



Trinity College Dublin

The University of Dublin

MEMORANDUM

To ConsultationNTF@education.gov.ie
From Diarmuid O'Brien, Chief Innovation & Enterprise Officer, Trinity College Dublin
Date 27th March 2017
Reference National Training Levy Consultation Process
Due Date 13th April 2017

Trinity welcomes the open consultation process in relation to the proposal for an increase of the national training levy from 0.7% to 1.0%.

In particular, it is recognised that the consultation process is framed with the specific purpose of responding to the Cassells report and the challenges facing the higher education sector that it highlighted; including:

- The growing demographic of students who will require HE – growth by 27% by 2028 over 2015 levels.
- The poor comparative spend on HE compared to OECD.
- The poor comparative spend on HE compared to primary and secondary system.
- The particular shortage of skills in STEM areas.

However, the consultation process also appropriately identifies the direct correlation between the trained graduates that are an outcome of higher education and the increased economic competitiveness of Ireland and the associated direct benefits to Irish based employers of the availability of this talent pool.

It is evident that building a greater connectivity and dialogue between the enterprise community and the higher education sector would be a positive for both parties and Ireland as a whole. Interactions between enterprise and HEIs should include open exchanges on issues such as course curriculum content; degree options; skills and values required by employers in the modern work place; research and innovation opportunity; internships and training opportunities; executive education and further education requirements.

In short there are many aspects to the dialogue needed between enterprise and higher education to ensure an optimally aligned higher education system.

In this context the national training levy provides an appropriate mechanism to build stronger linkages between enterprise and the HEIs. However, it would be an over simplification to see the NTF levy as a singular solution. The proposal would be one of many engagement mechanisms that are required to ensure the deep and meaningful engagement between enterprise and the HEI sector.

It is within this context that high-level issues that need clarification or further comment are noted below:

- **Governance.** The consultation documentation does not provide any information on the proposed governance model for the levy. Questions which require clarity include
 - How would the additional income generated be distributed?
 - What would be the expected returns from this investment from industry and how would these returns be agreed by all stakeholders?
 - What connectivity and what natural constraints would be built between the further and higher education sectors?

In the absence of a clear proposal, it is the view of Trinity College Dublin that the funding should be distributed through the current “core grant” mechanism managed by the HEA. This would ensure a single entity would have control over funding distribution and that there would be clarity on the integrated returns from State funding and a coherency across the multiple objectives required from the HEIs.

The NTF funding if channelled through the HEA should be done in a manner consistent with the outcomes (still to be identified) of the current review of the HEA’s funding distribution model.

Aligning with current funding distribution is the most effective way to create sustainability and to avoid funding forces that can cause unintended tensions in the training of our graduates.

- **Course Development – Short and Medium Term Planning.** The NTF should allow for an open dialogue on the requirements from enterprise for future graduates and support medium term planning. It is important to caution against expectation of rapid course development, evolution and delivery. Ireland needs a nimble system but one with a focus on quality.

The risk that the scheme creates knee jerk reactions to short-term skills needs must be managed. The time required to develop an internationally competitive syllabus; recruit or repurpose faculty; fill a course with a diverse and balanced cohort and achieve graduates of the required level is around 6 years.

Specific needs in shorter periods can be met by re-training current graduates and running master courses that can focus on specific needs. However, there should be a balance between traditional UG development and repurposing the skills of current graduates to ensure a sustainable talent pipeline.

In addition, given the diverse employment base in Ireland, it is critical that the NTF funding enables courses across all parts of the spectrum from STEM, to arts and humanities and health sciences.

Furthermore, the funding should enable students at all levels – degree, masters and PhD.

A complementary approach would be to use NTF funding at a more strategic level and use the levy contributions more generically. For example, the 2015 IBEC employer survey identified weaknesses in graduates’ business acumen/awareness and in their entrepreneurial skills. In order to address these perceived gaps, the levy could be used to create, for example, an enterprise education fund within the third level sector to help embed business awareness and entrepreneurship (including social entrepreneurship) across the curriculum. Currently Business Schools are where business awareness and entrepreneurship are most developed but these topics need to be taught in a more interdisciplinary and holistic way in order to

influence and engage an entire institution. Enterprise education is aligned with employability and as such should be at the core of institutional employability strategies.

Finally, there is an opportunity to use the NTF to support targeted SpringBoard programmes that can enable those seeking employment or looking to re-training to benefit from the expertise and training from within HEIs.

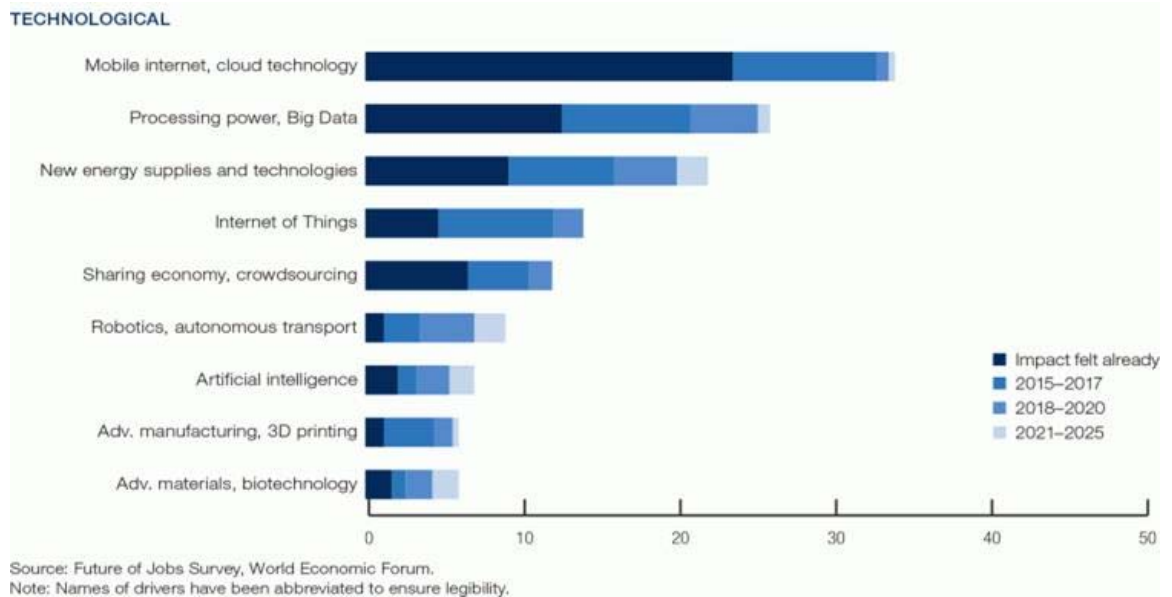
- **Enterprise and HEI relationships - internships.** As noted above the NTF can become another strand of a multi-faceted approach to develop deeper relationships between enterprise and the HEIs. An improved understanding from both entities of each other's requirements and challenges can only be positive. In particular, it is important that both bodies work together on the development of robust experiential learning opportunities; including the placement of students within industry for internships.
- **Funding distribution focus.** There are no specific directions in relation to how this funding may be spent – in relation to subventions for fees; capital infrastructure; research programmes etc.

A key area that requires a specific focus is capital infrastructure. The demographic within Ireland is pointing to a 27% increase in student numbers in the next 13 years. This is in a context of a higher education system that has seen very limited investment into its physical infrastructures over the last decade. Significant investment in infrastructure is required if these students are to be trained in buildings which are appropriate for the talent and ambition of our young adults.

This is particularly true in the context of the STEM subjects that required teaching laboratories and placement of students into research groups.

It is the view of Trinity College Dublin that NTF funding should be used to support the refurbishment, modernisation and sustainability of existing infrastructure and the development of new infrastructure at a scale that is comparable with international best practise; and the teaching and research strategies of the institutions.

- **Additionality.** It is essential that if an NTF levy is applied that the funding that comes into the higher education sector provides for additional resource and is not used as a replacement for the loss of any existing revenue streams.
- **Skill Gaps.** The World Economic Forum has done the significant work in identifying skills gaps on a macro level – see the figure below:



However, it should be noted that technology changes rapidly and industry requirements change equally rapidly. It should be recalled that Irish institutions will remember investing in computer science facilities in the late 1990's/early 2000's only for that industry to be hit with a downturn, making a return on that investment difficult for a number of years. It could be problematical to link the levy contributions too closely to existing or emerging skills gaps. A more holistic approach is required.

- **Diversity.** One area that should be supported by the NTF, if the levy was approved, is to enhance programmes which support diversity in higher education from all parts of the spectrum currently disadvantaged. The Trinity Access Programme (TAP) is internationally renowned for the work it does in providing opportunity to disadvantaged members of society. This type of access programme could greatly benefit from NTF funding.

Conclusions:

As is noted in the consultation documentation investment in the continual upgrading of human capital is necessary to deliver ongoing productivity gains. For an advanced “close-to frontier” economy such as Ireland, investment in education and research is of particular importance and has been characterised as a “first lever of growth”.

Failure to address the funding challenge for both the FET and HE sectors going forward in order to keep pace with and overtake EU and international competitors generates a serious risk of eroding Ireland’s capacity to meet skills needs and reducing the competitive economic, societal and individual benefits which accrue from top class education systems.

In this context it is the view of Trinity College Dublin that the merits of an increase in the NTF payment can – if managed appropriately – provide appropriate return to employers through the availability of a high quality skilled and educated workforce.