



# USI PRE-BUDGET SUBMISSION 2014



**Union of Students in Ireland**  
*Aontas na Mac Léinn in Éirinn*



## USI President's Foreword

A Chara,

Education is a public good.

Education is the foundation for a cohesive and compassionate society.

It is the bedrock of a knowledge and skills-based economy.

A properly resourced education system could be the spark to ignite the flame of prosperity and opportunity for our whole society.

Highly skilled graduates are needed to drive economic growth. In order to keep our students in higher education, student supports must be protected in Budget 2015.

The student maintenance grant is a vital support for students and it was protected for the first time in five years in Budget 2014. Despite this year's steepest rental increases since 2007 and the rising costs of college, there has been no corresponding increase in student supports. If we are to maintain and extend access to high quality education, it is imperative that these supports be protected again in Budget 2015.

Students across Ireland and their families know that these pressures are unsustainable. This summer's crisis in student accommodation is indicative of the financial pressure students and their families are experiencing.

Education is our priority and hundreds of thousands of students and their families are asking you to make it yours.



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**EDUCATION IS...**

**A PUBLIC GOOD**



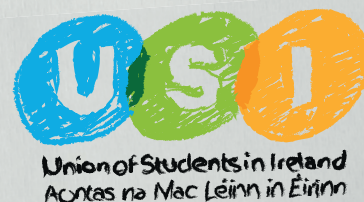
# EDUCATION IS...

## TOO EXPENSIVE

COST OF COLLEGE PER YEAR: **€13,000**  
AVERAGE MAINTENANCE GRANT  
PAYMENT FOR ACADEMIC YEAR: **€3,025**

**17.2%** RENT INCREASES IN DUBLIN  
**10%** NATIONAL INCREASE  
- HIGHEST RENT INCREASES SINCE 2007

**64%** OF PARENTS STRUGGLE  
TO COVER COLLEGE COSTS



#EducationIs



## Protect the Maintenance Grant – Protect Access to Education

76,000 students are supported by the Student Maintenance Grant, 38% of all full-time students. The average student maintenance grant, at €84 per week, is less than the lowest rate of Job Seekers' Allowance at €100.

If we are serious as a nation about protecting access levels to education, the Government must commit to protecting the Maintenance Grant in Budget 2015.

The Higher Education Authority's recent report (July 2014) on student progression rates has highlighted financial pressure as a key factor affecting student drop-out rates. There is now a higher level of non-progression to second year in college for those in receipt of the grant. The Government now knows that cutting the grant weakens access and retention at third level among the least well off, and will lead to an increase in dropout rates.

In 2011, Department of Public Expenditure and Reform officials stated "The level of the student grant, particularly at the standard rate, is generally regarded as insufficient to meet the maintenance costs of going to college."

The DPER officials went on to say that "given the relatively low income thresholds at which students may qualify for support, any reduction in the rate would impact most severely on students from the least well off backgrounds and possibly even contribute to an increase in rates of dropout, which would negate the overall investment made by the state in relation to such students at third level."

Three years later, the grant remains insufficient, and cuts continue to impact most severely on students from the least well off backgrounds.

The maintenance grant was protected in last year's Budget. It had been cut either in the rate, threshold or eligibility – in each of the four preceding budgets. Postgraduate support was also cut.

The 2012/2013 SUSI debacle only served to highlight the vast importance of the student maintenance grant to vulnerable students and families.

A recent Bank of Ireland study calculated the yearly cost of attending third level at €13,000. The average maintenance grant payment is €3,025. So a combination of dramatic increases in rental accommodation, the now annual increase in the student contribution, a saturated part-time employment market and rising inflation have all combined to dramatically widen the gap between student college costs and student supports, to the extent that even maintaining the grant, is, in effect, a decrease in support. They can take no more. In Budget 2015, the Government must commit to protecting the student maintenance grant.

## Protect the Back to Education Allowance – Support Mature Students

The Back to Education Allowance (BTEA) is the core support available to mature students to return to education and participate at third level.

Any changes to the scheme could hinder the participation of mature students, often with family obligations, in third-level education.

We know that we are not meeting our targets as it stands for mature students in higher level education. The target is an 18% participation rate and we currently have 15%.

It is right that BTEA is targeted at courses that will lead to employment. But any changes to the scheme must be evidence-based, and must not disadvantage mature students who wish to return to education.

Mature students have already been disproportionately hit with cutbacks in recent Budgets. We must ensure this trend is not allowed to continue and their active participation in Higher Education continues to be championed.

EDUCATION IS...

FOR EVERYONE



## The Future of the Student Contribution

Minister O'Sullivan has signalled her intent to increase the Student Contribution Charge by €250 in Budget 2015 until it reaches €3,000 in 2015.

In many circumstances this charge is a barrier to entering third-level and across the board hard-pressed families are making sacrifices to pay this increased fee.

The recent Irish League of Credit Unions study shows that 79% of parents are supporting their children financially through college, contributing €428 per month per child to cover the costs of college. Parents are saving for an average of 8 years to put their offspring through college. **64% of parents struggle to cover the cost of college.**

- 72% of family budgets have been adversely affected by the third level contribution fee. 44% of students now living away from home compared to 32% in 2013. 51% of students have to work throughout the academic year to find their third level education, working on average 19 hours per week.

- Many students are forced to take on additional hours in part-time jobs (where they are available) to meet this charge, and their academic work suffers as a result. USI believes a mid-term study on the financial and mental impact of these incremental increases on students and families should be carried out post-haste.

- The former Minister for Education's rationale for breaking his pledge and increasing the Student Contribution Charge by 50% was the severity of the economic situation, to ease pressure on the exchequer: "It is clear that we have to proceed over the next few years within a very constrained funding environment." Now, as we plan for national recovery and a less-constrained funding environment, the Minister must set out a timeline for the reduction of the charge to pre-crisis levels.

EDUCATION IS...

OPPORTUNITY

### No Deferred Payment Scheme

Resources allocated to Higher Education are not merely public spending but public investment with a proven guaranteed return. **Public funding of Higher Education provides long term benefits economically, socially and culturally.**

Ireland's competitive advantage lies in producing highly skilled, highly qualified graduates which form the foundation of our future workforce and our economy.

Student loans and deferred payment schemes are not the answer. Students elsewhere have seen the consequences of crippling student debt, whilst families from poorer backgrounds tend to be much more debt averse.

USI want a commitment that no deferred payment scheme will be introduced during the lifetime of this Government.

The Minister must also commit to ensuring that no deferred payment model of funding Higher Education is introduced in the lifetime of this government.

### Return the €25 million to Higher Education Funding

Over the past two years €25 million has been held back from the higher education budget. In 2013, this was stated to be a reduction 'on a once off basis' to reflect cash balances in the sector with no impact on front line services. The intention then was to restore this amount in 2014. However, that was delayed until 2015. **Higher Education Institutions are finding it increasingly difficult this year and services have been impacted.** Unless it is restored in 2015, this will in effect materialise as a further cut in budgets that will have significant and continuing impact on front line services and on the quality of students' education. USI strongly advocates that this €25 million should be returned. A portion of this should then be ring-fenced for the Student Assistance Fund (SAF). The SAF was used up in many colleges by November 2013. This year, the allocation of the fund has been reduced further from €8m in 2013 to €6.6m in 2014. This vital fund for the most vulnerable students is sure to run out in the first semester, especially with rising college costs and accommodation costs. The Government must commit to supporting these students so that they can remain in education.



# The Student Accommodation Crisis & Assisting Student Commuters

## Background:

With no corresponding increase in student supports, the cost of college and the cost of accommodation is rising steeply.

Nationally, rents have risen by over 10% in the space of 12 months with the national average rent now €950 per month compared to €825 previously. In Dublin, rental rates have risen by 17.2% while campus accommodation has risen by up to 13%.

According to Daft.ie's latest Quarterly Rental Report, by August 2014, there were 40% fewer properties available to rent compared to this time last year.

For students looking for accommodation, the 2014/2015 academic year is one of the toughest for over a decade. The imbalance between supply and demand is particularly acute in Dublin and rents are edging closer to their 2007 peak.

## Year-on-year changes in monthly rents – major cities, Q2 2014:

Dublin:	€1,345	up 17.2%
Cork:	€866	up 7.4%
Galway:	€845	up 6.7%
Limerick:	€682	up 6.3%
Waterford:	€608	up 2.8%

## What has the Union of Students in Ireland done?

As a short-term measure, the USI have launched the 'Homes for Study' campaign which includes the website [Homes.USI.ie](http://Homes.USI.ie). This allows homeowners to list their spare rooms and their conditions with the objective of providing students with contacts for those willing to help. USI has distributed over 20,000 leaflets to homeowners informing the public of the 'Rent a Room Relief' Scheme where a room can be rented for up to €10,000 tax free.

## USI is calling on the Government to:

- Provide support for the USI campaign to promote the 'Rent a Room Relief Scheme'.
- Commit to building purpose-built student accommodation places. There are approximately 80,000 students in the Dublin region with less than 3,000 purpose-built accommodation places. With growing student numbers, the need for purpose-built student accommodation needs to be addressed as a matter of urgency for students and for the reputation of Dublin as a viable place to study and live both for home students and international students. USI has already approached the PRTB to conduct a study into the student accommodation deficit.
- Introduce regulations to ensure adequate space standards for student accommodation and build.
- In the longer term, the approach to the provision of housing needs – including student housing – needs to be changed. The developer-led model is driven by profit rather than housing need. This approach has led to an oversupply in some areas, an under-supply in others and an almost exclusive focus on providing three bedroom semi-detached houses which only addresses specific elements of the overall housing requirement.
- Create a Student Housing 2020 strategy to complement the Construction 2020 strategy.
- Lower the cost of public transport for students in commuter areas in line with other EU countries.

EDUCATION IS...

WORTH PROTECTING



## Public Transport:

Ireland is bottom of the EU table for proximity to public services. One quarter of people who use public transport in Ireland use it for travelling to college or work – this is the second lowest usage in the EU. The Government made public transport more affordable for 16-18 year olds and USI believes it's time to do the same for third-level students. In Paris, student travel discounts are matched with circumstance. In Berlin, there is a specific third-level transport discount card, the cost of which is included in registration fees. In Vienna, there is a specific student semester card.

The Union of Students in Ireland is asking public representatives to raise these issues in Dáil Éireann and Seanad Éireann and within their political parties and groups.

**EDUCATION IS...**

**FOR A BETTER FUTURE**





**Union of Students in Ireland**  
*Aontas na Mac Léinn in Éirinn*

### About USI

The Union of Students in Ireland is the representative body for Ireland's 354,000 students in third-level education. We work for the realisation of students' needs, justice and human rights.

### Locate USI

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