



Joint Committee Invitation on Ireland's Skills Needs, and the use of Apprenticeships and Employment Permits, Tuesday 27th November 2018

Opening Statement

I thank the committee for your invitation this afternoon.

Skills policy is primarily the responsibility of the Department of Education and Skills. The Department of Business, Enterprise and Innovation, however, works closely with colleagues in that Department, as well as other stakeholders from across Government, industry and the education and training system, to ensure that the pool of talent within Ireland is fully aligned with the skills needs of enterprise. As *Enterprise 2025 Renewed*, our enterprise policy framework, states: *'Our ability to develop, nurture, retain and attract talent has never been more critical than it is in today's dramatically changing world'*.

The Department's enterprise agencies, as well as the network of Local Enterprise Offices, are represented on the 9 Regional Skills Fora providing a vital link between regional enterprises and local education and training providers.

The Department and its agencies inform and support the implementation of a number of key skills strategies led by the Department of Education and Skills, including those for STEM, ICT Skills, Foreign Languages and Apprenticeships and Traineeships.

The Department's Secretary General, as well as the Chief Executives of Enterprise Ireland, IDA Ireland, and Science Foundation Ireland, are members of the National Skills Council, whose function is to advise on the prioritisation of identified skills needs, while working to enhance education and training provider responses to and delivery of these identified needs.

Ireland operates a managed employment permits system which seeks to maximise the benefits of economic migration while minimising the risk of disrupting Ireland's labour market. The system is intended to act as a conduit for key skills which are required to develop enterprise in the State for the benefit of our economy, while simultaneously protecting the balance of the labour market. It is designed to supplement Ireland's skills and labour supply over the short to medium term by allowing enterprise to recruit nationals from outside the European Economic Area (EEA) where such skills or expertise cannot be sourced from within domestic or EEA labour markets

The system is vacancy led and driven by the changing needs of the labour market and is managed by way of a list system. There are two lists namely; the highly skilled occupation list for in-demand occupations and the ineligible occupation list for which a ready source of labour is available. As demand grows or recedes adjustments are made through changes to these lists following a twice-yearly evidenced based review.

The review process involves the examination of labour market intelligence outlined in the National Skills Bulletin, the Vacancy Overview Report, research undertaken by the Expert Group of Future Skills Needs, input from relevant Government Departments along with a public consultation with stakeholders including industry. EU-level analysis shows that Ireland is ahead of most EU Member States in terms of linking market intelligence to labour migration policy.

The Employment Permits system is not focused towards any particular country or region and almost all non-EEA nationals can apply for an employment permit, if all conditions are satisfied.

The system forms part of the response to address skills deficits, but it is not intended over the longer term to act as a substitute for meeting the challenge of up-skilling our resident workforce. Economic migration alone is not a long-term solution to skills and labour shortages. The development of particular skills in the resident labour force depends upon a judicious deployment of economic migration as a supplementary and not a permanent source of those skills, and any adjustment to the system must be made with this in mind.

In recent years, the State's economic migration policy has been focused towards attracting highly skilled occupations which can drive the development of the productive economy. While this was the appropriate approach in the period of downturn and recovery, as we approach almost full employment, difficulties are emerging in some lower skilled occupations in certain sectors.

A review of Ireland's economic migration policy, published in September, found that the existing system has served the State well in recent years allowing us to focus on attracting skills critical to business, even in the context of a significant labour market surplus. Now with the strong employment growth that is being experienced across all sectors, pressures are emerging in occupations the system has not previously needed to address. Therefore, an adjusted approach is needed, one which will on the one hand continue to ensure that Ireland can attract highly skilled foreign workers, while on the other hand allows the system to respond to verified labour shortages that arise from time to time in lower skilled occupations.

Key recommendations in the report included changes to the twice-yearly review of the occupation list to make the system more responsive in real-time and the introduction of a seasonal employment permit.

As the economy improves and we approach full employment my Department has experienced a high volume of employment permit applications in recent months with the numbers received almost 30% higher than in 2017. In fact, in October 2018, Employment Permits section issued more permits (1,520) than during any other month in the past ten years.

This increase, combined with the introduction of employment permit quotas for chefs and certain agricultural workers, has led to some delays in processing applications.

The Department has introduced measures to reduce the current waiting times which are now down to five weeks for applications from Trusted Partners who are regular users of the service and twelve

weeks for standard applications. We expect that these improvements will continue until we return to the normal processing timelines of 2 weeks for Trusted Partner applications and 4 for standard.

An efficient and responsive Employment Permit system is viewed by my Department, and by the Government more widely, as a critical lever in addressing the economy's skills needs, and in ensuring that talent is attracted to Ireland from non-EEA sources. I can assure you of my Department's determination to ensure that the employment permit system is as agile as possible to support the needs of the labour market and the economy.

Thank you Chair

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