



Northern Ireland  
Assembly

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**COMMITTEE  
FOR EMPLOYMENT  
AND LEARNING**

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**OFFICIAL REPORT  
(Hansard)**

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**Student Loans (Amendment) Bill**

22 September 2010

**NORTHERN IRELAND ASSEMBLY**

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**Members present for all or part of the proceedings:**

Mrs Dolores Kelly (Chairperson)  
Mr Jonathan Bell (Deputy Chairperson)  
Mr Sydney Anderson  
Mr Chris Lyttle  
Mr David McClarty  
Mrs Claire McGill  
Mr Pat Ramsey  
Ms Sue Ramsey  
Mr Peter Weir

**Witnesses:**

Mr Adrian Kelly            )       National Union of Students – Union of Students in Ireland  
Mr Gareth McGreevy     )

**The Chairperson (Mrs D Kelly):**

We have with us no less than two presidents, one from Queen's University, Gareth McGreevy, and the other from the University of Ulster, Adrian Kelly. I started off talking about Ulster Unionist presidents. Given the day that is in it, I suppose that that is an easy mistake to make.

You are both very welcome this morning. This briefing will be recorded by Hansard. I

remind Committee members and members of the public to switch off all electronic devices because they have, thus far, had a detrimental effect on Hansard. The Bill will prevent student loans from being included in individual voluntary arrangements (IVAs). Responses to the Department's consultation on the Bill were supportive, and the single response to the Committee's public notice on the Bill was positive. I invite Mr Kelly and Mr McGreevy to brief the Committee on their respective views of the Bill and to raise any other issues of concern.

**Mr Adrian Kelly (National Union of Students – Union of Students in Ireland):**

Thank you, Chairperson. Thank you very much for the opportunity to speak to the Committee this morning. I hope that members will bear with me. This is the first time that I have made a presentation to any such Committee so, to be honest, my presentation is not much more than what is in the briefing document.

The University of Ulster students' union greatly appreciates the opportunity to comment on the Student Loans (Amendment) Bill and the opinion of our membership being sought. The students' union accepts and supports the Bill and agrees with the reasoning that student loans should not be reduced under any individual voluntary arrangement. We strongly believe that the financial sustainability of the student loans system is crucial to allowing many young people to enter third level education. Without that form of financial assistance, the opportunity of higher education would simply not be available to them. That is very poignant for a lot of members of my students' union who come from the University of Ulster. As I am sure the Committee is aware, the University of Ulster has a commitment to widening participation. A lot of our members come from lower socio-economic backgrounds and have relied on the student loan system to allow them to enter third level education.

The students' union believes also that the Government could better allocate financial resources in the higher education sector to benefit a greater number of students, rather than having to cover the shortfalls in the student loan repayments that are currently due to IVAs. Furthermore, the students' union recognises that the fairness in the current system must be maintained and is crucial to its success.

Although the University of Ulster students' union greatly appreciates the opportunity to

comment on the Bill, we and our membership believe that of far greater importance is the general issue of student debt and the future of funding of third level education in the North. The increasing numbers of students and recent graduates applying for IVAs is but a symptom of the increased financial pressures that are being exerted on students. We urge the Committee for Employment and Learning to take cognisance of that larger issue.

On the issue of debt, every other region in the UK is having a discussion on the future of higher education funding. We need to begin that discussion. Vince Cable, the Secretary of State for Business, Innovation and Skills, started that discussion in England over the summer. The discussion was about graduate tax, which is outside of the Browne review. We believe that public money, and a vast amount of time, has been spent on the Stuart review of third level education in Northern Ireland, and yet, six months after its completion, that review remains parked on the shelf. We would like to see the review published for those who participated, especially us. We invested a large amount of time in that and would like to begin the discussion on the future of third level education funding.

**The Chairperson:**

Thank you very much. Gareth, I invite you to say a few words, during which you may want to tease out some of the comments that you made over and above the IVAs.

**Mr Gareth McGreevy (National Union of Students – Union of Students in Ireland):**

The sentiments of the Queen's University Belfast student union (QUBSU) echo Adrian's. In principle, we support the Bill to maintain a financially sustainable student loan system in Northern Ireland. Student loans should be fully recoverable and not substantially reduced under any IVA system. The principle of higher education being free at the point of entry is of the utmost importance to students in Northern Ireland. As Adrian said, the efforts of each university in Northern Ireland to increase and widen participation among those from the lower socio-economic backgrounds are of great importance and a key principle of free-at-the-point-of-entry education that we would like to see maintained.

There is a fear that, if the Bill is not passed, there may be a substantial increase in the number of people applying for IVAs, due to the current economic climate in Northern Ireland, which

would leave our higher education funding system open to abuse. QUBSU does not believe that the Government should add any additional funding for unpaid student loans. Student debt is an issue of great importance and a wider issue under IVAs. There is an increasing level of student debt and an increasing level of graduate unemployment — it has grown by 5% over the past few years. That is something that the Department needs to address, and we can work in partnership with the national unions to try to combat that.

Another area of concern is the repayment level of student loans, which should have some reflection of the inflation in student tuition fees from the original £3,000. The threshold of repayment should be increased to reflect that.

An increase in student support, possibly under the student finance system in Northern Ireland, is something that we would like to discuss. The debate on higher education funding needs to start. Given the amount of public money that was spent on the Stuart review, and bearing in mind that we are independent of the Browne review in the UK, it is time that we in Northern Ireland saw the report. I put time into that review, and student officers know that you put time into that review, my predecessors put time into it, and, most importantly, the student body in Northern Ireland put time and effort into it. Therefore, it is time for the report to be released, independently of the Browne review at Westminster.

**The Chairperson:**

We have certainly heard that message loud and clear, and the Committee shares your concerns.

You both talked about student debt. Perhaps I should declare an interest, because I have two daughters with considerable student debt. Will you give us a sense of what the average student debt is?

**Ms S Ramsey:**

Not your own. *[Laughter.]*

**Mr A Kelly:**

Luckily enough, our debt is slightly less than that of the students coming through at the minute,

because students who started university the year after I did saw an increase in their tuition fees. Therefore, their debt is substantially more. I do not mind declaring that my debt is in and around £13,500, whereas students are now coming out of university with debts ranging from £17,500 — if they are looking after the pennies — to £22,500. The evidence from the NUS in England is that student debt is considerably higher there, at £25,000, and that it is only going upwards.

**The Chairperson:**

Had I not used my endowment policy, my daughter would be nearly £25,000 in debt, because she did a postgraduate degree in Scotland, the fees for which were £6,500 a year.

**Mr McGreevy:**

Adrian went through the previous system. However, I was one of the first students to go through the new system and have a debt of around £19,000. That is without taking into consideration hidden course costs and living costs. I do not know what it is like at the University of Ulster; I am talking specifically about those at Queen's. Students have to buy course materials and pay for trips away. I studied law, so I spent lot of time on work experience. Therefore, there is a lot more than just student loans and tuition fees to take into consideration, especially living costs.

**The Chairperson:**

I must say that those are shocking figures.

**Mr Weir:**

I am not aware of the detail of the Stuart report, so one of the actions that we need to pursue is to ask the Department for some degree of clarification about that.

**The Committee Clerk:**

The Department has indicated that it is — let me phrase this properly and carefully — waiting for the outcome of Lord Browne's review before it publishes the findings of the Stuart report. Joanne Stuart, who authored that independent report, will be at the Committee's further education and business breakfast in a fortnight and will be available for discussions with members. She understands that situation. Lord Browne is due to report very soon, so it is likely that Joanne Stuart's report will be realised fairly soon as well. However, we can ask the Department to

clarify that.

**Mr Weir:**

First of all, as regards the IVA side of it, you have obviously indicated that you are fairly supportive. From what you said, I presume that that is on the ground of protection of the overall system in case too many people — at present, not many people have used IVAs in terms of the student loan side of it — flood into that loophole and wreck the whole system. Presumably, if I am picking you up right, there are also equity or equality issues involved, because the people who use IVAs lurch a much greater burden onto those who do not. Is that a fair summation of your position?

**Mr A Kelly:**

For want of a better term, that hits the nail on the head. We believe that the majority of students do not know about that system at the minute. If it became common knowledge among the student body, there would be a sharp increase in the numbers claiming IVAs, because, as I am sure everyone can appreciate, nobody likes to be lumbered with a large debt. The terms of an IVA stand for six years, but it takes a lot longer than six years to repay most student loans. Some may view IVAs as the easier option in unburdening themselves from that debt. To maintain a fairer system for all and for those not entering into IVAs, the Bill should be enacted.

**Mr Weir:**

Secondly, turning to the wider student loan system, you have acknowledged the pluses and minuses. It generates a high level of student debt, but, on the flip side of the coin, you have also acknowledged that the student loan system is fairly crucial to the idea of a wide level of participation. The Deputy Chairperson and I were at university during the pre-loan days of student grants, when there was a lot less financial burden on students. However, by the same token, there were fewer opportunities for people to go to university then.

**Mr Bell:**

Only the special ones.

**Mr Weir:**

I cannot comment on that.

You mentioned that you felt that, particularly in light of the rise in fees, the threshold for repaying student loans should be increased. Do you have any specific figure in mind for the increased threshold? How do you see that operating from your side of things?

**Mr McGreevy:**

NUS-USI actually submitted a paper about that to the former Chairperson, Sue Ramsey, in March. It highlighted the —

**The Committee Clerk:**

We have received that paper. We requested the NUS-USI's view on what level of salary graduates should be earning before student loan repayments begin. The figure that it gave us was £21,000.

**Mr A Kelly:**

There were three figures, and that figure was the average. The Higher Education Statistics Agency found that a new graduate employed in 2009 earned £19,677. The Prospects directory said that graduates earned an average salary of £24,048 in 2008. The Association of Graduate Recruiters said that it would pay a graduate £25,000 in 2009. That gives the Committee an idea of what graduates are earning.

**Mr Weir:**

I understand that, previously, repayments did not kick in until there was a certain percentage threshold of the average wage. Is that still the case?

**Mr A Kelly:**

The threshold is £15,000 per annum.

**Mr Weir:**

Is it set at a specific figure or at a percentage?



**Mr McGreevy:**

It is set at that figure.

**The Chairperson:**

Given that the Committee has a number of new members, I suggest that we recirculate that paper.

**The Committee Clerk:**

On the back of the NUS-USI paper, the Committee took advice from the Department as to how that threshold could be raised. The Department advised that that would have to be a joint action from England, Wales and Northern Ireland, with participation from the Student Loans Company. We wrote to the corresponding Committees in England and Wales and asked for their assistance in pushing their Departments to do that. Our understanding at the time was that the Department for Employment and Learning was engaging with its counterpart Departments in Wales and England. We have not had any feedback on the matter since. We were told that it would be a long process. However, that was some time ago. Perhaps this is an opportune time to pursue that.

**The Chairperson:**

We will pursue it.

**Mr A Kelly:**

Graduates have to make repayments to the Student Loans Company of 9% of all earnings above £15,000. NUS-USI argues that that level has remained the same, with no inflationary increase. Inflation has not been applied since 2006-07. We do not see why the rationale of annual inflationary rises is applied to tuition fees and not to the repayment level. The paper contains a number of figures that detail repayment levels, the increase and how that short-changes students.

**Mr McGreevy:**

They are calculated on the respective percentage increase in student tuition fees versus the repayments.

**The Chairperson:**

It would be useful to recirculate the paper to all members. This is going to become a very real issue. Has the paper been updated or amended in any way?

**Mr McGreevy:**

It includes statistics for the current academic year. Therefore, it is up to date.

**The Chairperson:**

Maybe you would leave a copy or send one to Peter.

**The Committee Clerk:**

Obviously, the Committee went to the Department and asked about the logistics of raising the starting salary. At the time, the Department pointed out that if you raise the starting salary at which loans begin to be repaid, you take more repayments out of the system, which, theoretically, was initially designed to fund new loans. That means that the Student Loans Company's income drops considerably. That shortfall would have to be met, by and large, by Departments.

The Department for Employment and Learning (DEL) already puts considerable resources into that system. As members are aware from figures that we have seen, student maintenance accounts for £300 million of the DEL budget. Altogether, higher education receives £0.5 billion — around 60% — of DEL's budget. The Department was trying to highlight the fact that if the starting salary were raised, it would have to step in considerably more, which would squeeze resources elsewhere. It seems to be a particularly complex problem. If members are agreeable, we will seek a further update from the Department on how that sits and what is happening in its discussions with the other jurisdictions.

**The Chairperson:**

Indeed, that would be useful.

**Mr P Ramsey:**

Adrian and Gareth, you are very welcome. There is reasonable contentment on the fundamental reason why you are here, which is the Student Loans (Amendment) Bill. Clearly, it is a good

opportunity for you to present to the Committee in a more formal way. There are a number of issues. You represent almost a quarter of a million students across Northern Ireland. It is important that we hear what students think and believe in. Sir Graeme Davies is carrying out a review of higher education. I am keen to hear how you see that going from your perspective, as well as how we can look at the repayment levels of those loans. It is the first time since I have been on the Committee that I have seen the students' unions formally coming in.

**The Chairperson:**

I met them in June; I thought it would be a good idea to bring them along.

**Mr P Ramsey:**

We have a forthcoming Committee meeting at the Magee campus. There is no reason why the representatives of the students' unions should not attend the networking event — the breakfast morning — that we are having as well. I propose that we include them in it.

There is a range of issues that affect all of us, and the campuses. Tremendous work goes on at Magee on campaigns about alcohol-related events and so on, and I welcome the tremendous work that is ongoing with the alcohol forum in Derry. You are here for a fundamental and specific reason, but it would be good to hear other issues affecting students. I suggest that, at a later stage, we invite you back to discuss in more detail the higher education review or other areas of ultimate concern, so that we can give students an open door to let young people know that their voices are being heard. That is more important to me.

**The Chairperson:**

The Derry meeting at Magee is on 20 October, and Sir Graeme Davies will be reporting to the Committee then. It may be useful for you to listen in on that. It may be too early at that stage for your response, but thereafter, we would seek to formally invite you back to give us your perspective.

**The Committee Clerk:**

Also, by that stage the Stuart and Browne reports will be available.

**The Chairperson:**

Hopefully.

**The Committee Clerk:**

We assume that the debate on those reports will have started by then. That would be a useful time to do that.

**Mr Bell:**

The Stuart report is independent, but the Browne report, if the leaks are to be believed, is likely to make some sort of statement about the Russell Group of universities and about increased tuition fees — up to a maximum of £6,000, and then each university sets them. The Stuart report will not be completely independent of what Lord Browne reports, and the Browne report will have relevance to Queen's University as part of the Russell Group of universities.

**Mr McGreevy:**

I met our vice-chancellor and several members of our executive in relation to that. At senate, they had supported the proposal by the Russell Group. We questioned why, and the vice-chancellor said that he would not support it because we have our own independent review here in Northern Ireland and that we was taking his position as a director of the Russell Group, not as vice-chancellor of Queen's University, Belfast, which I found quite comical.

I think that shows that Queen's is trying to distance itself from the Browne review in name, and is trying to play up the Stuart review. That is where we are coming from. We held a referendum on that issue.

**The Chairperson:**

That is an interesting dynamic.

**Mr Bell:**

My view, for the record, is that if you are going to retain quality in education at Queen's, you will have to go with the Russell Group. However, we can agree to differ.

**The Chairperson:**

Or they may well have to invest in the economy and realise that higher education —

**Mr Weir:**

That is for the University of Ulster. *[Laughter.]*

**The Chairperson:**

Those are arguments that will play out on the Floor of the Assembly somewhat.

**Mrs McGill:**

Adrian and Gareth, you are welcome. You are unambiguous in your support for the Bill; that is welcome. That helps someone like me. I want to put on record that you raised the review of student fees. I raised that issue a number of times before recess, and I was wondering where it was. I heard Joanne Stuart say recently — perhaps within the past week — that it has been agreed that the Minister wants the review to come out in tandem with the Browne review. Is that the case?

**The Committee Clerk:**

That is the understanding that we have.

**The Chairperson:**

We can write to the Minister and ask whether that is still his intent.

**Mrs McGill:**

I am open to contradiction on this, but I heard Joanne Stuart say that on TV.

**The Committee Clerk:**

My understanding is that that is the way that the Department is working now. Obviously, Lord Browne's review started at a different time. When Joanne Stuart's review started, Lord Browne's review was not envisaged. That is as far as I am aware, but I am willing to be corrected. That is why the timings are different. The Minister indicated that there would have to be a debate generally, and that the Student Loans Company operates across jurisdictions, so any variance in

tuition fees and so on may well have implications — if there is some kind of graduate tax — for Revenue and Customs, and that that would also have to be across the jurisdictions. That was why the Department said that it needed to hear what was being said elsewhere and that the debate should be all at the same time, hence keeping the publishing of the two reports in tandem.

**Mrs McGill:**

I should like to have seen that much sooner. That is why I raised the issue on a number of occasions.

**Mr A Kelly:**

Just to reiterate the point, my executive, members of our union and I are very disappointed that the Stuart review has not yet been published. We are of the opinion that it has been stalled for six months simply to wait for the Browne report to come out. We accept that the Browne report and the Stuart report will have to be taken together and consideration given to both, but we feel that the Stuart report has been stalled deliberately to allow the Browne report, which will receive much wider publicity and coverage, to overshadow it. Given the amount of time invested by our members, people in government and Joanne Stuart, and given the money invested, it is very disappointing not to see a return and that paper to be published.

The higher education system in Northern Ireland is not the same as England's. The higher education system in Scotland does not operate in the same way as England's either. There will be contradictions in both reports, but the fact is that the Browne report will receive much more attention and will overshadow any recommendations that come from the Stuart report.

**The Chairperson:**

There was talk about consultants' reports earlier on the radio, but, unfortunately, there are lots of buried reports around here. We can raise that point with the Minister.

**Mr McGreevy:**

I want to reiterate a point that I made in my presentation: we do not want to see the report parked. We want to see it out in the open. It would also be interesting to find out how much public money was spent on the report.

**The Committee Clerk:**

We have established already that there was no remuneration to Joanne Stuart at all.

**The Chairperson:**

There is a cost for publication of the report.

**The Committee Clerk:**

But I just —

**Mr Weir:**

It has not been published yet.

**The Committee Clerk:**

The Committee wrote to Joanne Stuart and commended her for not taking any remuneration. That needs to be on the record.

**Mr P Ramsey:**

She is one of few.

**Mr Weir:**

I am sure that the Committee will do likewise and the Chairperson and Deputy Chairperson will follow suit.

**Mr S Anderson:**

I don't know about the Deputy Chairperson.

**The Chairperson:**

I do know.

**Mr Lyttle:**

I realise that we are pressed for time, so I will try to be brief. I echo the welcome to Mr

McGreevy and Mr Kelly. I am a recent graduate of Queen's, and it is great to see the student bodies making such concise contributions to these issues. The NUS-USI briefing touched on graduates making a contribution based on their post-study earnings. Have you given any thought to that wider debate that you can feed back to the Committee?

**Mr McGreevy:**

The wider debate about the graduate tax proposal?

**Mr Lyttle:**

The briefing says that:

“a contribution based on their post-study earnings”

should be considered in the wider debate about student finance and ensuring accessibility. I am happy to discuss that with you further at another stage.

**Mr McGreevy:**

Is that in terms of repayment level?

**Mr Lyttle:**

It does not link it to anything, really; it just makes the comment.

**Mr McGreevy:**

There are two issues: whether it be reflective of the repayment level or whether it is the higher education funding system in respect of a graduate tax proposal, which, as Adrian Kelly mentioned, Vince Cable — *[Inaudible due to mobile phone interference.]*

**Mr Lyttle:**

Do either of the bodies have a position on that at the moment?

**Mr McGreevy:**

We would need to consult our membership, first and foremost.



**Mr A Kelly:**

Our membership is opposed to a graduate tax. The Committee is probably aware of the NUS blueprint for change. That was voted down by our student body at a recent union general meeting. However, in the times that we are in and moving forward, we realise that there is a need for changes to the higher education funding system and that our student body will have to look at that blueprint again. One of our priorities for this year is to find a definitive way forward, because we realise, and I am sure that Queen's and NUS-USI realise, that we cannot continually come to the table and raise issues and complaints without bringing with us some solutions. We realise that that is key to solving any problem. We might meet you only halfway, but at least we are coming forward with some form of solution.

**The Chairperson:**

That is a useful approach, and I am sure that it will be broadly welcomed.

**Mrs McGill:**

I think that it was Adrian who mentioned widening participation. Is either of you aware of the widening participation regional strategy that the Department is involved in and on which we are awaiting a report?

**Mr McGreevy:**

I have heard rumours in relation to cuts in the funding of widening participation.

**The Chairperson:**

Have you heard anything other than rumours? Were you formally invited to comment?

**Mrs McGill:**

Mr Kelly mentioned widening participation. It is important, particularly for those who come from the lower socio-economic groups. It is obvious to me that it is important to you and your members. I was keen to know whether either of you had heard of the strategy. I think that it is on its way.

**The Chairperson:**

Have you been consultees on the strategy?

**Mr A Kelly:**

No. I was not formally aware that there was a formal strategy in place. I heard discussions in university committees, similar to what Gareth heard. I know that it is of concern to the University of Ulster, because widening participation is one of its key aims. It will be a bit of light reading for me.

**The Chairperson:**

We await progress with interest. There are no other questions. I thank you for your presentation, which was broader than the remit that you were given. Thank you for your attendance and your contribution. I hope that you will be able to take up our invitation for 20 October and that we can form a relationship, because there are tough times ahead for all of us. We want the voices of the students and young people to be heard at Committee level.