

2016

NATIONAL ECONOMIC DIALOGUE

5. The role of education and training in securing opportunity

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Breakout Session 5- The role of education and training in securing
 opportunity
Chair: Minister for Education and Skills –
 Richard Bruton T.D.
Rapporteur: Dr. Aidan Kane

Potential Issues/Questions for Discussion

1. What are the major challenges across education and training in the next decade?
2. What are the priorities within these?
3. How might these be addressed?
4. What is the most effective way of managing the competing demands in the education and training sector?
5. Is the education and training sector sufficiently responsive to meet the diverse and changing needs of learners, employers and society?

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Background

Ireland is a small, open economy, reliant on international trade to build sustainable long-term growth and improved standards of living. We compete globally on the basis of a highly-skilled and talented workforce and on a growing reputation for productivity and innovation. These are important factors in attracting international investment to Ireland.

“the evidence shows - consistently, and over time - that countries... that invest heavily in education and skills benefit economically and socially from that choice”¹.

High-quality education and training can result in improved life chances, better health, higher income and employability for individuals, as well as having a positive impact on crime rates and civic engagement by reducing the need for social interventions. For the economy, education and training is critical to the development of a skilled workforce with strong productivity. Ireland’s highly-skilled labour force is a crucial differentiator in attracting foreign direct investment and as a driver of success in our indigenous enterprise base².

There are also economic benefits to individuals: graduates in Ireland with an honours degree or higher earn 100 per cent more than adults whose highest educational attainment is a Leaving Certificate or equivalent³ (compared to an OECD average of 70%, reflecting the intensity of knowledge based enterprise activity in Ireland).

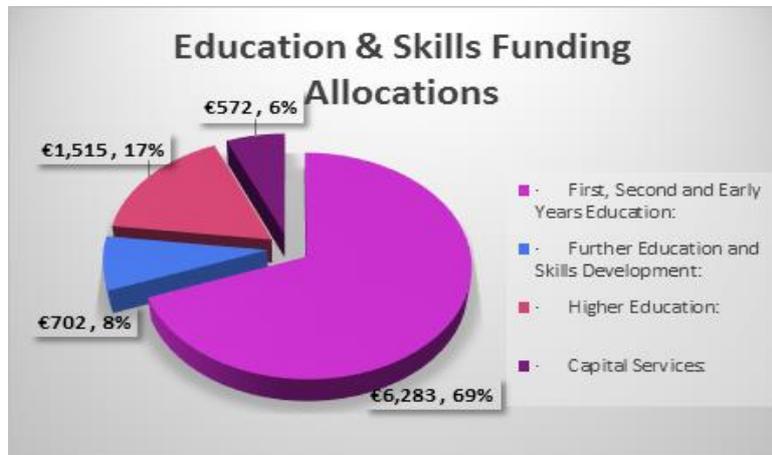
INVESTMENT IN EDUCATION AND TRAINING

The Exchequer funding allocation for the education sector for 2016 is €9,072m, some 16% of overall government expenditure.

¹ <http://www.oecd.org/education/skills-beyond-school/36278531.pdf>

² Ireland’s National Skills Strategy 2025

³ <http://www.education.ie/en/The-Education-System/Higher-Education/Higher-Education-Role-Value-and-Scale-of-Higher-Education-in-Ireland-Discussion-Paper-1-.pdf>

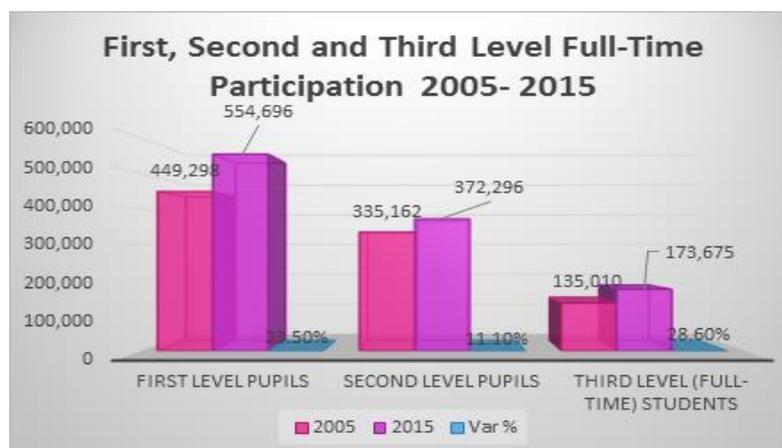


A key feature of the education budget is that approximately 80% of the current allocation is directed towards pay and superannuation. Expenditure on special education needs in 2016 will amount to €1.5 billion – a 10% increase in the past two years. Special education needs now accounts for approximately 18% of gross current voted expenditure for education.

The recession placed pressure on Exchequer resources across all sectors. However, the last two Budgets saw some easing of those pressures in the Education sector. For example, Budget 2015 allocated 1,700 additional teacher and SNA posts. Budget 2016 allocated a further 2,260 additional teaching posts, in addition to the extra 610 SNAs and 190 resource teachers announced prior to the budget. More recently, an additional 860 SNA posts were approved with effect from September 2016. There are now over 100,000 public sector employees in the Education and Training sector.

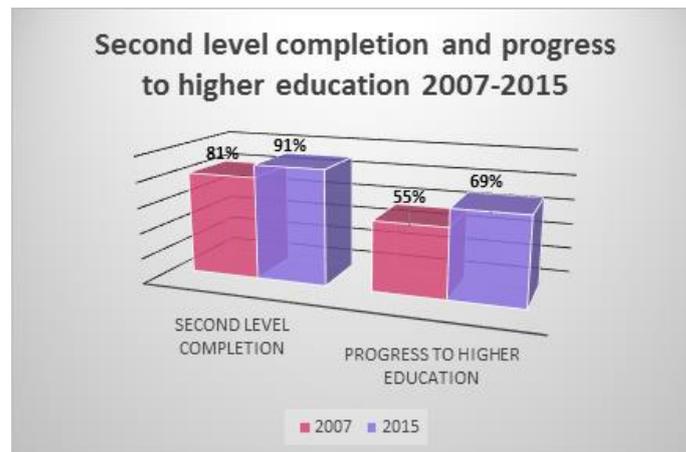
INCREASED PARTICIPATION AND RETENTION

Participation in primary schools, secondary schools and third level have all increased significantly in recent years, as set out in the table below.

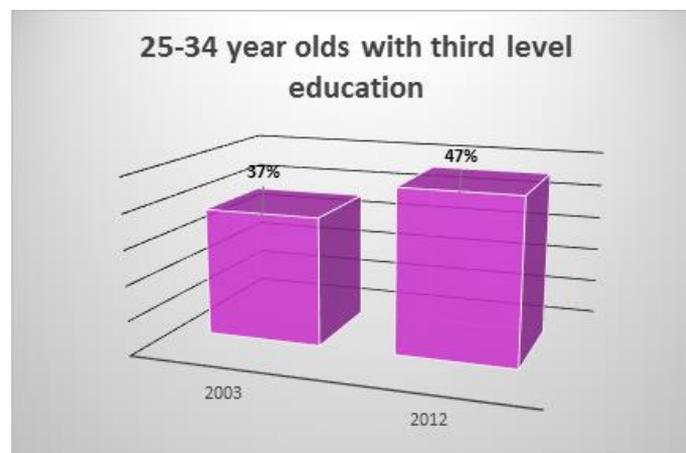


There is a significant relationship between prior educational attainment (Leaving Certificate points) and progression rates. Between 2007 and 2015, the number of learners completing

second level increased from 81% to nearly 91% and the progression rate to higher education increased from 55% to 69%⁴.



The proportion of the population aged between 25 and 34 years with third level education has increased steadily in recent years, increasing from 36.7% in 2003 to 46.9% in 2012, the fourth highest in the EU. In general, females have higher progression rates than males across all levels and sectors. Also, retention rates compare favourably internationally.



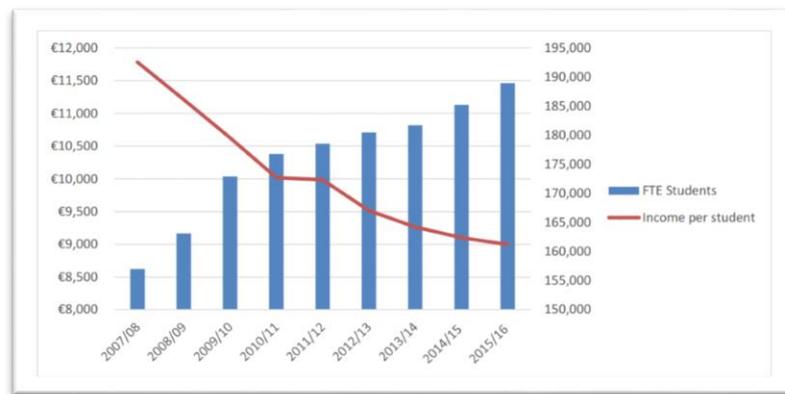
HIGHER & FURTHER EDUCATION

Exchequer recessionary impacts in the Education sector fell disproportionately on **Higher Education**. The public funding per student in the higher education sector over the period 2007/8 to 2015/16 is set out below. Of course, the increase in the Student Contribution to €3,000 per annum met some of the shortfall for Institutions.

⁴ Ireland's National Skills Strategy 2025

The *Expert Group on Future Funding for Higher Education* was established by the Minister for Education and Skills in 2014 to identify and consider issues related to long-term sustainable funding of higher education in Ireland and to identify options for the future. It will report to Government shortly. The demographics are significant – this year 58,000 sat the Leaving Certificate; in 10 years' time that number will be closer to 70,000 – highlighting the requirement for a long-term sustainable funding model for the sector.

Student Numbers (Full-time Equivalents) and Income per Student⁵



In *Further Education*, SOLAS was established in 2013 to manage, co-ordinate and support integrated training, through the newly established Education and Training Boards. An estimated 339,000 learners will participate in further education and training in Ireland in 2016.

Skills shortages in key areas of the economy are being addressed through targeted upskilling and re-skilling courses such as *Springboard+*, which includes programmes relating to the *ICT Action Plan 2014-2018*, and *Momentum*. The *Apprenticeship Scheme* is being expanded following a review and consultation with industry, to meet identified skills needs in areas including manufacturing and engineering, tourism and sport, and financial services. New *Career Traineeships* are also being piloted to meet identified employer needs in the hospitality, horticulture and manufacturing / engineering sectors.

A new *National Skills Strategy for 2015-2025* was published in January 2016 to ensure a more dynamic, responsive and high quality system that provides all learners with the knowledge and skills they need to participate fully in society and the economy. This will be driven by a new *National Skills Council* and further development of the *Regional Skills Fora* across the country to support increased employer engagement in specific regions. Implementation of the strategy will also focus on ongoing evaluation of training provision to ensure that investment is made where it can be of the most benefit. The Strategy includes the following:

“The aim is that only courses with a positive track record for participants will be funded going forward. Courses with less successful outcomes will be adapted, restructured or

⁵ <http://www.education.ie/en/The-Education-System/Higher-Education/Higher-Education-Role-Value-and-Scale-of-Higher-Education-in-Ireland-Discussion-Paper-1-.pdf>

terminated in favour of other alternatives. Any other approach would be doing a disservice to learners. Like other areas of provision, FET is an area where responsiveness of the sector should be evident. Ongoing evaluations must therefore underpin this approach.”

CHALLENGES FOR EDUCATION AND TRAINING IN COMING YEARS

There will be a range of competing pressures and priorities for the education and training budget in the coming years. These include factors such as demographic growth across all sectors, provision for special needs education, continued development of existing policy priorities and reform agendas (e.g. educational disadvantage, curriculum reform, junior cycle reform, apprenticeships, shared services), new Programme for Government commitments, sustainable funding of higher education and significant ongoing pressures on the capital budget. While all of these issues are important, demographic growth is the key driver of expenditure pressure in the sector.

Over the past 10 years, Ireland has experienced significant demographic growth. We have the highest proportion in the EU of the population under 15 years of age. While this potentially will be a strong international competitive advantage in the coming years, it poses challenges to the education and training system, not merely in terms of direct teaching resources but also in related areas such as special education needs, school transport, student accommodation, and the need for school building and maintenance.

In the scenario considered most likely by the Department of Education and Skills, primary enrolments are projected to increase to 574,469 by 2018 (an additional 19,335 pupils). From 2019 to 2033, pupil numbers in the primary school system are set to continually decline by 147,000 in total, or an average of nearly 10,000 per annum.

Second level enrolments are also projected to rise by approximately 13,853 by 2018 and will continue to rise until 2025, at which point enrolments at second level are expected to be in excess of 400,000 pupils for the first time in the history of the State. From 2025, a reduction in enrolments of 65,396 is projected to 2033, an average of over 8,000 per annum.

The Department of Education and Skills projections indicate that demand for third level full time education is expected to continue to rise every year over the period 2014-2028, reaching 211,709 by 2028, an increase of over 46,500 on the 2013 enrolment levels.