



**IUA** | IRISH  
**UNIVERSITIES**  
ASSOCIATION

# Pre-Budget 2027 Submission

# Contents

<b>01. Summary of IUA Budget 2027 Priorities</b>	<b>1</b>
What This Investment Enables	2
Summary Conclusion	2
<hr/>	
<b>02. Executive Summary</b>	<b>3</b>
Investing in Ireland's Future: A Sustainable, Future-Ready Higher Education System	3
A System Under Strain	4
Budget 2027: A Strategic Choice	5
Capital Investment Priorities	6
<hr/>	
<b>03. Introduction</b>	<b>7</b>
<hr/>	
<b>04. Future-Ready Higher Education System</b>	<b>9</b>
<hr/>	
<b>05. Sustainable Core Funding</b>	<b>10</b>
Legacy Funding Deficits	10
Core Funding 2027 Standstill Requirements	11
<hr/>	
<b>06. Impact of Core Investment</b>	<b>16</b>
<hr/>	
<b>07. Capital</b>	<b>22</b>
Human Capital	22
Digital Infrastructure	23
Decarbonisation	25
<hr/>	
<b>08. Conclusion</b>	<b>27</b>

# 01. Summary of IUA Budget 2027 Priorities

To support the reform of our higher education system and thereby underpin national competitiveness, resilience and social cohesion, in Budget 2027 we are calling on government to honour the promises they made in *Funding the Future* and to deliver the following:-

---

## **An Increase in Core Grant funding of €190.2 million including**

---

- €131 million as part of a two-year commitment to fully address legacy funding deficits across *Funding the Future*, government agreed national pay awards and unfunded growth in student enrolments.
- 
- €59.2 million to address known 2027 cost increases relating to pay awards and increased student enrolments.
- 

## **A five-year Digital Infrastructure capital investment programme of €250 million.**

---

## **A four-year Decarbonisation capital investment programme of €475 million.**

---

**Implementation of the necessary changes to current fiscal rules to allow accumulated surpluses in the National Training Fund to be used to support a multi-annual strategic programme of investment in human capital.**

---

# What This Investment Enables

Stabilising core funding will deliver immediate outcomes aligned with Government priorities:

	<b>Skills and productivity:</b>	Improved student-staff ratios, strengthened provision in priority sectors (AI, health, construction, sustainability) and expanded lifelong learning delivery.
	<b>Student success and inclusion:</b>	Improved supports for mental health, disability, access and retention, enhancing progression and social mobility.
	<b>Research and innovation:</b>	Greater capacity to leverage INSPIRE, attract EU funding, support early-career researchers and deepen industry collaboration.
	<b>Governance and resilience:</b>	Stronger leadership, data capability, compliance and risk management in a complex digital and geopolitical environment.

Crucially, it will also provide the capacity for the sector to undertake the strategic reform necessary to ensure that Ireland's higher education sector remains fit for purpose and future-ready.

## Summary Conclusion



Ireland's greatest strategic resource is its people and our future economic resilience and international competitiveness will be determined by the strength of our knowledge economy. A globally competitive, innovation driven economy cannot however be maintained without significant and sustained investment in higher education to deliver the advanced skills, research capacity and talent pipeline on which enterprise and public services depend. Budget 2027 offers Government the opportunity to deliver on prior commitments, move beyond incrementalism, close recognised funding gaps and invest strategically in one of the State's most powerful assets. The costs of action are known, targeted, manageable and time bound. The costs of inaction, in competitiveness, fiscal risk and social cohesion will be far greater.

# 02. Executive Summary

## Investing in Ireland's Future: A Sustainable, Future-Ready Higher Education System

Ireland is entering a decisive period of economic and social transition. Accelerating technological change, artificial intelligence, geopolitical instability and demographic pressures are reshaping global competition and the foundations of prosperity. For a small open economy dependent on trade, innovation and internationally mobile talent, future growth in living standards will depend less on population growth and FDI and more on productivity, skills, research capacity and indigenous enterprise development.

Government policy recognises this reality. *Future Forty* identifies education, digitalisation, innovation and R&D as the decisive drivers of longterm productivity growth, while the Programme for Government places Higher Education at the centre of delivery on digital transformation, climate action, social inclusion and regional development.

Research-intensive universities need to sit at the centre of this national response. They educate Ireland's highskills workforce, generate the research and innovation that drive productivity, support indigenous enterprise and regional development, deliver lifelong learning and underpin evidence-based public policy.

Our higher education system must, however, ensure that it remains fit for purpose and future-ready in the context of the rapidly changing world we live in. Our universities must evolve beyond traditional models to meet changing demands and expectations, ensuring that our universities remain a critical strategic national asset.

**Unfortunately, however, while policy recognises this reality, practice does not.** *Funding the Future* in 2022 accepted there was a €307 million annual under-funding of higher education and committed to addressing this funding gap, yet this commitment has not been realised. As a result, the system continues to operate under sustained financial pressure at precisely the moment when greater investment is required.

## A System Under Strain

Ireland's ability to rely on its universities to deliver on these national objectives is increasingly constrained by structural under-investment. Recognised core funding deficits are putting Ireland's higher education institutions under considerable financial pressure and constraining capacity to reform, respond and adapt at a time of accelerating demand.

**After four budgets, only €173.5 million of the €307 million annual commitment in *Funding the Future* has been delivered.** This means that 43.5% of the identified core funding gap remains outstanding, and the pace of delivery has declined rather than accelerated. **Critically, multiannual commitments made in Budget 2025 did not materialise in Budget 2026.** The cumulative effect is a deficit of approximately €0.75 billion over the period since the publication of *Funding the Future*.

Additional pressures arising from government determined national pay agreements and increased enrolments driven by demographic growth have added to the underlying structural deficit in core funding. The combined impact of these deficits results in an **overall core funding shortfall of €262 million p.a.**

Looking ahead, further known cost increases in 2027, relating to the cost of national pay agreements and continued demographic-driven enrolment growth will require a further investment in core funding of €59.2 million simply to maintain existing levels of service.

**43.5%**

of the identified core funding gap remains outstanding



## Budget 2027: A Strategic Choice

Budget 2027 thus represents a critical decision point. The outstanding **€262 million core funding gap** is significant in isolation, but modest in the context of Ireland's overall fiscal capacity and the economic value generated by higher education and is **approximately a third of the combined €250m and €505 million emergency packages** introduced in response to energy price rises and consequent fuel price protests in early 2026. Unlike emergency expenditure, investment in universities will deliver enduring productivity, fiscal and social returns.

Recognising fiscal constraints, the IUA proposes a **credible and timebound approach**:

# €131m

In Budget 2027 as the first moiety of a two year commitment to fully address legacy *Funding the Future* deficits in line with government commitments.

# €59.2m

to meet unavoidable 2027 standstill costs arising from government negotiated public pay awards, demographic growth and rising costs of provision.

# €190.2m

Accordingly, an overall increase of **€190.2 million in core grant funding** is required in Budget 2027.



## Capital Investment Priorities

Core funding stability must be complemented by targeted capital investment in the following areas if universities are to support longterm national transformation.

### Digital infrastructure



**€250m**

a dedicated **€250 million** programme of investment over five years to modernise digital platforms, strengthen cyber resilience and enable lifelong and flexible learning.

### Decarbonisation



**€475m**

targeted multi-annual investment of **€475 million** over four years to enable universities to deliver on Climate Action Roadmaps, reducing emissions at scale and mitigating future Exchequer risk.



“Our higher education sector has always been a critical part of our economic engine room. Our ability to develop a world-class workforce is dependent on a well-resourced and innovative university sector. At this time of significant ‘creative destruction’ brought by AI and the changing nature of jobs, businesses know that navigating this transition cannot be an isolated effort. Ireland is well-positioned with a strong digital ecosystem supported by our HEI sector. As we work to unlock a resilient, AI-ready workforce, HEIs will be critical partners for industry - just as they are in so many other aspects of our economy.”

—*Danny McCoy, CEO of Ibec*

# 03. Introduction

Ireland faces a period of rapid technological and geopolitical change that will test economic competitiveness, social cohesion and longterm resilience. Artificial intelligence, digitalisation and global instability are reshaping skills demand, productivity and patterns of investment.

For a small open economy dependent on trade, innovation and internationally mobile talent, sustained economic growth will depend on the capacity to boost productivity, strengthen indigenous enterprise and deliver on the digital and climate transitions set out in the Programme for Government.

Ireland's strong international competitiveness continues to be anchored in its highly educated and skilled workforce, with the IMD World Competitiveness Yearbook<sup>1</sup> ranking Ireland 7<sup>th</sup> overall and identifying skills, education levels and R&D capability as key national strengths.

The IMD World Competitiveness Yearbook also, however, highlights growing capacity constraints and infrastructure weaknesses in Ireland including those affecting education and skills supply, alongside rising pressures in talent attraction and retention. Failure to address these pose real risks for future competitiveness.

*Future Forty*<sup>2</sup> recognises that future growth in living standards will largely depend on whether we succeed in boosting productivity through investment in digitalisation, education, innovation and R&D. Higher education sits at the centre of these domains and will be a critical enabler of our national ambition. A well funded, future-ready higher education system, anchored by research intensive universities, is therefore a critical strategic national asset.

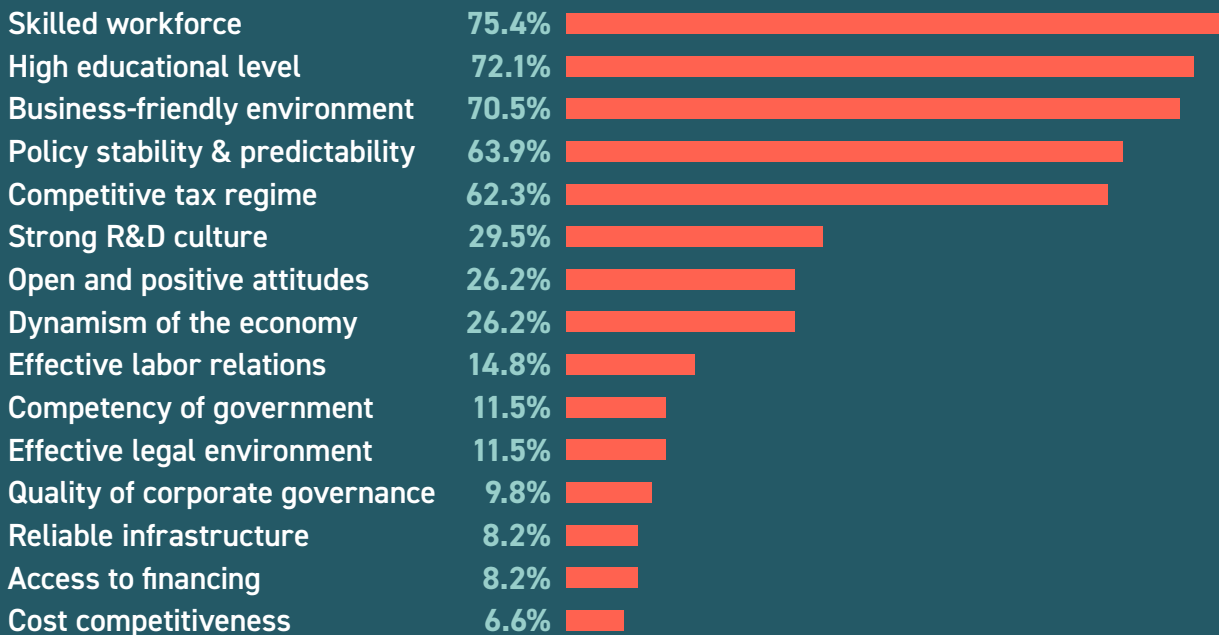
---

1 International Institute for Management Development – World Competitiveness Ranking Yearbook 2025

2 *Future Forty*; A Fiscal and Economic Outlook to 2065, November 2025.

## Key Attractiveness Indicators

From a list of 15 indicators, respondents of the World Economic Forum's Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



Our universities will support delivery of Programme for Government priorities by strengthening Ireland's research and innovation base, underpinning digitalisation and decarbonisation, widening access to opportunity and providing evidence-based insight to inform policy. Sustained, targeted investment in higher education capacity will, however, be required to enable our research-intensive universities to continue acting as engines of economic growth, social inclusion and national resilience at this critical juncture.

# 04. Future-Ready Higher Education System

Our research-intensive universities have been central to Ireland's economic and social progress and will be critical to our response to the rapidly changing global landscape. Our research-intensive universities deliver the advanced skills, research excellence and innovation capacity required to enhance competitiveness, attract investment and grow high-value indigenous enterprise. By expanding doctoral and postdoctoral talent, leading frontier research in areas such as AI, health, sustainability and advanced manufacturing and deepening collaboration with industry and policymakers, research intensive universities translate public investment into productivity gains, regional development and high-quality employment.

To remain fit for purpose, however, our universities must evolve beyond traditional models, embracing flexible, lifelong learning and prioritising transversal skills such as critical thinking, digital fluency and adaptability. Universities must deepen research capacity, expand industry collaboration and ensure research integrity amid technological and geopolitical change. As agents of inclusion and social mobility, universities will drive regional development, counter misinformation and foster equal access for all learners. A reformed system will underpin national competitiveness, resilience and support government ambitions in infrastructure, climate action and digital transformation.

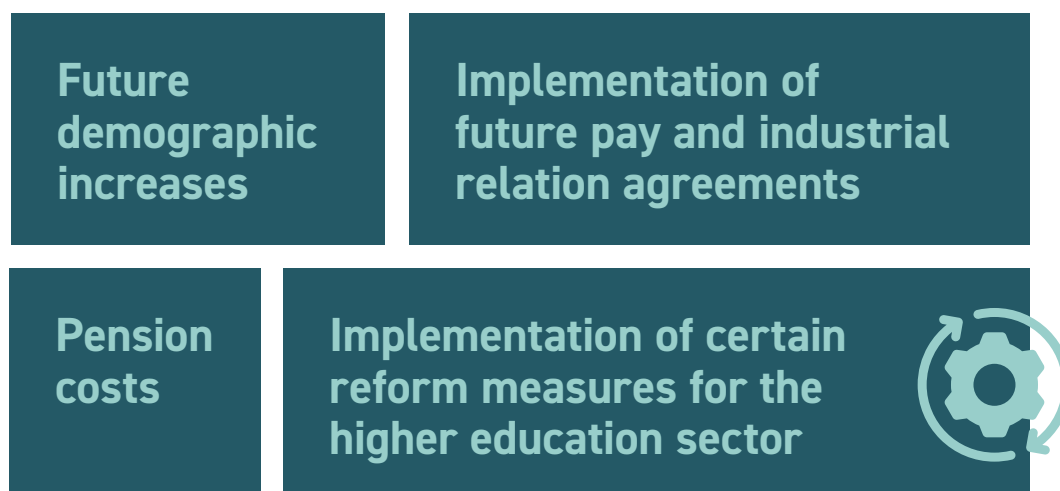
Delivering a future-ready higher education system however requires sustained, strategic investment over the next decade. Significant transformation demands robust funding for people, processes, technology and culture, both operational and capital. Dedicated leadership and strong governance are vital, but staff capacity is limited by current funding gaps. These gaps threaten financial stability and undermine progress.

# 05. Sustainable Core Funding

Securing sustainable core funding is the critical first step to enable meaningful reform and ensure the sector's long-term viability. Recognised and acknowledged gaps in core funding commitments in *Funding the Future*<sup>3</sup> must be fully addressed as an urgent priority in Budget 2027 to provide a stable financial baseline on which a programme of reform can be developed.

## Legacy Funding Deficits

In May 2022, *Funding the Future*, the government's response to the long-term sustainable funding of higher education committed to investing additional core funding of €307 million p.a. in the higher education sector. This was additional to amounts required for:



Since the publication of *Funding the Future* a total of €173.5 million of the €307 million core funding commitment has subsequently been provided over the intervening four budgets, representing a cumulative deficit of €0.75 billion over that period.

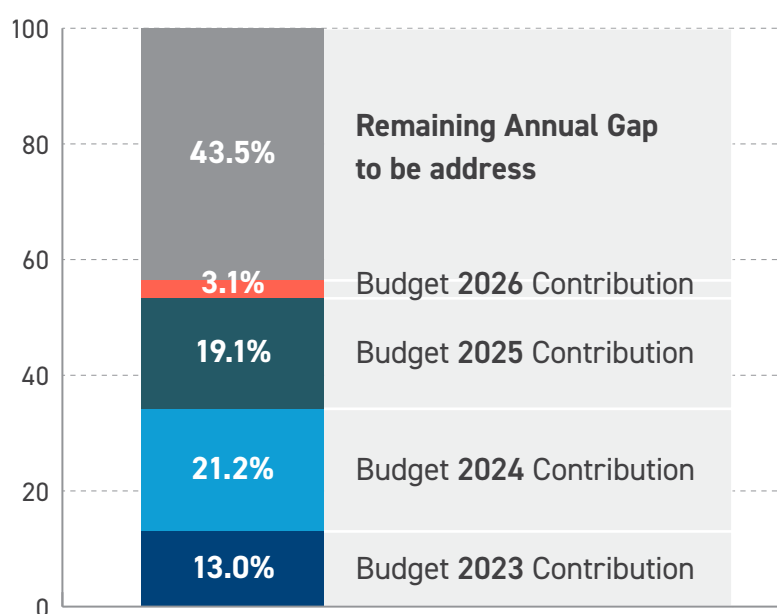
---

3 *Funding the Future* – Investing in knowledge and skills: Ireland's competitive advantage, May 2022

	2023 (€m)	2024 (€m)	2025 (€m)	2026 (€m)	Cumulative Shortfall 2023 - 2026 (€m)
Funding the Future Gap	307.0	267.0	201.8	143.1	
Funding Provided	40.0	65.2	58.7	9.6	
<b>Remaining annual shortfall</b>	<b>267.0</b>	<b>201.8</b>	<b>143.1</b>	<b>133.5</b>	<b>745.4</b>

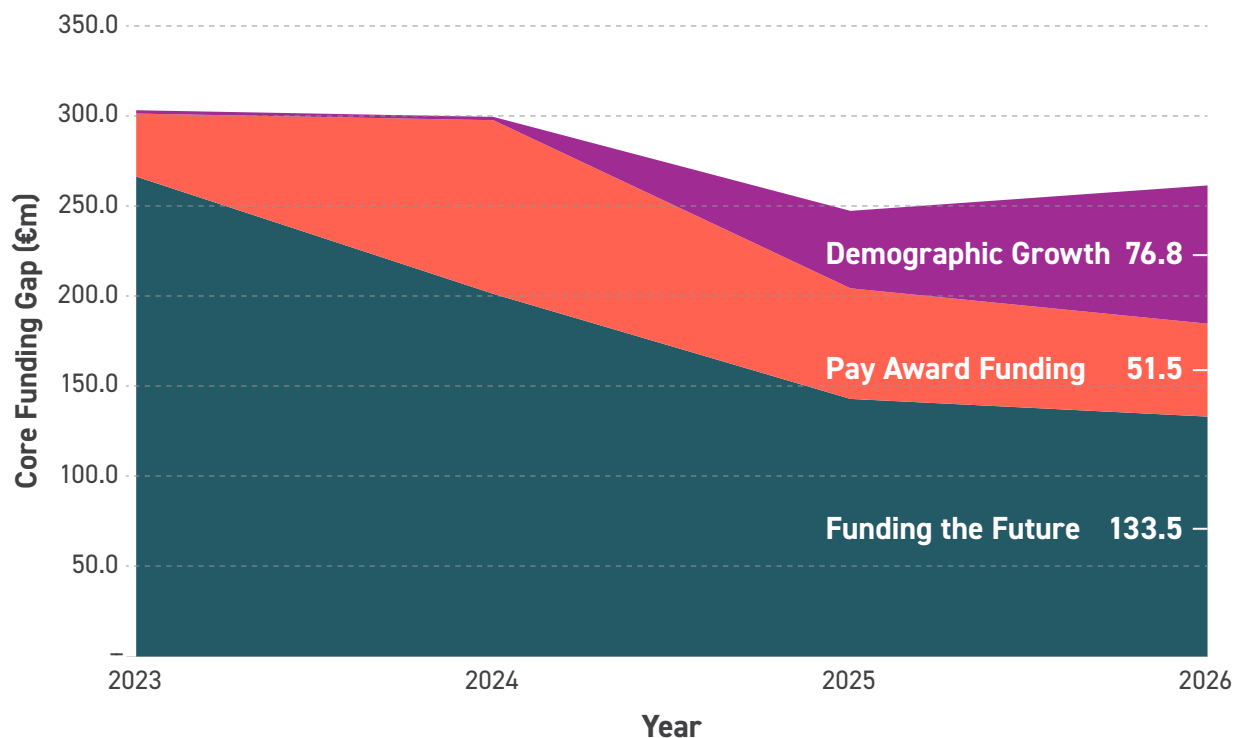
43.5% of the identified funding gap remains to be addressed after four budgets and the rate of progress is declining. Multi-annual commitments announced in Budget 2025 to address the remaining shortfall failed to materialise in Budget 2026.

## Funding the Future Progress



The core funding position has been further compounded by shortfalls in the investment required to meet the costs associated with national pay awards and increased student numbers arising from demographic growth. Government has recognised and acknowledged a shortfall in the core grant funding provided to meet the cost of national pay awards of €51.5 million. In addition, there are over 9,000 additional unfunded students currently in the system representing a further core funding shortfall of c. €76.8 million.

The chart below summarises the current core funding gap by area based on *Funding the Future* commitments:-



International performance is already signalling the consequences of sustained under-investment. Despite continued growth in student demand and research activity, Ireland's universities have experienced a relative decline in international rankings, driven by chronic shortfalls in core funding rather than a deterioration in academic quality. OECD Education at a Glance<sup>4</sup> data indicates that government expenditure as a percentage of GDP in tertiary education remains at approximately 0.4% of GDP or 0.8% of GNI\*, well below the OECD and EU 25 averages of 0.9%, contributing to student-staff ratios of 19:1 compared with OECD and EU norms of 15:1. Teaching and research environment metrics are the ones most directly impacted by income and student-staff ratios and these are the metrics on which Ireland's universities score most poorly.

Investing in core funding will have an immediate and direct positive impact on the international performance and competitiveness of our universities, protecting Ireland's position in the global knowledge economy and providing a real opportunity to exploit the geopolitical instability in competitor markets to attract FDI via international fee income.

4 OECD Education at a Glance 2025

The chronic structural underfunding of the higher education system means that our universities are being forced to make difficult choices with regard to prioritisation of scarce core funding resources resulting in under-investment in critical areas including:-



Academic staff required to support growing student numbers with resulting implication for student-staff ratios and quality.



Student supports; including counselling, disability and career services with a direct impact on student success and wellbeing.



Expansion of places to meet increased demand; resulting in increased competition for places with knock on implications for CAO points and national skills needs.



Library & learning resources; reducing acquisitions of journals, databases and academic resources directly affecting research and teaching quality.



Sustainability and decarbonisation; lack of available resources resulting in deferral of investments necessary to meet decarbonisation commitments.



Catering for emerging areas including AI, advanced manufacturing, digital and green technologies with knock on implications for national priorities and talent pipeline.

Addressing the overall core funding gap of €262 million in Budget 2027 will support investment in critical staff resources and essential non-pay spend. Specifically, investment of €262 million will support the employment of an additional c. 1,100 academic posts together with the necessary related investment in support staff and non-pay costs. This will not only support financial sustainability and institutional strategic capacity building but also, importantly, would have an immediate impact on the quality of teaching and learning, research and innovation and the student experience.

Recognising the challenges in delivering an investment of this scale in the short-term due to fiscal rules and budgetary constraints the IUA is requesting that these legacy funding deficits are fully addressed over the next two Budgets.

# €131m

Accordingly additional funding amounting to €131m will be required in Budget 2027 as part of a 2-year commitment to fully address these core funding deficits.



“Ireland’s highly educated, adaptable workforce has long been its greatest competitive advantage. Close collaboration between multinational companies, universities and research institutions continues to power high-value research and development across the US FDI sector. Sustained investment in education, apprenticeships and research infrastructure will ensure this advantage endures.”

—Paul Sweetman, CEO, American Chamber of Commerce Ireland

# Core Funding 2027 Standstill Requirements

In addition to addressing the legacy funding deficits, Budget 2027 must provide for additional core funding to cover unavoidable cost increases required to maintain existing levels of service in accordance with commitments in *Funding the Future*.

In particular the following budgetary allocations are required:-

## Pay Awards



€12.1m is required to meet the 2027 incremental costs associated with pay awards under the existing Public Service Pay Agreement 2024 – 2026 and additional costs associated with the Public Only Academic Consultant Contract.

Full funding will also be required to meet 2027 incremental costs associated with any successor national pay agreement.

## Demographic Growth

€42.1m is required to fund projected enrolment growth of c. 4,000 students based on DFHERIS projections of full-time enrolments in state-aided third level institutions.

Additional funding amounting to €59.2m will therefore be required to meet the additional costs of maintaining Existing Levels of Services in 2027.

## Increased Cost of Provision of Undergraduate Education

€5m is required in Budget 2027 to meet increases in the required Grant in Lieu of Fees effective from Academic Year 2027/28 arising from significant unfunded increases in the cost of undergraduate provision. The full year impact of this measure is €20m p.a. with the balance to be provided in Budget 2028.

An overall increased core grant allocation of €190.2m is therefore required in 2027 to address legacy core funding deficits and 2027 unavoidable cost increases.

# 06. Impact of Core Investment

The investment in core funding, supported where relevant by necessary related digital capital expenditure, will enable universities to:-



## Develop strategic capacity building and leadership.

Improved financial sustainability and increased core funding will provide university leadership teams with the stability and resources needed to build robust strategic capacity. This will enable universities to:-

- 
- Focus on long-term strategic development rather than short-term crisis management.
- 
- Advance necessary reform and transformation initiatives with dedicated programme leadership and management supporting strong governance and delivery of complex change.
- 
- Ensure stronger alignment with national priorities, enabling institutions to adapt quickly to emerging policy directions, skills needs and national development goals.
- 
- Invest in strategic enablers including strategic planning and data and analytics capability.
- 
- Support institutional leadership development at all levels, strengthening decision-making, organisational resilience and the capacity to lead innovation across academic and professional units.
- 
- Improve risk management, accountability, compliance & governance ensuring institutions meet regulatory requirements, manage geopolitical and digital risks and maintain public trust.
-

## Outcomes

- Improved strategic alignment with national priorities as evidenced by faster response times to government policy changes, increased research responsiveness to national and societal challenges and enhanced collaboration with industry, public sector and civic partners on priority areas such as sustainability, technology, research and innovation and skills development.
- Improved performance and public trust demonstrated through improvements in institutional rankings and external quality assessments, greater transparency in governance and decision-making, enhanced stakeholder engagement and satisfaction and improved institutional resilience during periods of disruption or uncertainty.



## Strengthen Teaching & Learning to meet evolving needs

The recruitment of additional academic and support staff will provide the capacity required to adapt teaching and learning to evolving needs, enhance quality, introduce new modes of learning and develop required graduate attributes. Sustainable core funding will:-

- 
- Improve student staff ratios by c. 1.5 points and support smaller class sizes with enhanced student academic contact time.
- 
- Enable the mainstreaming of more flexible modes of delivery to support upskilling, reskilling and lifelong learning.
- 
- Support the implementation of innovative pedagogies including the enhanced use of VR/AR, simulation and emerging digital technologies.
- 
- Support the necessary curriculum reform to embed transversal skills and deliver the evolving graduate attributes required in a rapidly changing world.
- 
- Expand specialist faculty in areas of national priority including AI, cybersecurity, healthcare, construction, sustainability and green technologies.
-

- 
- Strengthen the professional development of academic staff, particularly in digital, inclusive and evidence-based teaching practices.
- 
- Enable the development of innovative and robust approaches to examination and assessment in an AI immersive world.
- 

## Outcomes

- Delivery of high-skills talent with enhanced transversal skills, supporting Ireland's knowledge economy and future workforce, in line with Programme for Government objectives.
- Flexible learning pathways will enable lifelong learning and adaptability, ensuring Ireland remains competitive and future-ready.
- Provision of graduates required to address critical skills shortages in key sectors such as construction, renewable energy, healthcare and public services in line with Programme for Government requirements.
- Improved international rankings arising from improved SSR's student-staff ratios will enhance the competitiveness of Ireland's higher education system in attracting international students with resultant economic return to Ireland.



## Enhance Student Success & Wellbeing

Sustainable core funding will enable universities to build the staffing capacity and specialist expertise required to deliver a significantly enhanced student experience. In particular sustainable core funding will:-

- 
- Build capacity across key student services including career guidance, academic tutoring, mentoring, career development and learning supports.
- 
- Expand and enhance counselling and mental health provision, improving responsiveness, reducing waiting times and enabling a shift to preventative models of support.
-

- 
- Strengthen disability and inclusion supports, providing targeted academic and transition to employment assistance and ensuring students with disabilities can fully participate and succeed.
- 
- Enhance supports for access students and those on SUSI supports to maximise progression and successful completion.
- 
- Improve the quality and accessibility of programme and module information, helping students make informed choices and navigate their learning pathways with confidence.
- 
- Support expanded investment in access and retention programmes for students from under-represented groups including extending supports to part-time and flexible learners as these become more mainstreamed activities.
- 
- Provide for more flexible out of hours services to support the expansion of part-time and flexible learning.
- 
- Improve the overall campus experience, supporting the creation of safe, inclusive, accessible and digitally enabled campus environments that foster engagement and student success.
- 

## **Outcomes**

- Improved retention, progression and completion rates, advancing Programme for Government goals on social inclusion and equality.
- Improved social mobility, equity and cohesion through the provision of accessible education and the support of diverse learners in line with Programme for Government commitments.



## Enhancing Research & Innovation Capacity

Investment in additional academic staff and early career researchers will increase the capacity of academic staff to engage in research activity. Research and innovation are central to Ireland's long-term productivity, competitiveness and societal resilience. Stable and sustainable core funding will:-

- 
- Support investment in research talent necessary to fully maximise the impact of the INSPIRE research infrastructure investment programme and translate that investment into research excellence, innovation and societal impact.
- 
- Improve capacity to attract and retain world-class research talent, enabling institutions to compete internationally for leading researchers and strengthen Ireland's global research standing.
- 
- Strengthen support for early-career researchers and postdoctoral talent, building a sustainable pipeline of future research leaders and enhancing long-term institutional capability.
- 
- Deepen collaboration with the indigenous enterprise sector, supporting innovation, increasing research-industry partnerships and contributing directly to economic resilience and regional development.
- 
- Enhance competitiveness for external funding including EU and international programmes, strengthening Ireland's participation and leadership in European research initiatives.
- 
- Strengthen engagement between academia and policy makers, supporting evidence-based policymaking and closer alignment with national strategic priorities.
- 
- Support universities in fully leveraging the impact of AI and digital transformation in research, including advanced analytics, automation and next-generation scientific methodologies.
- 
- Strengthen research security and resilience, ensuring universities have the policies, systems and expertise to operate safely in an increasingly complex and geopolitically sensitive global research environment while maintaining openness and international collaboration.
-

## Outcomes

- Improved competitiveness in securing EU and international research funding creating a powerful multiplier effect that drives innovation and accelerates the growth of High-Potential Start-Ups.
- Enhanced research performance generating the knowledge, technologies and talent essential to economic growth and supporting Programme for Government ambitions for innovation and competitiveness.
- A stronger indigenous enterprise base reducing over-reliance on FDI and advancing government ambitions for a more balanced and resilient economy.
- Delivery of solutions in critical sectors including AI, climate and digital transformation alongside strengthened capacity to underpin evidence-based public policy.
- This investment in core funding will translate research and innovation capacity into tangible national outcomes, strengthening productivity, enabling indigenous enterprise growth and positioning Ireland as a credible and competitive leader in European and global research.



**“Our universities and technological universities are central to attracting international investment, strengthening British-Irish economic cooperation, supporting indigenous enterprise and developing the highly skilled workforce required in a rapidly changing global economy. As Ireland and Britain seek to position themselves as a regional economic powerhouse, we must recognise that this ambition can only be realised through sustained and ambitious investment in higher education, research and innovation. A well-funded higher education sector is not simply an educational priority - it is a national economic imperative.”**

***—Paul Lynam, Director General, British Irish Chamber of Commerce***

# 07. Capital



## Human Capital

To secure Ireland's future competitiveness and strengthen its knowledge economy, it is imperative that the government commits to a transformative investment programme in human capital. The rapid pace of digital and technological innovation, particularly the expanding influence of AI, demands that our universities become central agents in cultivating lifelong learning, upskilling and reskilling across society. Achieving this will require a bold and strategic approach, moving beyond incremental change towards a fundamental overhaul of participation in skills development at every stage of life, with a stronger focus on advanced and future-facing skills aligned with national priorities.

The current university system, rooted in full-time, undergraduate programmes for school leavers, must be reimagined. A comprehensive reform of structures, practices, systems and funding models is needed to place lifelong learning, upskilling and reskilling at the heart of universities' core mission. This transformation will enable Irish universities to respond proactively to the evolving needs of individuals, employers, and the wider community.

The IUA is committed to working collaboratively with government, industry partners and key stakeholders to develop ambitious proposals in advance of Budget 2028.

A strategic investment of this magnitude must be supported by a multi-annual funding programme, leveraging resources such as the National Training Fund (NTF). Current fiscal constraints, however, are limiting access to the substantial and growing NTF surpluses. **In Budget 2027 we are calling on the government to commit to urgently addressing these restrictive fiscal rules to unlock accumulated funds to support a programme of investment in human capital**, enabling universities to drive the reform and transformation necessary for lifelong learning, upskilling and reskilling at scale.



## Digital Infrastructure

Higher education is no longer defined primarily by physical campuses or traditional delivery models. Universities now operate as largescale digital organisations. Teaching and assessment, research and innovation, student engagement, institutional governance and external collaboration are increasingly mediated through digital platforms, data systems and interconnected technologies. Artificial intelligence is accelerating this transition at unprecedented pace, reshaping how knowledge is created and applied, how research is conducted, shared and scaled internationally, how students are supported and how institutions manage risk and decision-making.

Future readiness requires universities to embed digital, data and AI capability across disciplines and throughout the learner lifecycle. Achieving this depends on robust, secure and modern digital foundations, moving away from fragmented legacy systems. Required reforms, including expanded lifelong learning, flexible delivery models, enhanced research collaboration, deeper engagement with enterprise and improved institutional agility, are all fundamentally digital-dependent. Without secure, interoperable and scalable digital infrastructure, these reforms cannot be delivered at the pace or scale required. Digital infrastructure is therefore not an optional enhancement or technical add-on, it is a binding constraint on system reform and adaptation, including Ireland's ability to participate fully in European and global research ecosystems.

The changing geopolitical environment has also heightened the importance of digital security for universities. Institutions hold large volumes of sensitive personal data, high-value research datasets linked to national and EU priorities and intellectual property developed with enterprise and international partners. Universities are open, globally connected institutions – a core strength, but also a source of vulnerability. Cyber security, data governance, research integrity and system resilience are now central to public trust, international credibility and national security. In addition, universities must comply with an increasingly complex EU regulatory environment relating to data protection, digital resilience, research security and AI governance, all of which are increasingly embedded in European research funding and infrastructure participation. Compliance is infrastructure-dependent and under-investment increases risk and exposure for both institutions and the State.

Digital infrastructure must be understood as strategic human infrastructure, enabling people to learn, teach, research, innovate and participate fully in society across the life course. It underpins lifelong and flexible learning, future-focused graduate attributes, responsible AI adoption, research excellence and institutional resilience and enables effective participation in European research infrastructure and data ecosystems.

**In Budget 2027 the IUA is seeking a dedicated programme of digital infrastructure investment of €50 million per annum over each of the next five years.** This sustained, multi-annual investment would provide the scale and certainty required to modernise core digital platforms, reduce accumulated technical debt, strengthen cyber and research resilience and enable responsible deployment of AI across teaching, learning, research and administration.

**€50 m**

investment per annum  
over each of the next  
five years.



A sustained multi-annual programme of investment would also enable a more coherent, system-level approach to digital capability, supporting targeted investment in shared digital services and national infrastructure – including through Asiera and other shared platforms where appropriate – alongside institution-level investment that improves interoperability, resilience and value for money and supports coordinated national approaches to research data, digital infrastructure and European engagement. In this way, the programme would strengthen system cohesion, reduce duplication and support reform while respecting institutional autonomy.

Maintaining the status quo is not a viable option. A future-ready higher education system requires modern, secure and resilient digital infrastructure to support reform, manage risk and enable innovation.

A €50 million per annum commitment over five years represents a proportionate and strategic response to an infrastructure deficit that has built up over more than a decade and is essential to ensuring Ireland's universities remain fit for purpose in a rapidly changing world.

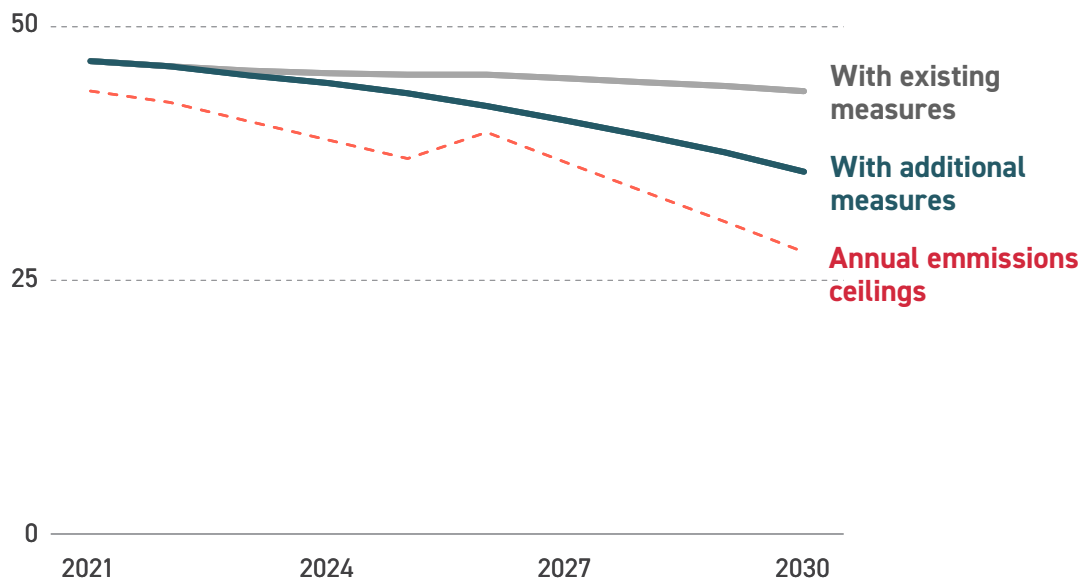


## Decarbonisation

Ireland's progress in reducing greenhouse gas emissions remains significantly off the trajectory required to meet its legally binding national and EU climate commitments, with the Environmental Protection Agency projecting that current policies will deliver barely half of the emissions reductions required by 2030.

### Ireland is likely to have excessive emissions

#### Annual emissions, Mt CO2 equivalent



**Source:** EPA and Ireland's Final updated National Energy and Climate Plan 2024.

**Notes:** Figures show non-ETS emissions. Projection figures are used for 2021 to 2030. Figures do not reflect 2021 and 2022 inventories or either ETS or LULUCF flexibilities.

Recent assessments by the Climate Change Advisory Council and the Irish Fiscal Advisory Council warn that continued under-investment and delayed implementation across the economy now present significant and growing risks for the State, including substantial Exchequer liabilities of up to €26 billion, heightened exposure to energy price volatility and reputational damage at EU level.

Under the Climate Action Plan, the public sector has been tasked with 'leading by example' and IUA universities are committed to delivering on their Climate Action responsibilities and to taking a leadership role in driving Climate Action while also supporting research, innovation and skills development in climate and sustainability solutions.

Collectively the IUA universities are the fourth largest emitter of greenhouse gases in the Irish public sector. The campus concentration of IUA universities together with the universities experienced estates teams, bringing an extensive and proven track record of managing large and complex estates, provides a unique opportunity to deliver carbon reduction impact at scale.

Through their Climate Action Roadmaps IUA universities have identified the opportunity to reduce GHG emissions by c. 61% on 2022 baseline emissions by 2030 at an estimated cost of €475 million. However, IUA universities simply do not have the financial capacity to deliver a programme of investment of this scale and delivering on this opportunity therefore requires multi-annual sectoral partnership and funding from government over a 4-year period.

In Budget 2027 the IUA is therefore calling for:

- a Higher Education **decarbonisation major project fund of €275m** for IUA universities
- a **targeted decarbonisation investment programme of €100m** for IUA universities in key areas of focus including renewable electrical energy generation, renewable thermal generation/district heating schemes, digital transformation of the built environment, design and planning of post 2030 deep retrofit projects.
- a new specific **devolved grant of €25m per annum over the 4-year period to 2030** for IUA universities **for sustainability related minor works.**

The costs, estimated carbon reductions and related funding requirements outlined above are reflective of the portfolio of initiatives identified by IUA members universities only. These would have to be scaled up accordingly to be reflective of the costs and funding requirements of the broader Higher Education sector.

Given existing funding challenges facing IUA member universities this targeted capital investment, provided as part of central government's National Climate Action Programme, is essential to enable universities to implement their Climate Action Roadmaps at pace and scale, reducing emissions, mitigating financial risk to the State and supporting delivery of national climate objectives across the wider economy.

# 08. Conclusion

**Budget 2027** represents a clear strategic choice. Ireland can continue to acknowledge the importance of higher education while allowing recognised funding gaps to persist, eroding capacity, quality, competitiveness and international standing or it can act decisively to close those gaps and secure the foundations of longterm productivity, innovation and social cohesion. The scale of investment required to stabilise and reform the system is known, targeted and time-bound. The risks of further delay are equally clear: sustained pressure on teaching and research capacity, weakening global competitiveness and diminished returns from prior public investment. Addressing core funding deficits in Budget 2027 is therefore not only necessary to restore stability, but essential to protecting Ireland’s economic resilience and future prosperity in an increasingly competitive global knowledge economy.



“Ireland’s SMEs are the backbone of our economy and continue to demonstrate a strong appetite for upskilling and reskilling. A well-resourced higher education sector has a crucial contribution to make in equipping these innovative companies for a bright

future. It is clear from the IUA’s engagement with business representative bodies that demand for skills development and workforce upskilling far outstrips the funding currently available. Addressing this gap is essential if we are to support businesses and strengthen Ireland’s long-term competitiveness.”

—Neil McDonnell, CEO, ISME



Irish Universities Association  
48 Merrion Square  
Dublin, D02 PK02  
Ireland

+353 (1) 676 4948

[info@iaa.ie](mailto:info@iaa.ie)

<https://www.iaa.ie>