



An Roinn Breisoideachais agus Ardoideachais,
Taighde, Nuálaíochta agus Eolaíochta
Department of Further and Higher Education,
Research, Innovation and Science

Opening Statement PAC November 23

Chairman, Members, I am pleased to be here this morning as Accounting Officer to assist the Committee in its examination of the 2022 Appropriation Account for Vote 45, and the relevant aspects of the Comptroller and Auditor General's Report on the Accounts of the Public Services, Chapter 19: the accounts of the National Training Fund.

To assist me in answering your queries, I am joined today by my colleagues:

- Deirdre Lillis- Assistant Secretary, Research and Innovation, International and Evidence for Policy
- Keith Moynes – Assistant Secretary, Higher Education Policy
- William Beausang – Assistant Secretary, Skills Policy and FET
- Paul Lemass – Assistant Secretary, Corporate Services and Capital
- Valerie Considine – Finance Officer

In advance of our meeting today I have provided some briefing material for the Committee. However, given that the Department is recently established and this will be the first occasion its appropriation accounts have been examined by the Committee I would like to provide a brief introduction to the Department.

The Department was established in August 2020, with functions and responsibilities being transferred from the Departments of Education and Enterprise, Trade and Employment. The establishment of the Department reflects Government's commitment to Ireland becoming a leader in the knowledge economy as well an understanding of the transformative power that education has, both to the individual and to Irish society.

The Department's gross Voted expenditure in 2022 totalled €3.284 billion, which included a deferred capital surrender of €37.2 million. This expenditure resulted in a gross saving of €62.5 million against a provision of €3.346 billion. €55.2 million of this saving was carried forward for use into 2023 and the balance of €7.4 million (0.23%) was surrendered to the Exchequer. Excess appropriations in aid received of €11.5 million were surrendered in full.

The Department's activity touches every household in the country- students, researchers, apprentices, lecturers. We are deeply aware of the responsibility of our mandate and the importance of our success. To give a sense of how large the sector is - in 2022 the apprenticeship population was 26,325, in the same year there were 186,740 Further Education and Training enrolments. There were an additional 21,153 learners enrolled on the national eCollege system and 256,785 total enrolments in Higher Education. In 2021, the Government invested almost €1 billion [€952 million] in research and innovation and this Department accounted for €0.5 billion. Research and innovation will provide many of the answers to the challenges that threaten our shared future, such as climate change and future pandemics.

In the three years since the Department's establishment there has been a significant strengthening of further and higher education and research across the country. Developments such as the *'Action Plan for Apprenticeships 2021-2025'* and the inclusion of links to Further Education and Training (FET) options on the CAO website in 2021 have had a considerable impact on how Irish society views these invaluable learning paths. The Adult Literacy for Life Strategy and the Prisoner Education Taskforce are two initiatives that demonstrate the tangible and positive impacts of education as well as the diversity of life stages people access and acquire new skills.

In the Higher Education sector there are now five technological universities providing a meaningful impact both regionally and nationally. The Oireachtas has also enacted the Higher Education Authority Act 2022, representing one of the most significant governance reforms of the higher education sector in many years. The National Tertiary Office has been established within the Higher Education Authority to develop joint further and higher education degree programmes. From September of this year students will now be able to commence their third level experience in further education, and progress seamlessly to complete the remainder in higher education institutions.

It remains a priority for the Department to ensure that the higher education student body, at all levels and across all programmes, reflects the diversity and social mix of Ireland's population. To this end we will continue to deliver the National Access Plan 2022-2028. The need to ensure the availability of appropriate accommodation for students will also remain a priority. For the first time, the State is investing in student accommodation and the Department will continue to work across Government and with our sector to boost the supply of affordable accommodation.

The Department has, in addition, overseen significant reform in Ireland's research and innovation landscape, most notably with the launch of Impact 2030, Ireland's National Research and Innovation Strategy. All-island research collaborations are progressing under the HEA's North-South Research Programme which entails a €50m investment in conjunction with the Shared Island Initiative.

A new research agency, Research Ireland- Taighde Éireann will soon be established, following the amalgamation of SFI and IRC, to fund challenge and interdisciplinary research in addition to supporting excellent research across all research areas. We are also formulating new structures in relation to the generation of scientific advice, which will be led by a Government Science Advisor, that will enable the Government to be provided with the best possible counsel when considering national level issues and challenges.

I must also take a moment to acknowledge the centrality of the bodies under the aegis of the Department in so many of these changes.

I would like to briefly turn to the National Training Fund and thank the Comptroller and Auditor General for his review of the Fund, the Department accepts the recommendations set out in his report. Established by the National Training Fund Act, 2000, the NTF is a dedicated fund to support employment-focused training. It is resourced by a levy of 1% of reckonable earnings in respect of employees of certain classes of employment. The NTF funds 18 schemes across ten Government

Departments, agencies, business and Community & Voluntary organisations. Over the last number of years income levels have grown faster than the rate of expenditure in the fund. While that is a positive indication of the level of growth in the economy we acknowledge that the accumulated surplus is beyond what could be conceived as a prudent level.

However, any increase in National Training Fund expenditure, must still sit within overall Government expenditure ceilings. There is potential in using the NTF surplus to support the workforce in the digital and green twin transitions, it is an approach that has been advocated by the employer led NTF Advisory Group and others. Discussions as to how we can deploy the full potential of this fund while also working within fiscally prudent spending levels are ongoing with the Department of Public Expenditure, NDP Delivery and Reform.

We look forward to engaging with the committee and answering any questions members may have.

ENDS