 29 per cent over 2013 levels.² (Appendix 1 Figure 5) These projections are based on the participation rate remaining constant at 56 per cent over the period.

² Projections of Demand for Full Time Third level Education, 2014–2028, July 2014, DES



DES Expert Group Paper - New Entrants to Higher Education

Implications for Strategy

- A comprehensive plan for funding both the capital and current costs of this expansion needs to be put in place. This plan also needs to include measures to boost quality – see below.

4. Quality Concerns

While new entrants into higher education have increased, core staff numbers have fallen in consequence of the Employment Control framework. The net effect has been a deterioration in staff:student ratios. Pre-crisis, the ratios in Irish universities were already poor by international standards at circa 1:16 or 1:17 on average. During the crisis, ratios have worsened from 1:20 to 1:23 in the universities - a deterioration of 12%. These are significantly worse than the OECD average which stood at 1:14 in 2012. To put this into context, Durham University in England has the same academic staffing complement as one of our larger universities, but our Irish university has ten thousand more students than Durham.

While this change represents a gain in efficiency in pure statistical terms, it also has implications for quality and for sustainability in terms of the ability to support such large class sizes in the medium term. These implications have now become apparent, as evidenced in the recent QQI report “Quality in an Era of Diminishing Resources” (2016)³, which presents the findings of an analysis of over 90 quality review reports.

³ <http://www.qqi.ie/Pages/QQI-publishes-Quality-in-an-Era-of-Diminishing-Resources-report.aspx>

Implications for strategy

- The plan to address the sustainability of higher education needs to provide for increased numbers of students and also to resource the system at a level which is more competitive internationally. This requires a substantial rethinking of existing approaches, building on the work of the Expert Group on Future Funding of Higher Education.

5. Funding and Sustainability

Recurrent Funding

Despite an increase in the student contribution of €2,175 or 263 per cent—from €825 in 2007/08 to €3,000 in 2015/16, total income per student decreased by 24 per cent for the higher education system overall.

Increases in student contributions along with general reductions in overall state funding have resulted in a steady reduction in the proportion of total recurrent funding for core activities of higher education institutions funded by the State - from 78 per cent in 2008 to an estimated 64 per cent in 2016.

For the universities specifically, the core recurrent grant declined by €273m between 2008 and 2016, a decline of over 55 percent. When we look at the fall in the unit of resource which includes not only core grant but also fee income, the unit of funding went from €8,734 in 07/08 to €6,896 in 15/16. The cumulative decrease in the unit of resource in this period has been in excess of 21 percent.

This funding crisis is now widely acknowledged and recognised by policy makers and the general public. According to a briefing provided by officials to the incoming Minister for Public Expenditure and Reform: *“The Report of the Third Level Funding Group is currently being finalised. It will conclude that the sector requires significant investment noting that increasing participation coupled with reduced resources in the recession years is impacting quality. Given its role to the economy and society in general the Independent Chair, Mr Peter Cassells, will stress that it must be deemed a priority and the consequences of inaction will be far-reaching.*

The scale of the increase envisaged for current funding is pitched at €1bn greater than current levels (€1.8bn to €2.8bn, as set out in the draft final Report) by 2030. However, the draft Report also sets out a shorter time horizon for initial funding increases - €600m to 2021. A capital investment requirement of €5.5bn over the next 15 years is also identified, as well as an additional €100m for student financial aid.”

Immediate Unavoidable Cost Increases

In addition to these macro issues, universities are facing significant cost increases over the coming years due to decisions and factors which are outside of their control. Many of these relate to public sector pay policy including the cost of pay restoration arising from the Public Service Stability Agreement and the cost of redundancy arising from LCR 20730⁴. The impact of such cost increases is very significant and without additional funding to cover these costs universities simply will not be in a position to absorb them.

By 2020 the cost base of the university sector will have increased by €99.16m arising from the above unavoidable cost increases. These increases are heavily front-loaded in 2017 and 2018. It should also be noted that the above cost projections are based on current known information and will need to be kept under review over the coming months and years.

In addition to these costs, additional funding is needed immediately to allow for capacity increases without further eroding the unit of resource per student, coupled with the investment necessary to begin to address student:staff ratios and the associated quality improvement agenda.

Implications for Strategy

- **It is imperative that the report of the expert group is published as a matter of urgency. With respect to the Programme for Government commitment that the group's proposals be considered by an Oireachtas committee, this also needs to be undertaken with urgency.**
- **Such consideration should focus directly on the options identified by the group and moving towards the implementation of a solution.**
- **A comprehensive solution is likely to take time to fully implement. It is therefore essential that shorter term funding requirements are addressed in parallel with this process. These funding measures need to address both the short term cost increases issue and also the capacity and quality issues arising from the current under investment.**
- **This needs to be addressed substantively by increasing the allocation for higher education in Estimates/Budget 2017 and subsequent years.**

⁴ Labour Court Recommendation in respect of enhanced redundancy

Capital Funding

In light of both the passage of time and resultant wear and tear, and more critically, demographic pressures, another matter of concern in respect of funding sustainability is that of capital funding. In effect, funding for new capital ceased in 2008. There has been some run out funding for commitments under the Programme for Research in Third Level Institutions (PRTLII), but new funding for both new build and significant upgrading of facilities has been virtually non-existent since then. In addition to the financial crisis, the need to address the increase in the first and second level school population has been an instrumental factor here. However, as we have seen, the demographic bulge is moving up the pipeline and needs to be planned for in terms of higher education infrastructure also. Not only have these circumstances created space constraints, they have also given rise to a very significant maintenance backlog which needs to be urgently addressed.

Student Accommodation

Student accommodation is also a matter of critical importance, both in the educational context and also because of its spillover effects into the wider housing market and the difficulties in this area nationally.

The provision of adequate and appropriate student accommodation is strategically important for universities. It is an important element of the overall student experience and pastoral care of students as well as being fundamental to the development of vibrant, living campuses. The provision of on-campus student accommodation is also essential in attracting international students to Irish HEI's. A recent HEA report has identified a significant under supply of student accommodation, particularly in the major urban areas. There is an urgent need to provide the necessary incentives and supports to assist the university sector in increasing the supply of student accommodation. This is also very important in the context of the general housing crisis and the university sector is responding as a matter of priority to the request from the Minister for Housing, Planning & Local Government to make proposals in relation to increasing the supply of student accommodation and in doing so freeing up housing units in the general rental market.

Ministerial briefing by D/PER officials in relation to Education capital funding states: *"the capital plan (2016-2020) published last year provided a multi-annual framework for capital investment. Many commentators criticised what they saw as an insufficiently ambitious programme. If the economy grows continuously over the next several years, pressure on economic infrastructure will increase and there may be merit in reviewing these plans."*

Implications for Strategy

- The 2016-2020 capital plan is clearly inadequate in terms of the funding provided for higher education. IUA estimates that the capital requirements of the universities alone in the period to 2025 amount to in excess of two billion euro. Provision of adequate higher education capital should be a high priority for the DES in its new strategy and should be reflected in a redrafted capital plan.

6. Efficiency and Regulation

As already mentioned the increase in student numbers with declining numbers of core funded staff and with a reduced paybill represents a substantial improvement in productivity. This from a position where a report prepared for the EU Council of Ministers in 2009 found Ireland to already be at the leading edge of higher efficiency.

In regard to efficiency of operations and cost to the state, universities have grown non-exchequer income. Non-exchequer income (excluding research) has increased from €695m in 2008 to €865m in 2013 (an increase of 24%) helping to offset the significant reductions in public funding. Total income (excluding research) per staff member has remained largely stable, increasing marginally to €155k. Non-exchequer income (excluding research) per staff member however has increased from €71k in 2008 to €93k in 2013 an increase of 30%. The balance of exchequer and non-exchequer funding of universities has fundamentally shifted towards the latter and the regulatory regime should reflect this.

Significant work has been undertaken on shared procurement, this now falling under the aegis of the office of Government Procurement. Significant internal changes have also taken place including a revised academic contract, performance management and workload allocation. However more work needs to be done on “*The HR Toolkit*” to ensure that the competitiveness and efficiency of universities is maximized.

Regulation is important for purposes of financial probity, for accountability generally and to underpin public confidence. For regulation to be effective, it is important that it be well considered and proportionate. Regulation in a university context has a particular perspective for the following reasons: universities are producers of both public and private goods and their funding reflects this. In addition, unlike the majority of the public service, universities are in an internationally traded marketplace, both for students and staff. Finally there is a high expectation for universities to be innovative and to contribute to national and global stocks of knowledge. As part of that

innovativeness, academic freedom and the appropriate degree of university autonomy is essential.

Trends in this regard are monitored by the European University Association through their Autonomy Scorecard process. As part of an IUA symposium we requested that the EUA update the scorecard for Ireland. They found as follows – *“This 2014 update of the Autonomy Scorecard for Ireland reveals a decline of university autonomy, in particular in staffing matters. In some areas it is quite subtle and can only be captured partially by the scorecard metrics. It appears clearly though that there is an entrenchment phenomenon, with governmental control over human resources and finances having been consolidated over the period considered. The measures that the government took at the beginning of the economic crisis have neither been halted nor reversed”*.

The IUA has put forward proposals to strengthen institutional governance and has welcomed the HEA system performance appraisal approach and associated performance compacts. It is rather about ensuring that institutions whose contribution to the economy and society depends on agility and flexibility are appropriately empowered to make that contribution.

Some of the concern with autonomy and performance is reflected in the increasing importance of university rankings. While the validity of rankings is much debated, they have become important in respect of student and staff recruitment and in the perceptions of external investors when evaluating the performance of different nations and their attractiveness as an investment location.

In this regard, it is notable that US private universities (mainly, but not exclusively) dominate the upper echelons of the rankings and these universities also enjoy a very high degree of autonomy.

In the context of the foregoing we strongly endorse the commitment in the Programme for Government to autonomy as illustrated in the following extract from the programme: *“We support new flexibility for appropriate higher education institutions within strict budgets, transparency, and new accountability agreements, to set their own staffing needs, hire the best lecturers, automate routine process and adapt work practices to staff and student needs. By allowing universities more flexibilities and “earned autonomy” they can prioritise and address issues themselves for the improvement of their institutions, and the creation of a new relationship with students.”*

We note particularly, that this commitment stands in strong contrast to the approach which was previously embodied in the draft scheme of the Universities (Amendment) Bill which sought to impose draconian controls on universities with respect to

numbers, remuneration and collective agreements. However, we remain concerned at the references to this legislation contained in the brief provided by officials to the Minister.

Implications for Strategy

- **The strategy should embrace the concept of earned autonomy articulated in the Programme for Government.**
- **In consequence, a clear commitment is sought not to proceed with the approach embodied by the draft scheme of the universities amendment bill which is entirely antithetical to the Programme for Government. The proposed Higher Education (Reform) Bill is the appropriate vehicle by which to deal in a consistent and consolidated way with all matters relating to university governance, building on proposals previously submitted to the Minister/Department by IUA.**

7. Research and Innovation

Context

Total government investment peaked at some €930m in 2008, but fell back to €735 million by 2015. This was accompanied by a narrowing of focus in terms of the areas of research supported.

In IUA's submission in regard to Innovation 2020, we identified three overarching priorities.

1. Maintaining / further building excellence in the research base.
2. Continuing to grow our human capital and maximising the potential of knowledge transfer in all its dimensions.
3. Building a research and innovation ecosystem spanning the private and public sectors which leads to more startups, enhances sustainable competitive advantage at firm level and deepens and grows Ireland's innovation performance and outputs.

Innovation 2020 was published at the end of 2015 and is the current policy blueprint for research and innovation in Ireland.

Perhaps the most important goal of Innovation 2020 strategy is that of investment in research to 2.5% of GNP. We support this goal and the implied increase in investment in research and innovation in both the public and private sectors. This investment needs to be factored into the review of the existing capital programme.

As the above reference to the innovation ecosystem attests, we are fully supportive of investment in research as a driver of social progress and economic growth. However, such investment needs joined-up thinking and needs to look to tomorrow's needs as well as today's needs.

Implications for Strategy

- **Concrete plans need to be put in place to increase public investment in research and innovation to achieve the Innovation 2020 target.**
- **Overall governance structures for research and innovation, and the associated funding mechanisms, need to be reconfigured to promote excellent research across a wider knowledge base to support sustainable economic growth and social progress. In particular, research performers in higher education and the enterprise sector should be provided with mechanisms to input into policy development.**
- **To address overall sustainability issues in higher education, the Department should prioritise the achievement of a sustainable rate of actual recovered overhead across the public research system. The current nominal rate of 30% is not being achieved in practice and even this nominal rate is significantly less than the full economic cost of research.**
- **A specific priority should be given to implementing the new PRTL, supporting both broad based research excellence and associated maintenance of both existing and new infrastructure. Responsibility for PRTL should be fully assigned to the DES, with any necessary statutory change made to achieve this.**
- **A dedicated fund is needed to support career development for Post-doctoral researchers to achieve the goal of maximizing the impact of advanced human capital in the economy.**
- **The productive collaboration between the education sector and Enterprise Ireland should be strengthened with the provision of additional resources for Knowledge Transfer. The DES should advocate for such resources in the context of the overall implementation of Innovation 2020.**

8. Diversity and Choice, Tackling Disadvantage, Transitions, Skills

Importance of Diversity

The National Strategy for Higher Education commits to institutional diversity within the overall higher education system. This is further supported by the National Skills Strategy which extends the concept of diversity across the entire post second level system. A concern has been flagged in many of the sectoral reports of the Expert Skills Group at the fall off in level six and seven provision. This is a worrying sign of homogenization within the system. These concerns are exacerbated by data on non-progression in third level and the evidence that this correlates in part with a mismatch between prior educational attainment at second level and the required standards at third level.

The need for diversity also has a human dimension. This extends across the student body – as reflected in the commentary below on international education and tackling disadvantage – and the staff body. All of the Universities share a strong commitment to Diversity and Inclusion. They also share the perspective that diversity of experience and outlook within our Universities enriches the nature of our intellectual enquiry, the perspectives engaged, and on that basis is a driver of excellence for the Universities. Simply put, diversity aims to recognise, respect and value people's differences, and to support staff and students to realise their full potential by promoting an inclusive culture for all.

Internationalisation of the staff body has been greatly assisted by the increased focus on universities on research, and the fact that externally funded research positions have not been subject to ECF restrictions. Our strong performance in EU initiatives such as MSCA (Marie Curie) and Euraxess have further promoted internationalization.

The situation in regard to gender is less satisfactory, particularly at senior levels. While Ireland is not alone in this, it is recognized as a significant issue by the universities and a range of measures are being implemented to address it. Some examples include the drive to secure accreditation under the demanding standards of the Athena Swan initiative, the creation of senior equality and diversity roles and the emphasis on gender and diversity in staff development programmes.

The restoration of student:staff ratios to more competitive levels, which would in turn open up hiring and promotional opportunities, would give a boost to these efforts. In addition, the forthcoming report of the HEA Review on Gender Equality in Irish Higher Education Institutions will provide a further opportunity to reflect on what more can be done in this area.

Implications for Strategy

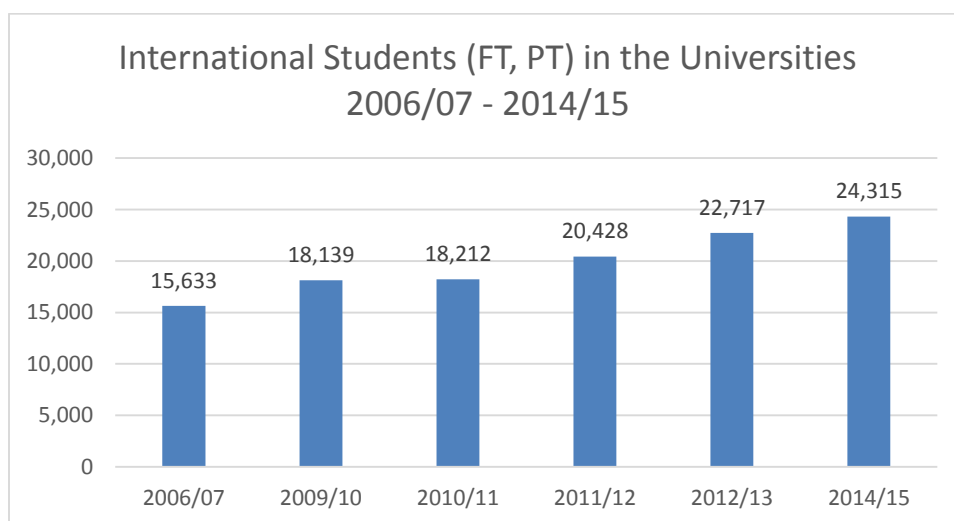
- **Structural developments within the institutional landscape and programme provision at third level should be carefully assessed to ensure that diversity is maintained.**
- **Further progress measures to gender balance and diversity among staff and students.**

International Education

International education is important for a variety of reasons. In addition to the economic benefits it brings, international students are important in terms of the cultural diversity they bring to our institutions, with mutual benefits to Irish and international students alike.

International students in the university sector fall into three categories: full-time international students who come to Ireland for a full degree programme; off-shore / distance students who are studying on a programme provided and/or accredited by an Irish university, but delivered outside Ireland; and short-term exchange and visiting students such as Erasmus students from other European countries and Junior Year Abroad students from the United States.

During the period 2006/07 to 2014/15, there was an overall growth of 55% in international student numbers in the Irish universities, as can be seen in the table below.



Source: HEA and EI data

The proportion of international students in the universities has grown from 16% of the total student body in 2010/11 to over 21% in 2014/15. These numbers have therefore exceeded the recommendation of the 2010 strategy, which suggested that an *“average national proportion of 15% full-time international students remains a valid medium-term national target to be reached in the period between now and 2020”* (DES 2010: Investing in Global Relationships Ireland’s International Education Strategy 2010-15)⁵.

These students contribute to Irish universities in a number of positive ways: they help to internationalise our campuses, ensuring an international learning and social environment for Irish students, which will be of use to them during their subsequent careers or further studies. They open opportunities for international collaboration with academics, researchers and other potential partners, including industry and employers, in other countries and regions of the world. The non-EU undergraduate students, and all postgraduate students, also bring substantial income to Irish universities, through the tuition fees they pay or the governmental grants they bring with them from their home countries. This source of non-exchequer income has become extremely important for Irish universities, particularly given the significant reductions in State funding received in recent years.

Implications for Strategy

- **A new International Education Strategy, developed in consultation with the main stakeholders, is now urgently needed to provide an updated policy framework. This new strategy must ensure an holistic supportive framework for the internationalisation of HE, including the ability to attract international staff to Irish HEIs, to incentivise HEI staff to contribute more to internationalisation efforts (as outlined in the work of the HR toolkit group and by making use of the Corporations Framework), and the issue of employment permits, which currently acts as a barrier to attracting and retaining talented international staff.**
- **Successful internationalisation of HE requires explicit policy connectivity to other national policies, such as Innovation 2020, the National Skills Strategy 2025, and student visa and immigration regimes.**

Enhancing the Transition from Second to Third Level

High HE participation rates, improved 2nd level completion rates, and increased competition for most 3rd level places are welcome indicators of the value placed on

⁵ <https://www.education.ie/en/Publications/Policy-Reports/Ireland-s-International-Education-Strategy-2010-2015-Investing-in-Global-Relationships.pdf>

education in Ireland by government, society and individuals. However, these interconnected developments also present a multi-dimensional challenge in terms of ensuring successful transitions for learners through the education system, and into higher education.

While drop-out rates in Irish universities compare very favourably with those in other jurisdictions, (HEA Progression Reports 2013⁶ and 2016⁷), the universities have taken a number of substantial steps in recent years to ensure that the transition from second-level to university continues to meet the challenges noted above as successfully as possible, despite the significant overall decline in the unit of resource for undergraduate studies.

The following developments are of note:

- A revised Common Points System has been agreed and will be used from 2017. This supports the introduction of the revised Leaving Certificate grading scheme by the State Examinations Commission, also for 2017. These are jointly designed to mitigate some of the undesirable effects of the so-called 'points system'.
- As agreed with DES and broader stakeholders, the overall number of undergraduate entry routes in the university sector in 2016 has decreased below the level of 2011, with further substantial reductions (approx. 50 entry routes) planned for 2017. The purpose of this is to simplify the choice of undergraduate entry routes while enhancing flexibility for student progression to specialist programmes after 1st or 2nd year in HE.

This work has taken place in the context of the DES-led Transitions Working Group, which brings together all key players. The universities equally contribute through subject experts to the work of the NCCA senior cycle subject development work, and are keen to improve the links between curriculum developments across 3rd and 2nd levels.

Implications for strategy

- **Structures put in place within the IUA and by the DES are progressively addressing the issues which arise in the transition from second to third level. This work should continue to be prioritized with the Department's strategy.**

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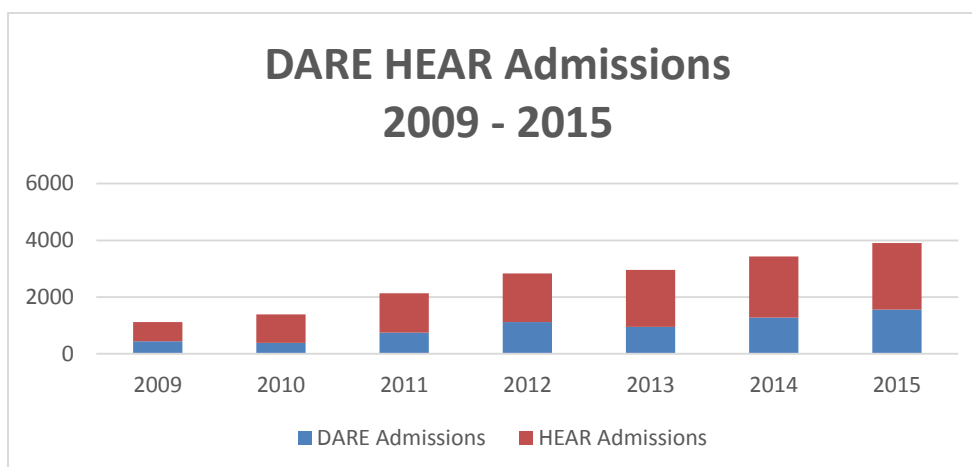
http://www.heai.ie/sites/default/files/a_study_of_progression_in_irish_higher_education_institutions_2010-11-2011-12_0.pdf

⁷ http://www.heai.ie/sites/default/files/hea-progression-irish-higher-education_final.pdf

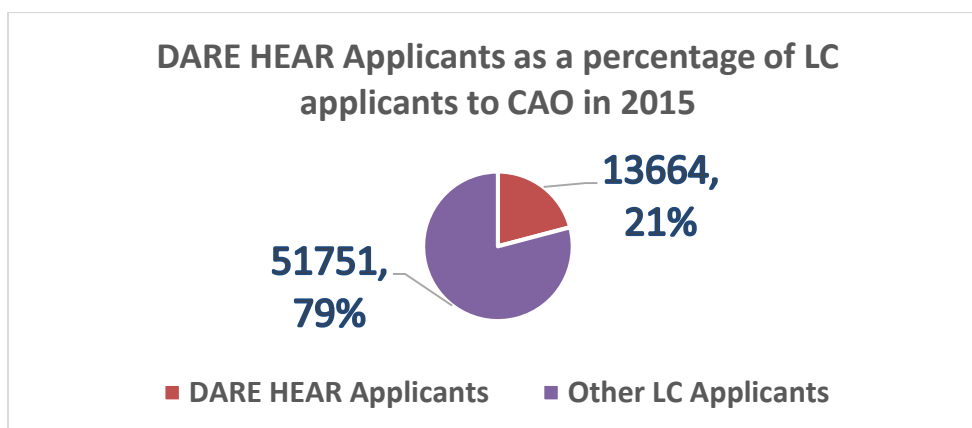
Tackling Disadvantage

In terms of specific student cohorts which have been the subject of strategic national targets, including under-represented students from disadvantaged socio-economic backgrounds, and students with a disability, the universities, in cooperation with an increasing number of other colleges, have rapidly expanded the numbers of places made available through the Disability Access Route to Education (DARE) and the Higher Education Access Route (HEAR). DARE and HEAR are the primary mechanisms through which the universities recruit students from these national target groups, as part of the universities' response to the 2008-2013 and 2015-2019 National Access Plans.

The increased numbers of students admitted through both DARE and HEAR during the period 2009 – 2015 can be found in the following table.



Students from these under-represented and disadvantaged backgrounds now represent more than one in five of all undergraduate students applying to higher education in Ireland through the CAO, as can be seen in the following graphic.



However, while these are welcome signs of improving equity of access to Irish universities, a number of the overall widening participation targets included the 2008-

2013 HEA National Plan for Equity of Access to Higher Education were not met. These targets, together with the outcomes achieved, can be found in the following table (*HEA 2014: Consultation Paper towards the development of a new National Access Plan*⁸). Although the numbers of new access students in the universities are expected to increase by 11% by 2016/17, in line with the Strategic Compacts agreed between the HEA and each university, this increase barely keeps pace with the agreed projected increase in the overall number of students.

With the new 2015-2019 National Access Plan targets now in place, a particular concern to the universities is that, given the demographic pressures facing higher education provision over the coming decade, and the decreases in funding for both higher education institutions and for direct student support, those students who are at most disadvantage through their socio-economic or other circumstances will tend to be “squeezed out” by the more advantaged. This will lead to a range of medium- to long-term societal problems for Ireland in other areas, including social exclusion, unemployment and under-employment, poorer education and health outcomes for these social groups, and ongoing inter-generational disadvantage. The longer-term direct and indirect costs of these to the exchequer and to society considerably exceed the initial direct investment required to ensure those students can achieve their potential in higher education and then progress into the labour market and other productive areas of society.

Implications for Strategy

- **Ensure the National Access Plan 2015-2019 is sufficiently resourced to meet its targets, noting that the direct cost of ensuring these target groups successfully progress through the education and training system considerably exceeds the direct cost of other more advantaged groups.**

Meeting the Skills Needs of the Future

Ireland’s open economic model relies on the availability of suitable levels (both quality and quantity) of skills and innovation in the workforce.

The National Employer Surveys led by IBEC (2012) and the HEA (2015)⁹ across a broad range of indigenous and foreign employers of recent graduates in Ireland, show overall high levels of employer satisfaction, particularly in workplace attributes such as computer and technical literacy, working effectively with others, numeracy/ processing and interpreting numerical data, effective verbal communication and application of technical knowledge. It is important also to note the lower levels of satisfaction among employers with recent graduates’ foreign language capability and entrepreneurial skills. These areas are being addressed by the universities through better integration of these skills and competences in internal curriculum development and quality assurance

⁸ http://www.heai.ie/sites/default/files/consultation_paper_web.pdf

⁹ http://www.heai.ie/sites/default/files/employersurvey2015final_web_0.pdf

processes, and in the continued promotion of study abroad opportunities and high quality work placements.

In this regard, and also as part of ensuring successful transitions for undergraduate students, the universities have all undertaken significant work in their integration of innovative engagement and enhanced 1st year assessment practices, in many cases linked to substantial overhauls of the undergraduate curriculum. These curriculum developments explicitly address graduate outcomes in terms of skills and other attributes, part of each university's ongoing efforts to ensure quality and relevance of all student learning, contributing to the realisation of Ireland's National Skills Strategy 2025 (DES 2016)¹⁰.

The increased needs for specialist skills and enhanced research capacity has led to considerable innovation in graduate education and the structured PhD model, with a National Doctoral Framework now in place to promote best practice in Ireland, ensuring that Irish doctoral graduates and research students can contribute to the knowledge economy across both private and public employers, and increasingly in innovative start-up enterprises. Our capacity to increase the output of science, technology and engineering graduates is heavily dependent on the quality of STEM teaching across the education sector as a whole. In that context, priority should be given to the *publication and implementation of the findings of the STEM Education Review Group*, which were submitted to your predecessor in 2015.

The Campus Engage initiative¹¹, led by the universities, supports a broad range of enhanced engagement practices between universities and society, bringing real-life practices into the classroom, getting students to contribute to solving community-based challenges as an accredited part of their coursework, and harnessing the research strengths of the universities to address grand societal challenges spanning a range of disciplinary fields. In addition, Campus Engage provides a platform to support thousands of students who volunteer annually with local community and charitable organisations, giving back their time, energy and knowledge while at the same time improving their key skills and competences.

Implications for Strategy

- **The recently published National Skills Strategy provides a comprehensive framework for skills development both strategically and structurally and should be continue to be implemented.**

¹⁰ https://www.education.ie/en/Publications/Policy-reports/pub_national_skills_strategy_2025.pdf

¹¹ <http://www.campusengage.ie/>

CONCLUSION: SUMMARY OF RECOMMENDATIONS

Outputs and Outcomes from our Universities

- A comprehensive plan for funding both the capital and current costs of this expansion needs to be put in place. This plan also needs to include measures to boost quality.

Quality Concerns

- The plan to address the sustainability of higher education needs to provide for increased numbers of students and also to resource the system at a level which is more competitive internationally. This requires a substantial rethinking of existing approaches, building on the work of the Expert Group on Future Funding of Higher Education.

Funding and Sustainability

Recurrent Funding

- It is imperative that the report of the expert group is published as a matter of urgency. With respect to the Programme for Government commitment that the group's proposals be considered by an Oireachtas committee, this also needs to be undertaken with urgency.
- Such consideration should focus directly on the options identified by the group and moving towards the implementation of a solution.
- A comprehensive solution is likely to take time to fully implement. It is therefore essential that shorter term funding requirements are addressed in parallel with this process. These funding measures need to address both the short term cost increases issue and also the capacity and quality issues arising from the current under investment.
- This needs to be addressed substantively by increasing the allocation for higher education in Estimates/Budget 2017 and subsequent years.

Capital Funding

- The 2016-2020 capital plan is clearly inadequate in terms of the funding provided for higher education. IUA estimates that the capital requirements of the universities alone in the period to 2025 amount to in excess of two billion euro. Provision of adequate higher education capital should be a high priority for the DES in its new strategy and should be reflected in a redrafted capital plan.

Efficiency and Regulation

- The strategy should embrace the concept of earned autonomy articulated in the Programme for Government.
- In consequence, a clear commitment is sought not to proceed with the approach embodied by the draft scheme of the universities amendment bill which is entirely antithetical to the Programme for Government. The proposed Higher Education (Reform) Bill is the appropriate vehicle by which to deal in a consistent and consolidated way with all matters relating to university governance, building on proposals previously submitted to the Minister/Department by IUA.

Research and Innovation

- Concrete plans need to be put in place to increase public investment in research and innovation to achieve the Innovation 2020 target.
- Overall governance structures for research and innovation, and the associated funding mechanisms, need to be reconfigured to promote excellent research across a wider knowledge base to support sustainable economic growth and social progress. In particular, research performers in higher education and the enterprise sector should be provided with mechanisms to input into policy development.
- To address overall sustainability issues in higher education, the Department should prioritise the achievement of a sustainable rate of actual recovered overhead across the public research system. The current nominal rate of 30% is not being achieved in practice and even this nominal rate is significantly less than the full economic cost of research.
- A specific priority should be given to implementing the new PRTL, supporting both broad based research excellence and associated maintenance of both existing and new infrastructure. Responsibility for PRTL should be fully assigned to the DES, with any necessary statutory change made to achieve this.
- A dedicated fund is needed to support career development for Post-doctoral researchers to achieve the goal of maximizing the impact of advanced human capital in the economy.
- The productive collaboration between the education sector and Enterprise Ireland should be strengthened with the provision of additional resources for Knowledge Transfer. The DES should advocate for such resources in the context of the overall implementation of Innovation 2020.

Diversity and Choice, Tackling Disadvantage, Transitions, Skills

Importance of Diversity

- Structural developments within the institutional landscape and programme provision at third level should be carefully assessed to ensure that diversity is maintained.
- Further progress measures to gender balance and diversity among staff and students.

International Education

- A new International Education Strategy, developed in consultation with the main stakeholders, is now urgently needed to provide an updated policy framework. This new strategy must ensure an holistic supportive framework for the internationalisation of HE, including the ability to attract international staff to Irish HEIs, to incentivise HEI staff to contribute more to internationalisation efforts (as outlined in the work of the HR toolkit group and by making use of the Corporations Framework), and the issue of employment permits, which currently acts as a barrier to attracting and retaining talented international staff.
- Successful internationalisation of HE requires explicit policy connectivity to other national policies, such as Innovation 2020, the National Skills Strategy 2025, and student visa and immigration regimes.

Enhancing the Transition from Second to Third Level

- Structures put in place within the IUA and by the DES are progressively addressing the issues which arise in the transition from second to third level. This work should continue to be prioritized with the Department's strategy.

Tackling Disadvantage

- Ensure the National Access Plan 2015-2019 is sufficiently resourced to meet its targets, noting that the direct cost of ensuring these target groups successfully progress through the education and training system considerably exceeds the direct cost of other more advantaged groups.

Meeting the Skills Needs of the Future

- The recently published National Skills Strategy provides a comprehensive framework for skills development both strategically and structurally and should be continue to be implemented.