



**Submission to the
Oireachtas Joint Committee on
Education and Social Protection
on the
Draft General Scheme of the
Technological Universities Bill
2014**

March 2014

Ibec's main business sectors are:

- Alcohol Beverage Federation of Ireland
- Financial Services Ireland
- Food and Drink Industry Ireland
- ICT Ireland
- Telecommunications and Internet Federation
- Irish Medical Devices Association
- PharmaChemical Ireland
- Retail Ireland
- Small Firms Association
- Industrial Products.

General observations

IBEC welcomes the opportunity to comment on the Draft General Scheme of the Technological Universities Bill 2014. The proposed technological university offers considerable scope to improve how business and education institutions work together on a range of issues, including the development of more 'work-ready' graduates, the provision of employee education and training, more effective knowledge transfer, and a structure that acknowledges the importance of close-to-market research and the availability of consulting/problem-solving services.

There are many good examples of the above strengths in the existing Institutes of Technology (IoT). The sector itself has a strong regional presence and well-developed links with local business. However, from a business standpoint, it is critical that the proposed technological university designation is not, what the Higher Education Authority (HEA) has termed, a 'relabelling exercise' of existing IOTs. The proposed change of status should drive improved performance while stimulating the development of a new type of institution with a distinct mission and character that differentiates it from existing universities. These include breadth of provision and an enterprise focus.

The success of the new technological universities will be judged by their contribution to growth and employment. Ireland has the highest percentage of young people progressing to higher education in the EU (almost 60%), but one in four young people are unemployed. It is vital that the technological universities equip students with the skills needed in the jobs market and work with business to bring the learning experience closer to the world of work.

Quality and funding

We need coherence and certainty if the higher education system is to successfully deliver the levels of efficiency, performance and innovation needed to support Ireland's economic recovery and social development over the coming years. The broad direction suggested in the Draft General Scheme of Bill is welcome in this regard. However, higher education funding remains a critical challenge.

Ibec recently (March 24, 2014) launched *An Ireland that works* campaign which sets out the key priorities for business in the next phase of the recovery. This will form a central part of Ibec's activities to influence and shape the national debate. With the Troika gone, Ireland has important decisions to make on how to build on the economic progress already made, tackle unemployment and drive growth across the economy. We need to get these right. Ibec identified five pressing issues on the national agenda that will have a major impact on Ireland's success into the future. One of these was 'Invest in the future'. As part of this priority we have drawn attention to the critical need to increase effective investment in education and put in place a sustainable funding model for the third level sector.

Over the last six years, expenditure per third level student has fallen by over 40%, at a time when competitor countries are increasing investment. We have reached a tipping point in terms of the impact of these funding cuts on quality. This message is beginning to reach international audiences and will undermine our efforts to attract mobile investment. In a 2013 Ibec survey, by far the most important factor in deciding where to locate R&D was the availability of skills. The mergers and rationalisation within the IoT sector forms an integral and welcome part of the architecture around

the technological university. However it must not be allowed to further reduce investment in the higher education system.

Overall, Ibec welcomes the thrust of the Heads of Bill, as drafted. The Draft General Scheme deals with a complex range of issues which will be addressed in greater detail when the Bill is published. Notwithstanding the complexity of the issues, we would suggest that the enactment of the legislation proceeds as speedily as possible. Five years have passed since the launch of a process to develop a national strategy for higher education, of which the technological university is just one component. In the interim, there has been significant uncertainty in the higher education sector which has been exacerbated by the funding cuts outlined above. The enactment of this legislation will mark an important milestone in a reform process in which momentum must be maintained.

Specific provisions of the Draft General Scheme

Ibec does not propose to comment in detail on the specific provisions relating to operations and detailed governance arrangements contained within the Draft General Scheme. Issues such as transfer of land, property, staff, records, accounts etc. are within the remit of the institutions themselves. This submission focuses on the application for becoming a technological university, its objects and functions, and governance.

Head 28: Criteria

According to the HEA's Process and Criteria for Designation as a Technological University, the university should provide programmes at higher education Levels 6 to 10 to meet local, regional and national demand and to meet the university's responsibilities in respect of educational opportunities at these levels.

The 14 Institutes of Technology have also published a document entitled *Principles of Internal Quality Enhancement for Technological Universities*, the first module in the Technological Universities Quality Framework project (TUQF)¹. It sets out ten high level principles which will underpin the internal quality cultures of Technological Universities, and which will inform the further development of TUQF. The TUQF states that at the heart of the university's mission is the provision of education and training programmes across Levels 6-10 of NFQ:

- that provide accessible and flexible learning pathways for students from a diverse range of backgrounds;
- that facilitate the progression of their students across the different levels of the Irish NFQ;
- that produce professionally ready graduates that are distinguished by their capacity to use knowledge in the workplace, and a commitment to continued learning, active citizenship, enterprise and innovation;
- that directly support the delivery of regional and national economic objectives and make a measurable impact upon local and national businesses and enterprises;
- that improve national capacity in the delivery of upper occupational training;

Therefore this breadth of provision is one of the differentiating characteristics of the technological university but is not covered in the Draft General Scheme. It should be explicitly included.

¹ http://www.ioti.ie/images/uploads/io0005_qual_frmwrk_final.pdf

Head 50: Objects and functions

Ibec welcomes the objects set out under this head. It particularly welcomes the emphasis on supporting entrepreneurship, enterprise development and a skilled workforce. The emphasis on collaboration with business and other education institutions is also welcome.

However the importance of quality, or the role of Quality and Qualifications Ireland, has not been addressed under this Head. The TUQF project referenced above has been developing on an incremental and modular basis:

- principles of internal quality assurance (QA) and quality enhancement;
- QA of research provision, including the organisation of PhD programmes;
- QA of taught undergraduate and postgraduate provision, including validation, monitoring and review of programmes;
- QA of collaborative provision (national and international);
- QA of education provided to international students, including requirements relating to the International Education Mark.

The legislative framework should underpin the quality principle

Heads 52, 53 and 54: Governing Body

Heads 52, 53 and 54 set out the composition and function of the Governing Body. A useful model for the Committee to consider in its deliberations exists in Denmark. Under the 2003 University Act, the status of Danish universities changed from government institutions to ‘independent institutions under public-sector administration’. The aim of the 2003 Act was to strengthen teaching, research and knowledge exchange based on a strengthening of the institutional framework of the universities. It was designed to increase the universities’ prioritisation and decision making capacity within a framework where academic self-government is maintained while ensuring that the universities remain independent of special interests.

There are a number of welcome advances, particularly the proposal that the majority of members will be external and that the chairperson will be an external member, set out in the Draft General Scheme. However, the suggested maximum of 20 members is too large for effective decision making. We recommend that the optimum maximum governing body size would be 15 people.

The inclusion of an Education and Training Board (ETB) nominee is welcome, given the need for an integrated approach to skills development at a regional level and the requirement to progress students across the different levels of the National Framework of Qualifications. However the legislation may need to be more specific on a nomination mechanism where there is more than one ETB in the region.

Given the global nature of the higher education sector, Ibec would also recommend that the legislation should specify the inclusion of an international member on the Governing Body.

Effective governance requires clear definition of the reserved and executive function of the governing body and executive. Head 54 should provide greater clarity on the separation and responsibility of the responsibility of the roles.

We would also question the requirement for every question addressed by governing body to be voted on (Head 8, Section 5). Having established the principle of smaller less sectional boards, the legislation should encourage a consensual approach to decision making with provision for voting where consensus cannot be reached.

Head 55

International evidence suggests that there is a strong correlation between university performance and self-determination (so called “autonomy”). At a time when deregulation is regarded as a more efficient way of organising so many other areas of economic activity, the Irish university sector remains highly regulated, particularly in terms of HR management (a trend that has intensified during a period of severe fiscal constraint). In addition, with autonomy comes accountability. The Higher Education Authority has recently developed a performance evaluation framework with accountability measures.

The suggested provisions in Head 55, which provides a directive power to the Minister on remuneration, numbers of public servants and collective agreements, undermine the concept of institutional autonomy. Higher education institutions need the autonomy to set strategic direction, manage income streams, manage and reward performance to attract the best teaching and research staff.

Throughout the history of the State, Ireland has also enjoyed a voluntarist industrial relations tradition. There are forums to deal with disputes and there are mechanisms to deal with exceptional circumstances. The direct engagement model has been one of the drivers of our economic growth, and remains central to sustaining Ireland’s economic recovery. This model should also be applied to the university sector or we will continue to have the unacceptable position whereby higher education institutions are subject to agreements to which they are not party.

Head 61

Head 61 indicates that Academic Council should control the academic affairs of the university. This provision is out of line with modern university governance in which the governing body is the highest authority. The Academic Council should advise the governing body.

Conclusion

Ibec wishes to thank the Joint Committee on Education and Social Protection for the opportunity to present its views on this important piece of legislation. Ibec would be prepared to appear in public session to present and develop the points made above.

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