

Proposed exchequer- employer investment mechanism for higher education & further education and training.

Context

The views of Congress on this proposition were outlined last December to the Oireachtas Committee on Education and Skills. We indicated then our support for the proposed use of the National Training Fund (NTF) for the Further Education and Training (FET) and Higher Education (HE) sectors, and this submission is a further articulation of these views.

Section 7(5) of the national training fund act provides that the minister will from time to time consult with employer bodies and unions on the application of fund monies to programmes for those in or seeking employment. This approach reflects the way education and training initiatives are managed in most countries and was carried over into the governance structure of apprenticeship. This approach should be carried forward in the governance or advisory functions of this initiative.

We are surprised that the document makes only passing mention of the threats posed by Brexit, and especially in the manufacturing sector. A final document should contain concrete and explicit proposals for state aids to training in order to increase productivity in vulnerable sectors and additional funds- modelled on the EGF but more nimble and less bureaucratic - to assist workers made redundant in Brexit-related restructuring. Such proposals would highlight the difficulties in striking a balance between general and specific education and training as the skills deficits have not yet been identified – and indeed may not be identifiable to the existing employers of the workers concerned. Reference should also be made to the European Union strategy and the new opportunities that will arise for a high skilled work force with Europe. This will include measures to promote European Union policy initiatives such as; ECVET, EHEA, EQF, Europass, Skills agenda including the Skills Guarantee and mobility enablers.

The OECD PIAAC survey and the recent survey on Lifelong Learning conducted by Solas SLMRU highlight serious shortcomings in the uptake of learning in Ireland's workforce. . Ireland's lifelong learning rate, at 7.2% in 2015 is less than half the benchmark set by the EU under Education & Training 2020 which aims to have 15% of adults aged 25-64 engaging in lifelong learning by 2020 The existing uptake is skewed towards the higher educated and the young, which is the opposite of what it should be. Much of this problem is located within the group who are in the labour market. If the proposal is to proceed it must be on the basis that it generates additionality and that it does not substitute for in-work training that should be undertaken by employers in any event. An anomaly which also needs to be addressed is that of an adult returning to higher education who is charged full fees after paying many years of tax and PRSI

Questions One and Two.

As outlined in our submission to the Joint Oireachtas Committee on Education and Skills, 'Congress agrees with the recommendation in the report that employers should be required to make a structured contribution to the funding of higher education. We further agree that this contribution should be made by increasing the NTF levy. The levy raised circa €350m in 2015. Congress notes that every 0.1% increase in the levy will raise in the region of €50m and we propose that the rate of

contribution be increased so that at least €750m is raised through the levy annually'. It is worth noting that the amount to be raised by this initiative is approximately the same as the annual amount forgone by the exchequer in maintaining the 9% rate of VAT in the booming accommodation and food services sector. If the burden is to be shared fairly across employers there is an argument that larger and more complex enterprises gain more by an increase in skills. There is therefore a valid argument that part if not all of this same should come from employers' profits reflected in Corporation Tax, either by levy or hypothecation. This would achieve a fairer sharing of the burden between large and small employers and between indigenous companies and SMEs.

The proposals in the document contain elements of a partial solution to the funding problems of the HE/ FE sector. The proposal needs to be accompanied by additional public funding for the FE/ HE sector in general. It should be accompanied by an immediate capping of the current €3,000 student charge. The current student contribution scheme needs to be reviewed to give consideration of tax relief for families with more than one person attending higher education. Further there needs to be a more flexible mechanism developed to facilitate the paying of the student contribution. Conditions need to be in place to make sure that higher education providers do not also apply 'local levies' under the guise of autonomy.

Any funds made available under the proposal should be directed as a priority towards public sector not-for-profit education institutions. Strict measures should be put in place to ensure that 100% of the money allocated translates into supporting teaching and is not diverted into other activities within the institutions. The money should not be subject to 'administrative overhead charges' levied by some HEIs on external funds. The money must be directed to programmes relevant to the world of work including upskilling and new apprenticeships.

Question Three

There are a number of bodies ranging from the EGFSN to Skillnets to the Regional Skills fora which contribute to this process. What is missing is an overarching body representative of all enterprise stakeholders – such as the National Apprenticeship Council. The use of the phrase 'identifiable skill need' is a pragmatic admission that some future skill needs are not immediately identifiable. The funds should support programmes which are accredited, recognised on the national framework of qualifications (NFQ) and have clear progression routes.

Question Four

An area that needs to be addressed is fluency in modern languages. The forthcoming Department of Education & Skills strategy document on language learning must be viewed as a vital part of the infrastructure for implementing the National Skills Strategy. Specifically, consideration needs to be given to incentivising providers such as the ETBI's to provide adult language courses. It is hoped that the long awaited language strategy document will soon be published. Given almost fifty years of free secondary education there are many adults who have studied a modern continental language to Leaving Certificate level but whose language skills have atrophied. The adult and community education sector could be used as a key resource here in reactivating dormant language skills. Further there is a need to develop programmes to cater for the digitisation of the workplace. Such programmes should be available in both the FE and HE sectors. In addition, consideration should be

given to programmes which assist the skills development of new migrants and refugees to enhance social inclusion and integration opportunities.

Question Five.

Further and higher education institutions are central to developing and nurturing a skilled workforce. A core problem in this sector is the spread of precarious employment practices. This question addresses what is a key concern for unions—that of the spread of precarious employment in the FE and HE sectors. If the sector is to attract and retain talent that there must be greater certainty of tenure and earnings especially for new and early career entrants. A useful starting point for this is the full implementation of the Cush report, and its extension to support grades. The fund should also have mechanisms to assist teaching staff to engage in upskilling activities to modernise programmes and make them relevant to the world of work.

Question Six.

The extent to which employers take a medium, let alone a long term view of their workforce skill requirements is open to debate. The extent to which the employers of today are capable of articulating the skill needs of the employers of tomorrow is also questionable. There is a need to ensure that courses funded under this initiative are broad-based rather than product-based and provide a range of transferable skills which enhance employability. The fund should prioritise programmes at NFQ Levels 6 to 8 which have a clear focus on skill needs for the world of work. The funding should be proportionately allocated across disciplines, including the Arts and Humanities. In addition, there is a need to ensure a regional balance in provision of courses and by extension in the allocation of funding. This will involve a different ratio for minimum course numbers outside Greater Dublin and other large urban areas.

Question Seven

This question alludes to partnerships between education and enterprise and contrasts with the terminology used in other parts of the document which refers solely to employers. This is an interesting distinction and reflects the difficulties in reconciling the concerns of business, which are necessarily short term, and those of the economy and society, which are necessarily long term. The structure of education/enterprise partnerships should ideally reflect our experience of what has been proven to work, i.e. the National Apprenticeship Council, the National Competitiveness Council and Skillnets. In the event of the NTF funding programmes with a work placement element, the participants should be remunerated by employers at the prevailing rate for the job as is currently the case in UL.