



Union of Students in Ireland
Aontas na Mac Léinn in Éirinn

STUDENT REACTION

**A USI GUIDE TO
BUDGET 2021**

OCTOBER • 2020

Key Points

- Total Budgetary Spend of nearly €18 billion. €3.4 billion recovery fund to stimulate employment and recovery. Capital expenditure will increase to €10 billion. An additional €3.8 billion will be allocated to core current expenditure across departments. An additional €2.1 billion will be held in contingency and will be made available as needed.
- €340 million has been allocated to spend on Brexit supports in 2021, including compliance expenditure at airports and ports which will create an additional 500 staff for checks ahead of January 1st. This is prepared on the assumption that no trade deal will be reached between the UK and the EU.
- €50 million financial assistance fund for all full-time students in Higher Education. This will equate to a €250 non-means tested grant which will likely be paid as a top up for those in receipt of a grant, or directly into the account that the student contribution charge was paid. The process will be finalised later this week. This is a one-off payment.
- Increase of the Postgraduate SUSI Threshold to €54,000. Payment will increase to €3,500.
- Full review of SUSI to take place between now and next summer which will review eligibility and adjacency rates, part-time education and other costs.

Student Reaction: Funding for the Department of Further & Higher Education, Research, Innovation and Science

Overall Spend: €3.1 billion

USI Analysis: Whilst many of the initiatives funded through this year's budget, such as the €50 million for Financial Assistance for students are welcomed, they still fall far short of the significant investment required by the Higher Education sector. The commitment to sustain the additional places that were made available through this year's CAO are welcome but core funding available to the sector still pales in comparison to what is needed. The calls for a reduction in the Student Contribution Charge have not been answered. That being said, many of the other investments are to be welcomed including the additional Path 2 funding and the increase in both the Postgraduate SUSI payment and the thresholds for this payment. The commitment to a full review of SUSI within the next year is welcomed, and it is essential that students play a central role in this process.

Key Points:

- One-off €50 million Financial Assistance Fund for all full-time students in Higher Education, equating to €250 per student. This will be paid into the account through which a student has paid their Student Contribution Charge, or as a top-up to the grant a student is in receipt of – whichever is most applicable. It has not yet been clarified whether this will be open to International/Non-EU students.

This payment is welcomed, and goes some way to acknowledging the impact that COVID-19 has had on the financial situation of students and their families. However, USI maintains that the systemic barriers preventing students from accessing Higher Education will not be addressed through one-off funding packages but through significant investment in core funding.

- SUSI free grant for postgraduate study has been increased by €1,500 to €3,500 and the income eligibility threshold has been increased to €54,000. It isn't yet clear whether this will include any change to the existing SUSI maintenance grant for postgraduate students (currently postgraduate students are only eligible for the maintenance grant if they qualify for the special rate).

The additional financial support for postgraduate students is welcomed but it must be acknowledged that this falls short of USI's budgetary asks for the postgraduate grant to be reinstated to pre-2012 levels, which would include the reintroduction of the maintenance grant for students not in receipt of the special rate.

- €20 million has been allocated to ensure SUSI rates can be maintained going forward to meet the increased demand owing to the impact of COVID-19 and the additional places created this year.
- The Minister has announced a full review of the SUSI scheme to be completed next summer. This will review eligibility and adjacency rates, part-time education and other costs. See [here](#).

The review of SUSI is going to be absolutely essential to ensure that the true costs associated with attending third level education, and current cost of living are accurately reflected in the outcomes of this review through increased funding and thresholds. It is also imperative that student representatives are included and integral to discussions reviewing grant systems in general so they can reflect the lived experience of so many students across the Island.

- The 5,000 additional places allocated within Higher Education this year as a result of demographic changes and additional demand arising from the Calculated grades process will continue to be accounted for within core funding for Higher Education going forward, at a cost of €38 million.

This is welcomed but doesn't address the long term funding needs of the sector. With rising student: staff ratios which will only have increased as a result of these additional spaces being created, the funding needs of the sector continue to increase year to year.

- An additional €1.5 million has been allocated in PATH 2 funding which will result in an additional 200 bursaries being made available to support entry to HE through the 1916 Bursary.

An additional 200 bursaries being made available for students is a welcome announcement for individuals who are often under-represented and unable to access higher education. The announcement of the additional bursaries does allude to the fact that access to higher education can be very limiting depending on your financial and societal situation so the establishment of an accessible, publicly funded education system would go a very long way in ensuring education in our country can be accessed for all.

- €276 million in capital expenditure, supporting up to 20 building projects and supporting the development of research capabilities in Higher Education through the Irish Research Council including support to 1,100 postgraduate students.

Investing in growing research opportunities will play a vital role in enhancing Ireland's knowledge economy. Investment in research is a key element of the need for additional and sustainable funding for higher education. We must ensure that the postgraduate

students in our HEIs are adequately supported by this funding and are protected without fear of precarious employment and poor working conditions.

- €27.5 million on Skills Development which will oversee the provision of 10,000 up-skilling & re-skilling opportunities through SOLAS and Skillnet Ireland, and €8 million to support the provision of over 4,000 new Apprentices through the Apprenticeship Incentivisation Scheme.

The allocation of €8 million to support the provision of over 4,000 Apprentices through the Apprenticeship Incentivisation Scheme is a welcome announcement for apprenticeship employers who take on apprentices on national apprenticeship programmes, and individuals looking to start an apprenticeship. Yet, this announcement does not provide any additional supports for apprentices currently in their programmes. The government must ensure that apprentices are adequately supported throughout their programmes and studies through financial and social means. On another note, this announcement does not recognise or address the disparity and lack of female participation in apprenticeships. There is a definite need for a new approach to supporting and encouraging female participation, which could be done via a similar incentivisation scheme for female apprenticeships.

Student Reaction: Funding for the Department of Housing, Communities and Local Government

- €22m for homelessness programmes including additional beds

This is a welcome investment, though more funding will be needed to address the issues surrounding homelessness accommodation and access to essential services for those who are homeless.

- €500m for capital expenditure on housing for 9,500 new social housing units in 2021

This is a significant amount less than the calls from Raise the roof for 100,000 social housing units to be built in this government's lifetime. Building social housing units is certainly a positive, but the amount being built is significantly less than what is required to meet the challenges ahead.

- An additional €78 million on Housing Assistance Payment (HAP), accommodating an additional 15,000 households.

Most students do not qualify for the Housing Assistance Payment so this is unlikely to affect the majority of students.

- €10.8 million to support the Housing Agency and €11 million to support the Residential Tenancies Board (RTB) and funding allocated to increase local authority inspection activity in the rental sector.

Student Reaction: Funding for the Department of Education and Skills

USI welcomes the additional funding for Teacher Education to address the issue of Teacher supply. USI has raised the issue of unpaid placements for student teachers, and overall cost of teacher education previously. However, further funding is required on a long term basis to

remove barriers facing students who wish to access teacher training programmes for example increasing Student Assistance Fund for PME students, as well as extending the availability of SAF to all ITE programmes.

- An additional €1 million funding has been allocated to Teacher Education to address the shortage of post-primary teachers in key subject areas such as Maths, Physics and Spanish.
- €2 billion allocated to support students with Special Education Needs. Creation of 900 new SNA jobs and 403 teaching positions.
- Pupil: Teacher ratios will be reduced to 25:1 through the creation of 300 new mainstream posts

Student Reaction: Funding for the Department of the Environment, Climate and Communications

- A further increase of €7.50 per tonne in the Carbon Tax rate.

Government action on climate change is important and an increase in carbon tax is cautiously welcomed. However, an overall increase in carbon tax per tonne will disproportionately impact students and those from low socioeconomic backgrounds. This further increase will place many under further financial pressure and stress due to their inability to make changes to their living conditions and off set their carbon emissions through retrofitting their homes. USI acknowledges within this budget some efforts have been made to support those impacted by this carbon tax increase, yet students will be disproportionately impacted and therefore we would call for these supports to be extended to students. USI believes that the carbon tax should be measured on a scale of those who release the most emissions i.e. large-scale emission generating companies.

- €210 million for the rollout of the National Broadband Plan, targeting 115,000 households for high-speed fibre by the end of 2021.

Given the huge rise in home working and studying as a result of COVID-19, investment in the National Broadband Plan is crucial – and it is even more vital that this work is expedited and targets areas of low connectivity.

Student Reaction: Funding for the Department of Social Protection

Total Budgetary Allocation: €22 billion.

USI Analysis: Whilst there are some elements of the Social Protection budget to be welcomed such as the confirmation that the 100% Christmas Bonus will be paid to recipients of the Pandemic Unemployment Payment, there are many things that have not been addressed through this budget. Those aged between 18-24 continue to receive a lower rate of Jobseekers Payment and have been disproportionately impacted by unemployment during the Pandemic. Core social welfare rates have also not increased - meaning that the most vulnerable in society continue to be left behind.

- All current rates will be maintained, but the top rate of the Pandemic Unemployment Payment will not be restored.

It is disappointing that there will be no restoration of the €350 rate, in spite of the increasing number of people who are likely to be made unemployed in the coming weeks and months as COVID-19 restrictions are increased.

- Increasing Living Allowance by €5 to €19

This payment is mostly made to older people and people with disabilities – any increase in the financial support available to them is to be welcomed.

- Increasing Fuel Allowance by €3.50 per week by over 375,600 households.
This is welcomed but it is important to note that not all of those who are directly impacted by increased in fuel costs due to the carbon tax will be eligible for the fuel allowance.
- Removing the €425 earnings threshold on the One Parent Family Payment.
- Increasing the weekly Qualified Child Payment payable to families in receipt of social welfare by 5 euro for over 12s, and 3 euro for under 12s.

This is welcomed and may be of benefit to student parents.

- Increasing the Carer Support grant by €150 euro

This is very much welcomed to support carers during a difficult time, but given that those in receipt of a carers allowance are not permitted to undertake work or education for more than 18.5 hours a week, this will have a limited impact on students.

- Introduce an earnings threshold of €480 per month for self-employed people on the PUP to allow them to take up intermittent or occasional work without losing their payment.

This is welcome, self-employed people particularly those working in the Arts and creative industries may have occasional opportunities to take up work over the coming months but will still require state support until things are on a stable footing for them to resume business.

- The 100% Christmas Bonus will be paid this year to recipients of the Pandemic Unemployment Payment, and equivalent recipients of Job Seeker's Payment who have been on these payments for four months or more.

We welcome this measure – many people have lost employment this year through no fault of their own and it is important that they are entitled to equivalent supports that others in receipt of social protection payments would be.

- Whilst unconfirmed, we understand that students currently in receipt of the Pandemic Unemployment Payment will continue to be entitled to this payment whilst in full-time education.

USI has been asking for clarity on this since summer, and it is disappointing that clear information is yet to be provided. We will seek confirmation in writing from the Departments of Further & Higher Education and Social Protection on this.

- Increase the earnings disregard for the Disability Allowance by €20 from €120 to €140

USI welcomes these supports for these vulnerable groups who have been impacted most by COVID-19. Yet, USI is disappointed that the highest rate of Pandemic Unemployment Payment will not be restored. Due to COVID-19, many people have lost their jobs due to no fault of their own and the reduction to the Pandemic Unemployment Payment will make these people more exposed to the impact COVID-19 heading into the winter months.

Student Reaction: Funding for the Department of Health

- €38 million for Mental Health services to address the needs of the population arising from the impact of COVID-19, and to address the expected increase in demand for a range of services, including early intervention programmes and Mental Health Intellectual Disability Programmes. This spending will progress the 'Sharing The Vision' strategy.

Funding for mental health services is absolutely critical for our country, not only because of the undeniable impact a COVID-19 setting, as reflected from a student perspective in USI's COVID-19 Research Report, but also in for a general post-COVID Irish society. Mental Health has long been a taboo subject so it is refreshing to see the importance on protecting mental health reflected in the budget. Funding mental health services cannot be a one-year commitment. It needs to be an ongoing priority for government.

- €25 million for Healthy Ireland plan and measures under the National Drug Strategy.
- €100 million for Disability Services in line with the Transforming Lives programme and the UN Convention on the Rights of People with Disabilities. Some of this funding will also go towards initiatives such as 'Progressing Disability Services for Children and Young People'.

This announcement is greatly welcomed to support a vulnerable group who have been immensely impacted by COVID-19 and support children and young people with disabilities within the continuum of the system to succeed. However, it is regrettable that there was no increase in the Disability Allowance payment nor attempts to introduce a Cost of Disability payment.

- Prescription charges for medical card holders will be reduced by 50c.

Any reduction in the cost of essential medicines is to be welcomed.

- A further increase of 50 cents in the price of a packet of cigarettes

This is a positive step to discourage smoking amongst people in general, the move further makes Ireland one of the most expensive places for purchasing cigarettes behind New Zealand and Australia.

- €1,300 million for COVID-19 Measures including €650 million to meet the costs associated with maintaining appropriate levels of PPE stock to ensure all healthcare professionals have the protection they need and €650 million for the continued operation of testing and contact tracing.

Student Reaction: Funding for the Department of Children, Equality, Disability, Integration and Youth

- An increase in spending on Youth Services by €5 million which will include expenditure on the LGBT+ National Youth Strategy.

This is very welcome and a significant recognition of the importance of youth work within Irish society. For several years, little attention or support has been shown to the youth services sector financially and this is a clear move away from this and supporting our young people.

- Additional funding to support the provision of accommodation to asylum seekers that is in compliance with the standards agreed by key stakeholders (abolition of Direct Provision).

€225m into the international protection system is welcome and a move toward improving conditions for those living in Direct provision, however significant investment will be needed to take the appropriate action of ending this inhumane system.

Student Reaction: Funding for Department Tourism, Culture, Arts, Gaeltacht, Sport and Media

Total Package: €1.082 billion

- Additional €14 million funding for the Gaeltacht and Irish Language broken down into
 - €8 million to Údarás na Gaeltachta
 - €2.8 million for schemes supporting Irish and the Gaeltacht
 - €1.7 million to Foras na Gaeilge
 - €1.3 million for the 20 Year Strategy for the language.
- €3.5 million allocated to TG4

This is a welcomed increase of 23% in funding from 2020 for the Gaeltacht and the Irish Language, in particular the funding provided for Údarás na Gaeltachta and Foras na Gaeilge are positive steps in the preservation of the Gaeltacht and the Irish Language in the coming years. USI worked closely with Conradh na Gaeilge in their lobbying efforts for this funding, and highlighted the need for increased funding in courses through Irish which has been address in an additional stimulus for the remainder of 2020.

Student Reaction: Funding for the Department of Enterprise, Trade and Employment

Total expenditure of €1.128 billion

Student Reaction: Funding for the Department of Transport

- A total of €3,301 million has been allocated to land transport which includes spending on major Project 2040 programmes including expansion of Bus Connects, Metrolink and the DART.

A shift to increasing expenditure significantly on public transport is welcomed. This is well needed investment that will increase capacity on public transport. This has the potential to make life a lot easier for students in the future with regard to physically accessing campuses, especially for those in areas that experience high congestion or poor transport links.

- This will also support the development of a number of important Active Travel and Greenway infrastructure projects.

Investment in greenways is welcomed and will help make towns and cities more vibrant.

Student Reaction: Funding for the Department of Community and Rural Development

- €5 million for work on Broadband Connection Points and Digital Hubs in rural areas, to support those studying and working from home.

It is pleasing to see this announcement given USI's work over the summer to try to address the digital divide for students living and studying in areas with poor internet access. It is crucial that this funding is made available to commence important work to this effect as soon as possible.

Student Reaction: Funding for the Department of Enterprise and Employment

- Minimum wage to be increased by just 10c per hour, from €10.10 to €10.20.

This is disappointing. The Programme for Government commits to equalising the Minimum Wage and the Living Wage, which currently stands at €12.30. This demonstrates no real progress in realising that ambition. Many students are on minimum wage in their part-time employment and this increase will have limited meaningful impact on their earnings.

Student Reaction: Shared Island Vision

A new multi-annual capital funding scheme of €500 million over 5 years for cross-border capital expenditure to support a Shared Island.

As a cross-border organisation, any commitment to cross-border spending is to be welcomed. This will provide funding on a strategic basis to collaborative North/South projects including road and rail infrastructure, investment in the North-West and strengthening of North-South health links. Within third-level, there is specific commitment to the expansion of places at Ulster University's Magee campus in Derry, and supporting a North/South programme of research including an all-island research hub through Universities Ireland.

Reactions from across Society:

USI Response to Budget 2021 - 'Budget 2021 ignores barriers preventing student access to higher education in favour of piecemeal one-off funding'

Irish Universities Association

IUA Budget 2021 Statement - 'Some positives for Higher Education in Budget 2021 but many missed opportunities'

Technological Higher Education Association (THEA)

Statement from THEA in response to Budget 2021

Irish Federation of University Teachers (IFUT)

IFUT Response to Budget 2021 - 'Higher Education focus in Budget welcome but sector must be included in new Recovery Fund to ensure sustainability, says IFUT'

Teachers Union Ireland (TUI)

TUI Response to Budget 2021 - 'Budget 2021 fails to recognise the value of education'

Social Justice Ireland

Social Justice Ireland Analysis and Critique of Budget 2021 - 'Budget leaves poorest behind despite Government rhetoric'

Irish Congress of Trade Unions (ICTU)

ICTU Response to Budget 2021 - 'Largest budget in the history of the states' does not ensure sufficient support for low-paid workers and low-income families'

SIPTU

SIPTU Response to Budget 2021 - 'SIPTU says that Budget 2021 fails to address the crisis in the childcare sector'

Forsa

Forsa Response to Budget 2021

Threshold

Threshold Response to Budget 2021 - 'Threshold welcomes Government's commitment to tackling homelessness'

Association of Secondary Teachers in Ireland (ASTI)

ASTI Response to Budget 2021 - 'Budget 2021 fails to protect students' education during pandemic'