Divert 'Apple tax' to fund third-level education, says IFUT

Joan Donegan, General Secretary, Irish Federation of University Teachers

Last week in the *Sunday Independent*, outgoing President of NUI Galway, Dr Jim Brown, proposed to double student fees and introduce student loans to resolve the university funding crisis.

Fee hikes of this magnitude would inevitably impact on access to third-level education for many students and families. It would also force many students into significant debt and make the dream of acquiring a family home even more remote for tens of thousands of our young people.

The Irish Federation of University Teachers believes that instead an opportunity now exists to allocate a designated portion of the Corporation Tax to be paid by Apple to seriously and realistically address the funding crisis in third-level education.

Apple is due to begin initial payments on €13b outstanding taxes to the Irish state in the first quarter of 2018. While an appeal by the company may reduce that figure somewhat, very substantial sums will be paid to the state in the coming years far in excess of what is need to fix the crisis in third-level.

The financial pressures that Dr Brown and other University Presidents have operated under for the best part of a decade are due to persistent cuts in state funding. As he stated last week, third-level education is the 'forgotten child' and has survived on a 'capacity to make do, the creativity and the adaptability of our staff'.'

Recent budgets have delivered far less than the additional monies identified as necessary by the 2016 Cassells Report on Funding of Higher Education, as the state continues to abdicate responsibility for funding the sector.

Ireland's Higher Education system is already over reliant on non-state funding. The fact that certain universities now emphasise fundraising skills as much as teaching or research excellence when hiring and promoting academic staff illustrates the extent of the malaise and distorted priorities due to almost unbearable financial pressures.

In some universities more than 50% of income already derives from student registration and fees, research-related investment and philanthropy.

Between 2008 and 2012 recurrent grant allocations to universities and colleges fell by 25%. Since 2012, the public spend per third-level student has remained below that for second level, with no real sign of corrective budgetary policies by the current government.

A doubling of student fees to €6,000 a year would inevitably prove a significant deterrence to college entry for many middle and low income families.

As an indicator of the likely impact, a 2011 study in the UK found that a £1,000 increase in fees there slashed participation by 3.9%. 2017 figures from the UK Higher Education Statistics Agency show that part-time student numbers in England slumped by 56% since 2010, linked mainly to a raised cap on part-time fees to €6,750 a year.

Increased reliance on fees to fund third-level runs counter to developments elsewhere in Europe. In 2006 German federal states began introducing third-level fees. This policy has now been totally abandoned and no German state retain fees.

Even at the current level of €3,000 a year Ireland's university fee structure will be the highest in the EU following Brexit.

IFUT previously proposed in a submission to the Working Group on Funding in Higher Education, that a set percentage of Corporation Tax be ringfenced for the sector.

The monies to be paid by Apple offer the opportunity to deliver on this proposal and provide realistic funding benefits for our universities and our young people.

A working group comprising Revenue, the Department of Finance and the third-level sector should immediately be established to address implementation of such a scheme.

Any future introduction of a loan scheme for third-level students would need to be linked to rigorous monitoring of the impact on participation levels and its affect on disadvantaged sectors. It could also serve to drive increased graduate emigration and under the model identified in Cassells, would create a significant medium-term drain on state resources.

Designating a set percentage of Corporation Tax from the unexpected Apple windfall would, therefore, provide the most safe, secure and fair investment mechanism to meet the needs of education and the economy, while providing full transparency and not impinging on academic standards or independent research.