

19th September 2023

Leo Varadkar TD
An Taoiseach
Department of An Taoiseach
Government Buildings
Merrion Street Upper
Dublin 2 D02 R583

Micheál Martin TD
Tánaiste, Minister for Foreign Affairs and
Minister for Defence
Department of Foreign Affairs
80 St Stephen's Green
Dublin 2

Simon Harris TD, Minister for Further & Higher Education, Research, Innovation & Science
Michael McGrath TD, Minister for Finance
Simon Coveney TD, Minister for Enterprise, Trade and Employment
Paschal Donohoe TD, Minister for Public Expenditure, National Plan Delivery, & Reform

***RE: Investing in Skills & Talent and the Capacity of Universities to Support
Core National Priorities***

Dear Taoiseach, Tánaiste and Ministers,

We, the Presidents and Chairs of the Governing Authorities of our respective universities, write to seek your collective and urgent action on the question of funding for skills and higher education.

Our staff and students enthusiastically welcomed the Funding the Future commitment by government in May 2022 to address the €307 million per year deficit in core funding for higher education, noting Minister Harris's announcement that the "the question of higher education funding is settled" <https://www.gov.ie/en/press-release/11787-landmark-policy-funding-higher-education-reducing-cost-for-families/> The €307m gap, and the promise to address it, is the annual deficit as identified by your government. That means that the cumulative combined shortfall across 2023 and 2024, not to mention previous years' deficits, is €614m. To date, only €40 million has been provided to address this which has largely been eaten up by the shortage in funding for national pay awards in 2022 and 2023.

Our universities have engaged fulsomely with government and we have pledged to support the delivery of major national priorities. We have been working closely with Minister Harris and his officials over many months to draw up solutions to respond to the growing skills needs of the country. That work was framed in the context of the rising surplus in the National Training Fund alongside the core funding commitments in Funding the Future.

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Cumann Ollscoileanna Éireann, 48 Cearnóg Mhuirfean, Baile Átha Cliath D02PK02

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Registered Office: 48 Merrion Square, Dublin 2. **Company Registration Number:** 264534
CRA Registered Charity Number: 20035983 **Revenue Charitable Status CHY:** 12359

Directors: O. Feely, L. Doyle, D. FitzPatrick, D. Keogh, E. Leinonen K. Mey, J. O'Halloran, C. Ó hÓgartaigh

We understand that the detailed response we have provided to DFHERIS on how the combined higher education system can support the major national priorities have formed the basis of a proposal being considered by government that has been put forward jointly by the Ministers for Enterprise, Trade and Employment and for Further, Higher Education, Research, Innovation and Science.

All of the major national challenges share the common denominator of urgent and growing skills and talent development needs in both the public and private sectors - the proposed doubling of the output of professional healthcare numbers over the next five years; the substantial skills demands to support government climate action plans; the expansion of professional and trades skills to deliver Housing for All; the high-skills demands to support the FDI sector and underpin our thriving knowledge economy; the expansion of lifelong and flexible learning opportunities to our existing workforce.

Our universities, along with other skills providers, have outlined how we will respond to those skills needs in our submission to DFHERIS. We can only do so if the resources are made available to invest in our capacity. The opportunity to make such an investment is available through the combined funding of the system through the Estimates process and by creating a special Skills Development Fund from the €1.5 billion+ National Training Fund surplus.

This Skills Fund, and the expansion of the capacity to address current and future talent needs, is every bit as critical to the future of our country as expenditure on physical infrastructure under the NDP. Indeed, it could be argued that it is more important to future competitiveness and growth. The role of universities in delivering high skills talent to attract foreign direct investment is cited by IDA as a key driver of inwards investment <https://www.idaireland.com/why-companies-choose-ireland#talent-group>

Our universities have shown a willingness to respond to the needs of the country to underpin its talent and innovation capacity over many years. We are now ready to respond to support the formidable challenges facing you as a government. We can only do so, however, if the deficit in funding, as your government has identified and committed to address, is delivered through a combination of regular Estimates funding and a special NTF Skills Fund. We note that this approach has the fulsome support of the enterprise sector and employers as represented by Ibec whose members contribute to the fund.

Delivering high quality education to our students is at the heart of what we do and that, in turn, produces a pipeline of highly skilled talent that underpins our national competitiveness. Our capacity for this has now been stretched to the limit. The latest OECD Education at a Glance report, published in recent weeks, shows that the

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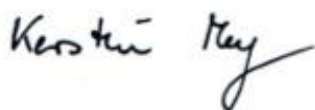
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student-staff ratio in Irish universities has now widened from the 19:1 referenced in Funding the Future to 23:1 as against an OECD average of 17:1. We can turn this around by making the necessary investment now.

We urge you to make a decisive move to build our collective capacity to address the nation's talent needs and to deliver on the commitments you have made under Funding the Future as well as unlocking the bulging National Training Fund reserves. We would welcome the opportunity to discuss this issue further with you as soon as possible.

Yours sincerely,

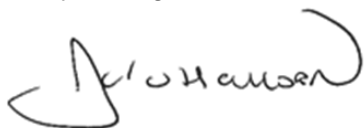


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