

DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓ, FIONTAIR AGUS NUÁLAÍOCHT

JOINT COMMITTEE ON BUSINESS, ENTERPRISE AND INNOVATION

Dé Máirt, 27 Samhain 2018

Tuesday, 27 November 2018

The Joint Committee met at 4 p.m.

MEMBERS PRESENT:

Deputy Billy Kelleher,	Senator Aidan Davitt,
Deputy Tom Neville,	Senator Kevin Humphreys,
Deputy Maurice Quinlivan,	Senator Pádraig Mac Lochlainn,
	Senator James Reilly.

DEPUTY MARY BUTLER IN THE CHAIR.

Business of Joint Committee

Chairman: Apologies have been received from Deputy Tom Neville, who is attending another committee meeting. I propose that we go into private session. Is that agreed? Agreed.

The joint committee went into private session at 4.05 p.m. and resumed in public session at 4.15 p.m.

Scrutiny of EU Legislative Proposals

Chairman: On announcements of EU scrutiny decisions, it was agreed in respect of schedule A proposals that COM (2018) 693 and COM (2018) 694 warrant further scrutiny. It was also agreed to request a detailed note on the investment protection agreements, IPAs, with both Singapore and Vietnam and how they relate to the similar CETA proposals and to request the Department to indicate when it is anticipated that the CETA and Vietnam and Singapore IPAs will be brought to the Oireachtas for ratification. It was agreed that COM (2018) 691 and COM (2018) 692 do not warrant further scrutiny.

It was agreed that the following schedule B proposals do not warrant further scrutiny: EWN (2018) C 151-57, EWN (2018) C 157-3, EWN (2018) C 162-11, EWN (2018) C 243-08, EWN (2018) C 250-8, EWN (2018) C 253-30, EWN (2018) C 284-9, EWN (2018) C 402-6, EWN (2018) L 113-4, EWN (2018) L 211-5, EWN (2018) L 279-17, EWN (2018) L 79-31, EWN (2018) L 92-4, EWN (2018) C 310/4, EWN (2018) C 310/5 and EWN (2018) C 315/22.

Ireland's Skills Needs: Discussion (Resumed)

Chairman: I remind members, delegates and those in the Gallery to ensure that their mobile phones are switched off or placed in flight mode for the duration of this meeting as they interfere with broadcasting equipment, even when in silent mode.

From the expert group on future skills needs, I welcome Mr. Tony Donohoe, chairman, and Mr. Kevin Daly, principal officer. From the Department of Business, Enterprise and Innovation, I welcome Ms Clare Dunne, assistant secretary responsible for workplace regulation and economic migration, and Mr. Rob Walsh, assistant principal in the employment permits section. I also welcome the following delegates from SOLAS: Dr. Mary-Liz Trant, executive director for skills development, and Mr. Andrew Brownlee, executive director for strategy and knowledge. They are all very welcome. By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the joint committee. However, if they are directed to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or entity by name or in such a way as to

make him, her or it identifiable.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable.

I remind the delegates that their presentations should be of no more than five minutes. The presentations have been circulated to members.

Mr. Tony Donohoe: I thank the joint committee for the opportunity to address it on the issue of Ireland's skills needs, and the role of the expert group on future skills needs, EGFSN, which I have the privilege to chair, in anticipating and addressing these needs. I am accompanied by Mr. Kevin Daly, who heads up the group's secretariat.

The EGFSN, which was established in 1997, is an independent body, which advises the Government on the current and future skills needs of the economy. Its membership comprises Ireland's chief skills policy stakeholders, namely, the Departments of Education and Skills and Business, Enterprise and Innovation, the Higher Education Authority, HEA, SOLAS, Enterprise Ireland, EI, IDA Ireland, IBEC and the Irish Congress of Trade Unions, ICTU. The group carries out research, analysis and horizon scanning into emerging skills requirements at both thematic and sectoral levels. This work is based on extensive engagement and consultation with the enterprise sector, as well as relevant domestic and international trends.

On foot of this research, the EGFSN makes recommendations on how these skills needs can be addressed. Recent reports have included studies on sectors as diverse as food and drink, biopharma, hospitality, marine and freight transport, distribution and logistics. In each of these, the group has made recommendations relating to the establishment of, or support for, new apprenticeships, as well as the attraction of international talent, including through the employment permit system. Its recent reports have highlighted apprenticeships and employment permits as essential interventions required to address the skills needs of the Irish economy.

Since 2017, the EGFSN has been part of the broader national skills architecture, established as part of Ireland's National Skills Strategy 2025. Along with the skills and labour market research unit in SOLAS, and the network of regional skills fora, the expert group's work is overseen, considered and approved by the National Skills Council, which advises on the prioritisation of identified skills needs and the allocation of resources across the education and training system. The council is chaired by the Minister for Education and Skills.

The new skills architecture reflects the responsive and flexible skills infrastructure that has been established in Ireland over recent years. This responsiveness and flexibility will be key to addressing the skills challenges Ireland will face. These include, the labour supply implications of the economy reaching full employment; the UK's departure from the European Union, and other international uncertainties, which will require greater agility amongst workers and enterprises in engaging with international markets; and the impact of rapid and continuous technological change on jobs, business models and sectors. The EGFSN's work programme for 2017 and 2018 has sought to reflect and advise on the Government's response to these challenges. We have published studies on design thinking and skills, which will facilitate firms in being innovative and competitive in global markets, and on the trade-related skills needs arising from Brexit, such as those related to customs clearance, logistics and supply chain management as well as international business development, financial management, foreign languages and cultural awareness. These studies seek to support the trade diversification agenda, which has

been given further impetus by Brexit.

The group will also shortly publish two five-year forecast studies, one on the demand for high-level ICT skill sets across the economy to 2022, a key input into the development of the new ICT skills action plan, which is due to be published in the coming weeks, and the other on the impact of digitalisation on job roles and sectors across the economy in the years to 2023. Our ability to service our high-level ICT skills needs will determine the continued growth and competitiveness of the economy by supporting our ability to exploit these technologies that are transforming the world of work internationally and leading to digitalisation across all sectors of the economy. By identifying the impact of these high-level ICT functions on Ireland's workforce, the group has also set out to facilitate the education and training sector in targeting its supporting measures for those workers and sectors most at risk from automation, and so help transition them to the future world of work.

Through its evidence-based research and findings, the expert group, therefore, seeks to support the national skills agenda and wider economic and enterprise growth, by ensuring the emerging skills needs of enterprise can be identified and their provision fully anticipated and met by education and training providers.

I welcome any questions on the group's work, and thank the committee again for the opportunity to discuss these important skills issues.

Ms Clare Dunne: I thank the committee for the 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 our enterprise policy framework, Enterprise 2025 Renewed, 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, LEOs, are represented on the nine 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 EI, 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 it 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 increases or recedes, adjustments are made through changes to these lists following a twice-yearly evidence-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 EGFSN and input from relevant Departments, along with a public consultation with stakeholders, including industry. EU-level analysis shows that Ireland is ahead of most EU member states in linking market intelligence to labour migration policy.

The employment permits system is not focused on any particular country or region and almost all non-EEA nationals can apply for an employment permit, if they satisfy the conditions. 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 upskilling 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, rather than 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 on attracting highly skilled workers who can drive the development of the productive economy. While this was the appropriate approach during the downturn and the start of the recovery, now, as we approach full employment, difficulties are emerging in some lower skilled occupations in certain sectors. A review of our economic migration policy, published in September, found the existing system has served the State well in recent years by 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. An adjusted approach is, therefore, needed, which will, on the one hand, continue to ensure Ireland can attract highly skilled foreign workers, and, on the other, allow the system to respond to verified labour shortages that arise from time to time in lower skilled occupations. Key recommendations in the report include 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, which we do not currently have.

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 number received almost 30% higher than in 2017, and I point out that the number in 2017 was higher than that in 2016. In October 2018, the employment permits section issued more permits 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, that is, people who are regular users of the service, and 12 weeks for standard applications, although I am told that, as of tomorrow, this will reduce to 11 weeks. We expect these improvements will continue until we return to our target processing times of two weeks for trusted partner applications and four for standard.

An efficient and responsive employment permits 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 assure the committee of my Department's determination to ensure the employment permits system is as agile and

responsive as possible to support the needs of the labour market and the economy.

Mr. Andrew Brownlee: On behalf of SOLAS, I thank the committee for the opportunity to discuss Ireland's skills needs and, in particular, the role of SOLAS in this important matter. The mandate of SOLAS, as set out in primary legislation, the Further Education and Training Act 2013, is to fund, co-ordinate and monitor a range of further education and training provision to ensure economic and social well-being and to play our part in progressing, influencing and supporting the development of a further education and training sector that is increasingly responsive to the needs of learners and employers.

SOLAS has a range of responsibilities, which includes but is not limited to funding of the further education and training sector; implementing the further education and training strategy; overseeing the implementation of the strategic performance agreements which have been signed between SOLAS and each education and training board, ETB, and which set out their plans over the next three years; statutory responsibility for the apprenticeship system; carrying out analysis of the labour market; and promotion of the standing of further education and training. Central to these responsibilities is a key overarching objective that further education and training provision is underpinned by a clear labour market rationale to ensure learners are being provided with key skills aligned with an evidence-based skills need. Such an approach maximises the potential for the learner to move into employment following their studies and, in tandem, address a skills gap for employers. For those in employment, access to lifelong learning will ensure skills remain relevant to meeting future technological changes in the workplace due to the impact of automation and digitalisation.

In regard to today's discussion on Ireland's skills needs, it is worth referencing the skills and labour market research unit, SLMRU, which is a team of economists and labour market researchers within SOLAS. The SLMRU undertakes research and analysis of the labour market and publishes data which facilitates policy development on skills needs across Government. For example, the output of the unit feeds into the work of both the National Skills Council and the EGFSN. Each year, SOLAS and the National Skills Council publish the national skills bulletin, which provides up-to-date information on labour market needs, which, in turn, assists policymakers in determining strategic approaches to addressing skills gaps in all sectors of the economy. The SLMRU also undertakes analysis at a regional level that supports the objectives of the regional skills fora, which work with educators and employers to address regional skills needs. As part of the strategic performance agreements, the ETBs take account of this regional labour market analysis in their planning. More generally, the work of the SLMRU can inform and assist learners, parents and guidance professionals in making choices on future education and employment.

We understand the committee is particularly interested in the role of apprenticeship in addressing skills needs. I will hand over to Dr. Mary-Liz Trant in that regard.

Dr. Mary-Liz Trant: SOLAS has been closely involved over the past four years in the national policy to expand apprenticeship, supporting the Department of Education and Skills and working with ETBs, higher education institutions, the HEA, Quality and Qualifications Ireland, the enterprise community, apprentices and trainees. The expansion of apprenticeship is a key priority for the Government, drawing on a strong track record, evidence that apprenticeship is an effective way of meeting skills needs and building the pipeline of talent within industry, and a vision of its potential to become a major route to skills development. Following an independent review of the apprenticeship system in 2013, the then Minister for Education and Skills appointed an Apprenticeship Council in late 2014 to steer expansion of apprenticeships into

new areas of industry and leading to awards from level 5 to level 10 on the national framework of qualifications.

The programme for Government and the Action Plan for Education contain a commitment to having a cumulative 31,000 enrolments on apprenticeship programmes between 2016 and 2020, which represents more than a doubling of activity over the period. Details of how this overall target would be reached through increased enrolments each year are set out in the action plan to expand apprenticeship and traineeship, along with information on supporting initiatives. The remit of the Apprenticeship Council is to oversee the development of a range of new apprenticeships, initially through a call for proposals, and to examine the issues associated with creating a more flexible and accessible model of apprenticeship that would meet the needs of a diverse range of employers. Alongside this work, the curricula of existing craft apprenticeships are being remodelled to keep pace with new methods and technologies in the workplace and to ensure apprentices have the broader range of literacy, numeracy, ICT and teamworking skills they need to be successful.

As of this month, November 2018, the number of national apprenticeship programmes has increased to 42, up from 27 in 2016, and a further 35 programmes are in the pipeline. The new apprenticeships are developed and overseen by industry-led consortia and are based on identification of skills needs. More than 500 employers are now hiring apprentices on the new programmes, including many in the technology, finance, biopharma, medtech, logistics and hospitality and tourism industries - companies which are using apprenticeship for the first time as a talent pipeline for their business. Craft apprenticeships are increasing strongly, with industry re-engaging with apprenticeship recruitment, and apprentice registrations have more than doubled since the end of 2013, going from 1,929 to in excess of 4,500 as of the end of October 2018. Registrations for craft apprenticeships are exceeding forecasts and whereas registrations on the 17 newer programmes have been lower than originally envisaged, these are rising as the programmes become more established.

We are now in a new phase of development of apprenticeships. All the key building blocks are in place and there is an excellent base of new programmes. The focus is now on employers and learners. Through the Apprenticeship Council and other partners, we are working hard with employers to ensure they fully exploit these new opportunities to develop the talent in their workforce. It is only through real partnership and employer support that these important pathways into employment for the first time or to career advancement can be opened. In recent months, the Apprenticeship Council began engaging with industry representatives in the consortia to discuss progress, how the apprenticeships are meeting skills needs, employer support for the new programmes and the ambition regarding targets for each apprenticeship to 2020. Work is also under way to address the visibility of apprenticeship opportunities, to promote these pathways to women and other under-represented groups and to engage with the career guidance community. The Generation Apprenticeship campaign is in full swing and the campaign has much to promote. Last month, the first graduates from new apprenticeship programmes emerged and hundreds of craft apprentices received their qualifications. Members are due to speak with some apprentices later. A review of pathways to apprenticeship has been published and a number of new apprenticeship programmes have been launched.

I ask the committee to note the key role of SOLAS in meeting Ireland's skills needs, both in terms of apprenticeship and labour market-focused provision nationwide that provides work-ready graduates with up-to-date skills and by publishing key reports that analyse the labour market and identify our current and future skills needs. A survey of employers that is soon to be

published indicates the high regard in which employers hold our further and higher education graduates. There is much positive feedback on the contribution of an expanded apprenticeship system in meeting skills needs and on its future potential. With 17 new apprenticeship programmes available and 35 more in the pipeline, a key success factor over the coming years will be to secure large-scale buy-in from employers to the new and expanded apprenticeship offerings, particularly in industry areas where apprenticeship has not been a traditional part of the skills pipeline.

In addition to this opening statement, we have provided three data tables on apprentice registrations over the past four years, the number of participating employers on new apprenticeship programmes and new apprenticeship programmes due to roll out over the coming months. We look forward to discussing with members the progress made and the opportunities and challenges to come.

Chairman: I thank Dr. Trant for the comprehensive document supporting the opening statement, as it is very helpful.

Deputy Billy Kelleher: I thank our guests for coming before the committee to outline their positions on some of these matters. I apologise for being late. I was trying to locate a particular document. Mr. Paul Healy, the chief executive of Skillnet Ireland, recently stated that Ireland runs the risk of becoming a two-speed economy. He indicated that there are reasons the owners of small and medium enterprises, SMEs, do not engage with training for themselves and employees and the distraction factor is probably key. He argues that business owners focus on other priorities, such as filling the next order and making the next sale, which is basic business survival. Skillnet Ireland commissioned Amárach Research to carry out research in the area and a number of reasons arise from the findings for the lack of engagement in training. The first is awareness, because companies do not think there is a need for training, and the second is cost, because companies indicated they could not afford it.

In the context of the basic skills of any economy, we speak about the need for apprenticeships and work permits to allow people into the country when there is a skills shortage. Are we focused enough on training the workforce that is already in the State? What efforts are being made to encourage this continual yearning for self-advancement and training? Could we, as policymakers, encourage the SME sector to better engage with Skillnet and other training avenues to advance the standards of the workforce?

A judgment handed down by the Supreme Court in May 2017 struck down the absolute ban on asylum seekers working on the basis that it was unconstitutional. This forced the Government to finally address the need to reform the direct provision system. There are several thousand people in direct provision and the ban on them working has been deemed unconstitutional. The Government is to bring forward proposals to address some elements of that. Have we looked at the make-up of people in direct provision and the opportunities that we should afford to them, or equally, the opportunities they may afford to us if we allow them not only to work but to avail of training programmes, particularly in areas where they may have competencies of which we are short? Has there been any assessment of the skill sets possessed by those people in reception centres? I abhor those centres in the first instance but that argument is for another forum and another time. What efforts have been made to facilitate these people in training and being allowed to take part in the workforce? What effort has been made to assess that skills base?

There is the broader matter of apprenticeships. There is debate on the need to be responsive

to the needs of the economy. The EGFSN is an independent body made up of representatives from the Department of Education and Skills, the Department of Business, Enterprise and Innovation, the Higher Education Authority, SOLAS, Enterprise Ireland, IDA Ireland, IBEC and the Irish Congress of Trade Unions. What resources are available to that or what is available to implement recommendations and observations? Are there sufficient resources, in view of the fact that economies, and particularly open global economies like ours that very much depend on international trends, need to respond very quickly? Any lag in assessing future skills needs could have a detrimental impact on an economy such as ours, which must be responsible, agile and able to meet basic challenges.

There has been talk of a Brexit-proofing process, not necessarily from our guests here but rather from other organisations. We have a long-standing free movement arrangement with the UK. After Brexit, regardless of whether it comes with a deal or no deal, we will be in a common travel area with the United Kingdom of Great Britain and Northern Ireland. It means that the people in the Republic of Ireland can go to the UK for work and to reside and *vice versa*. If that is the case, has there been any assessment that in the event of a large labour pool from Europe being cut off from going to the UK, they would draw from this labour pool from now on? We could have major challenges to our competitiveness and labour costs very quickly. A very big economy would effectively have had a large labour pool from the European Union cut off, aside from the part in the Republic of Ireland, with which it would have a common travel area agreement. I do not know how many people are working in the UK from Europe but we can assume it is a substantial number. That may not continue post-Brexit and if that is the case, could we come under pressure? We would be competing with the UK, which would be cut off from the labour opportunities available within the European Union. This is only an observation. Has any assessment to be done in respect of this potential scenario? I am particularly interested in the areas of engineering and medicine, as well as other key areas where there are major skills shortages. This percolates right down to the construction sector.

Chairman: There is quite a lot there.

Dr. Mary-Liz Trant: I thank the Deputy for his comments and queries. On the extent to which employers are engaging in training for their employees, there is a plan to expand apprenticeship and traineeship that sets out the collective ambition between education and training on one side and the industry on the other to really build a very strong partnership to develop our workforce. Apprenticeship - when a person is taken on and hired by an employer - is absolutely at the heart of that policy. We have ambitious targets out to 2020. We want to have the accumulative figure of 31,000 apprentices and more than 70 apprenticeship programmes. Achieving that will mean a huge step forward in that partnership and in the commitment and engagement to develop the workforce in Ireland.

The feedback we have received from employers who are now engaging in new programmes is really strong. They recognise the potential. These are employers, for example, in the tech and financial sectors, for whom apprenticeship is a whole new concept. They never used apprentices before; primarily, it has always been the graduate pool coming through. The employers are seeing the opportunity of taking on apprentices and developing, retaining and moulding them as they go on. They see how this is a powerful way of developing their workforce. SOLAS believes that this has huge potential. The Apprenticeship Council is gathering the feedback from employers on how it is going and taking on board a range of feedback. We are looking at such issues of affordability and costs. There is a big contribution by the State to apprenticeships. We look at how employers make their contribution also.

I would like to mention traineeships, which is not a direct feature for today but it is another part of the employer-education partnership. We also have targets for 2020 in the context of traineeships. Within education and training boards, ETBs, in the past year alone, 15 new traineeships have been introduced. This brings the total to approximately 50. Traineeships are shorter courses and they are built based on demand from employers, especially locally and regionally. There has been a very strong response. The ETBs have told us that there has been very positive engagement by local and regional employers in developing the traineeships to actually meet the needs of the workforce.

I shall now turn to a new policy, Skills to Advance, which supports lower skilled workers to upskill in work. This policy was launched earlier this year and we are implementing it now working with the education and training boards. The Government has provided €11 million for 2019 to support that. It is another plank of that big shift into an approach now that has a very strong partnership between education and enterprise for the ongoing investment in and support for the workforce, especially when there are shortages of personnel.

Chairman: Does Ms Dunne wish to take the question on direct provision?

Ms Clare Dunne: Absolutely. My Department worked very closely with the Department of Justice and Equality in developing a response to the Supreme Court judgment some months ago. I will answer the Deputy's question directly. At the time, the answer was "No". There was no inventory or way of knowing what particular skills many of these people had. It was a challenge to try to figure out where they might find employment once they had the permission to do so. The employment permission accorded to asylum seekers or people who are seeking international protection is a scheme run by the Department of Justice and Equality. It is not an employment permit scheme. I recall that in the course of the review we did on economic migration we set up an interdepartmental committee that is still sitting. The Department of Employment Affairs and Social Protection undertook to go out and begin precisely that process. Because that Department had the expertise and the manpower to do so, they undertook to start and go through these, as best they could, on a regional basis. I do not know where they have got to with that exercise, but I can find out and provide a written response to the Deputy. I do not have up-to-date figures but I can get them. I understand, however, that the take-up of employment opportunities on the part of the asylum seeker cohort was quite low. This is a pity. We are hopeful that this might change over time.

Chairman: Were the conditions quite difficult for employers to take on such people?

Ms Clare Dunne: No. All jobs are open to asylum seekers.

Senator Kevin Humphreys: It was the minimum salaries.

Chairman: That was the issue.

Ms Clare Dunne: I know that the minimum wage would have been the minimum salary.

Senator Kevin Humphreys: It is €30,000.

Ms Clare Dunne: It is not an employment permit scheme. I am surprised by that. I thought it would be the minimum wage. I will check that.

Chairman: That is for an employment permit. This is where the issue arises.

Ms Clare Dunne: The minimum salary for an employment permit is generally €30,000. I

would have to ask the Department of Justice and Equality what it has set the salary at in this regard. I know that one of the issues was that the person would be issued with permission for six months initially, which is renewable every six months depending on how he or she is-----

Deputy Billy Kelleher: That is part of the problem. There is no continuity. Who is going to take on a person if the employer is only guaranteed six months with him or her? One invests in the training and education of the person and after six months, because of some other process, he or she is gone again. That is the difficulty. It is not a criticism, it is just an observation.

Ms Clare Dunne: To be honest, the issue of asylum seekers is slightly different to the generality of employment permits and how we operate that system. It is open to people whose application, through no fault of their own, has not been processed within a particular period. It could happen that at the end of the first six months of employment the person's application could have been processed and then he or she could either be given permission to stay in the State, at which point other opportunities would open up or-----

Deputy Billy Kelleher: Or his or her application may not have been processed and he or she would have to renew the permission to work.

Ms Clare Dunne: They would, yes. Absolutely.

Chairman: Can Mr. Donohoe address the resources questions?

Mr. Tony Donohoe: I will take some of Deputy Kelleher's questions. I believe that the issue of management training is critical. The Deputy referred to awareness and cost in the context of this two-speed economy, but I would also put time in there. These are three elements. SMEs tend to be particularly time poor. I agree 100% with the Deputy's point about awareness. There is some empirical evidence to support that. I attended the Future Jobs Summit last week. An expert from the OECD compared the calibre of management in Irish business - especially at SME level - with other jurisdictions. Ireland did not perform particularly well. The expert group has been aware of this for a while and for our programme for next year we have decided to look at the issue of management skills. It is a long time since this has been subjected to scrutiny. There was a small firms' council at one stage but it seemed to die in the depths of the recession. I agree 100% with the Deputy's point. There is an Enterprise Ireland initiative to equip regional skills managers with this toolkit of a skills needs analysis. It is very important because sometimes it is the case where SMEs do not know what they do not know. Small firms tend to be focused on where are the opportunities and where are the threats and they do not think of skills conceptually. If skills are part of the solution that is all well and good, but sometimes they need guidance in linking skills to business strategy. This could be an important part of our armoury.

On training for the workforce, over the last two budgets there has been a re-profiling of some of the national training fund to in employment training, which is pretty good, and more money into apprenticeships. This is also an important part of upskilling for the existing workforce. In some instances it is new recruits but is also for people who want to change occupations while in employment. The Deputy mentioned Paul Healy and Skillnet Ireland, which received a significant increase in the budget. There is also the Springboard conversion programme that previously was targeted at labour force activation but is now more of it is profiled towards in-company upskilling. This is a welcome development.

On resources and the pressures of Brexit, I will defer to Mr. Daly.

Mr. Kevin Daly: I run the secretariat of the expert group on future skills needs. We have had an increase in resources in the past 12 months. The unit is resourced directly through the Department and also through the national training fund. We have gone from four full-time staff to five, a 25% increase, and our consultancy budget has also gone up by approximately 30%. Our resources are increasing. One can always do more if one has more resources but we are adequately resourced for the agreed work programme at present.

Deputy Billy Kelleher: It went from four to five.

Mr. Kevin Daly: Yes. We are very productive.

Deputy Billy Kelleher: It is an increase of 25%.

Mr. Kevin Daly: Yes. Regarding the Deputy's question about Brexit, the impact on skills and the interaction with the UK, I was quite surprised to see from the statistics released yesterday by the Central Statistics Office, CSO, that the full-time average wage in Ireland is 39% higher than that in UK. The functioning of the market should solve that issue in that people will go to where there are the highest wages. That is my view as an economist. We have not heard from the firms we have talked to about an issue with losing labour to the UK yet, although Brexit has not happened yet. Initially, we thought we might have an upside from Brexit in that European migrants who might have gone to the UK would come here instead, but that is anecdotal and we have not seen evidence of it.

Deputy Billy Kelleher: However, there is a potential risk that if the UK cuts off the labour pool from Europe, the only labour pool available to it other than what is in the UK and under its immigration policy is the one in the common travel area. Is that not a potential risk?

Mr. Kevin Daly: It is a potential risk but our firms are more productive and pay better wages. That should keep the labour here. It is a warning for firms that they must continue to be competitive and pay decent wages if they wish to keep their staff.

Mr. Andrew Brownlee: It is an opportunity as well as a risk. Hopefully, Ireland continuing to be in the EU will be an attractive proposition both for EU workers who are currently in the UK and also for UK nationals who are interested in opportunities in pharma, ICT, life sciences and so forth.

On Brexit-proofing, as stated earlier, we have been agreeing strategic performance agreements with ETBs. These are future focused planning agreements which can set out a vision of how the ETBs are going to provide for and meet the regions' needs over the next three years. There is a strong focus on Brexit around the regional ETBs in terms of how they are working with their further education and training and employer representative counterparts across the Border. That is a big part of the strategy.

On the Deputy's first point on how to get SMEs to engage in this and how to upskill the existing workforce, as Dr. Trant stated, we have the Skills to Advance policy initiative which is very important. Approximately 900,000 working people in Ireland have level 5 or below in terms of educational attainment and we must find a way to get to that group. Skills to Advance will offer access to further education and training free of charge. There is a target of 17,500 new people receiving training under that scheme over the next three years. That has to be a big part of the strategy. The education and training boards will be a big element in leveraging that because they are incredibly connected to their local communities and enterprise base. They are investing in dedicated employer engagement resources and they are building links with the SMEs.

Over the next three or four years I hope we will see a much closer connectivity with SMEs that allows them to send their workforces into further education and training.

Senator Aidan Davitt: I have a vested interest to a certain extent through my business. A chap who is working with me is on an apprenticeship through SOLAS and a lady who is with us was pursuing a course at weekends for two years and has just finished it. I have quite an amount of experience working with SOLAS on and off over the years. The new apprenticeship programme for auctioneering seems to be a good course. There are a couple of things that could be tweaked in it but there is interaction between employers, students and the school. There is one running in Cork and one in Ballsbridge and they appear to be running quite well. That is all a lovely note to get us off to a great start from a practical point of view.

However, I must query the numbers. They do not correlate with the numbers I have. I presume the numbers the witnesses have are not stand alone yearly numbers, given the numbers I have received. The witness said the number was 1,900 in 2013. Then there was the new activation programme in 2014. The witness then referred to 4,500 people in 2018. Is that over four years?

Dr. Mary-Liz Trant: In 2013, there were 1,929 annual registrations. So far this year there have been 4,500 apprentice registrations.

Senator Aidan Davitt: What about starts? Are they two different numbers?

Dr. Mary-Liz Trant: No. That is basically apprentices who are taken on by an employer in a single year. As of the end of October last, 4,500 apprentices were taken on in 2018 so they started their apprenticeship programme. That number will exceed 5,000 by the end of the year when the last two months of the year are added.

Senator Aidan Davitt: The figure I have is that there is a target of 1,500 registrations for 2018.

Dr. Mary-Liz Trant: That is on the new programmes.

Senator Aidan Davitt: Is it fair to say we are nowhere near meeting that?

Dr. Mary-Liz Trant: We estimate that we will be at 800 by the end of the year.

Senator Aidan Davitt: That is a little over half the number, 55% or 57%.

Dr. Mary-Liz Trant: Yes. That is where-----

Senator Aidan Davitt: I wish to drill down into this. I know SOLAS is doing good work but these guys are getting well paid. If SOLAS was not paying them well they would not be with it. They will get the qualification after a couple of years or so. I am curious that there is a target of 1,500 but we only managed to get 800 people. It is mind boggling in our current situation. The previous year was even worse from what I understand. The figures were quite poor as well.

Dr. Mary-Liz Trant: There were 335 registrations in 2017.

Senator Aidan Davitt: It started in 2014 or 2015. SOLAS has been working at it since 2014 so I am curious about how we can improve the figures. They are shocking from my point of view as an employer. The course the chap working with me is on was three times oversub-

scribed. It might be even greater because I am only aware of the situation in Dublin. It could be the same in Cork or possibly greater again. Cork ended up taking a few extra people as its class might be bigger. Is it due to budgets, not enough tutors or that we are slow coming to the game? If we have been at it for five years, I do not understand why that would be the case. I realise auctioneering is a newer course, as are the insurance and banking courses, but I understand that it is also still hard to get places in some of the wet trades. It is just not straightforward. Why is that the case?

Dr. Mary-Liz Trant: Mr. Tony Donohoe, who is on the Apprenticeship Council, might wish to comment on this as well. The Senator started with the very good example of auctioneering. A new programme started in the last six weeks with 53 apprentices. That was very positive for a start-up programme. There is great interest and a large number of potential apprentices applying for all the new programmes, without exception. In some cases there are five times more applicants than there are places available. What has been slower is the number of employers coming on board. The number of employers that are stepping forward and agreeing to take apprentices on the new programmes is lower than envisaged. However, the trend is positive and upwards. For example, the number of employers for the insurance apprenticeship, which started in 2016, has grown each year. As these programmes become embedded the numbers become positive.

When we started with the targets in 2016 we were trying to imagine what would happen. We are optimistic that, by 2020, it will have accelerated significantly but the big challenge, and we discussed it in our submission, is to get employers on board. The apprenticeship council has been engaging with the new consortia to talk about what is happening, their ambitions and issues. The feedback is that it is taking time. The whole concept of apprenticeship is new for many of these employers. Switching from graduate-only entry to taking people on and developing them within their workforce is a whole new concept. Multinationals, for example, have to figure out things like headcount and get agreement. It is just slower than originally envisaged. There is a complex picture there.

We had 335 registrations last year and this will reach 800 this year. We think it will continue accelerating next year and into 2020.

Senator Aidan Davitt: Are we not engaging with the employers enough? That may be a complication. Sherry FitzGerald Davitt & Davitt would be one of the larger auctioneers in the midlands. Nobody asked me if we would take people on the course. I have a young guy working with me and I put him on the course. I know the person from SOLAS based in Athlone. He is a good person who came to see me and all that, but he is genuinely busy. He was involved in meetings with a few other people that day.

Recently I was approached for the first time by someone looking to go on the course. I told him I had somebody on it at present. I knew it was the wrong time anyway. I sent him down to a neighbouring auctioneering firm where he was employed nearly immediately. Is SOLAS talking to the employers? SOLAS should actively canvass the employers to outline the benefits, etc. There seems to be a mismatch there. I never heard anything from SOLAS. Over the years our firm would have been proactive in employing graduates and people on apprenticeships, etc. We would have found it very beneficial. Many people have stayed with us. I think manpower may still be a problem with SOLAS.

Dr. Mary-Liz Trant: There are a couple of things, Deputy.

Senator Aidan Davitt: I love being called Deputy. Robert Troy would love to hear that one. You can call me Senator-----

Dr. Mary-Liz Trant: I beg your pardon.

Senator Aidan Davitt: ----- except when Robert Troy is around.

Senator Pádraig Mac Lochlainn: From his apprenticeship.

Senator Aidan Davitt: We have more people from the Upper House as we know.

Dr. Mary-Liz Trant: The Senator is absolutely right. There is a major challenge with promotion. It goes back to the earlier point about awareness among employers. We have the Generation Apprenticeship campaign under way. The new model of apprenticeship is very much driven by these industry-led consortia.

Senator Aidan Davitt: The IPAV was heavily involved in setting up that course.

Dr. Mary-Liz Trant: They are also getting funding and support to do that engagement with employers. It is not yet complete. The Senator is absolutely right that this is a work in progress. We need to step up to ensure there is awareness but also to identify the practical barriers to employers taking on apprentices on these new programmes and then how we support employers. The Senator makes a fair point. We need to continue with Generation Apprenticeship and raising awareness. We then need to ensure the numbers of employers increase. We are supporting all the consortia, not just the auctioneering one, to ensure they are getting that message out and building a critical mass of apprenticeship in Irish industry.

Chairman: What percentage of the 4,530 apprentices were female?

Dr. Mary-Liz Trant: It is 2%.

Chairman: It is still 2%.

Dr. Mary-Liz Trant: It is 2%. We carried out a recent pathways-to-apprenticeship review and the number is 2%. On a positive note, we were at 1% at the beginning of this year. It is a very small increase. We have gone from 151 female apprentices in 2017 to more than 300 this year. We are moving in the right direction, but much more remains to be done on that. In the pathways-to-apprenticeship review we have a number of practical actions to implement with all partners to increase not just the number of women in apprenticeships but right across the board have a full range of diverse groups and career-changers who want to access apprenticeships.

Senator Aidan Davitt: It might not help that employers have to release a person from work one day a week to go to college while paying them the average rate for the industry anyway. I know in engineering and other trades originally there was a grant for apprenticeships. That certainly is not present in our industry. That would definitely help employers.

Mr. Tony Donohoe: I agree. I am here wearing a specific hat, as chair of the expert group. I swore that I would not comment outside that, but the Senator has tempted me.

Senator Kevin Humphreys: Is Mr. Donohoe putting on his IBEC hat now?

Mr. Tony Donohoe: I am putting on my IBEC hat now. The Senator makes a very good point. We have been very frustrated at the slow uptake, which probably should not be surprising. This is a major change project. The Senator put his finger on a particular issue. The craft

apprenticeships are still supported for their off-the-job training by the State through income support. We have a dual system where the new apprenticeships are not and the older apprenticeships are. I do not know how long that anomaly can continue. We have definitely got feedback from smaller firms in particular that it is an impediment. Interestingly it is not too bad when it is one day a week. However, some of the apprenticeships are structured on block release. In one in particular, the apprentice does not arrive for about 12 weeks and the employer is paying. That is obviously an issue.

Awareness is a major issue. While we welcome Generation Apprenticeship, I have always argued that we should focus our marketing on employers because if employers are not offering apprenticeships, we will not have apprenticeships. It is as simple as that.

I refer to one initiative in the pathways document that Dr. Trant mentioned. It probably should have happened if we had figured this out earlier. It is a portal allowing employers from any group to advertise their apprenticeships. At the moment it is down to the individual consortia. I do not know what the auctioneers are doing but I know industry consortia, such as the Insurance Institute, the Construction Industry Federation and Financial Services Ireland, are advertising apprenticeships. We need a central portal where employers can post the apprenticeships. Young people, their families, guidance counsellors, etc., need to know where to get them. We need a kind of online marketplace.

If we addressed those three things of cost; a dedicated marketing campaign, which feeds into Deputy Kelleher's point about creating the demand for upskilling among small firms; and a unified portal, we could make some progress. As somebody who has been frustrated at the speed of this, I feel it is gathering momentum. I think the model was right and we are on the right road. It would have been better if it has happened quicker, but these things take time.

Senator Kevin Humphreys: I welcome the witnesses. Dr. Trant is getting most of the questions. In my last days in the private sector I negotiated a deal for shop-floor workers which gave an individual education and training budget to the employee as part of the salary package. At the time I was encouraged by SIPTU to go down that line on upskilling and automation in order to be able to see how the jobs will go, and prepare a workforce to change and be able to stay in the industry.

It is related to lifelong learning, upskilling and automation. Is there a way to encourage employers into investing in this? Is it possible to expand tax relief for employees on the average industrial wage in order that they can upskill? Has that option been examined?

As a society we do not sufficiently value apprenticeships and what they can contribute. Has a cost-benefit analysis or any research been conducted on the cost of bringing an apprentice through the system compared to a graduate, and the economic gain to society? There has been less investment by the State in the education of low-skilled workers, and there is no system in place to allow them to get involved in education later in life. Should an educational budget be applied to individuals for life? It might not suit a person to go to university at 18 but it might suit him or her to go at 28, and a budget could be assigned to each person through their lives. Society is changing rapidly.

We also heard about high-skilled workers. The issue was partially addressed through the permit scheme. One of the issues has been raised with me concerns people who want to travel at Christmas but who had to surrender their passport to get the permit. The indications they have from their colleagues is that they might not get their passport back in time. We heard

evidence at another committee. Could we give guarantees to people who are in that position to the effect that if they have to surrender their passport to secure a permit, it will be returned in sufficient time for them to travel? Strong evidence was given to this committee in that regard. If it is wrong, let us kill it, but that is what was said.

There was a protest outside Leinster House this morning about stamp 4 visas. I encounter the issue regularly as there are major hospitals and high-tech industries in my constituency. High-skilled people have been encouraged into the country but their partners are left in limbo. Is any work being done in that regard? The figure Ms Dunne gave for October was that 1,520 permits were issued and she referred to growth. I am concerned that the system would be used as a salary cap for low-paid workers in the industry. Usually, where markets need workers, the salaries increase. I would be concerned if employers are using permits to reduce salaries.

I am interested in the pilot scheme for the 800 visas. How many of the new permits are related to the pilot scheme? Is it 100, 200 or 300? The conditions attached to the pilot scheme are clear in regard to English language classes and accommodation but there is no inspection regime others than by means of complaint. The WRC only reacts to complaints but the permit is tied to the employer. If I came to Ireland from Brazil to work in a meat factory and I was not getting my entitlements in respect of accommodation or training, I could lose my visa if I made a complaint and be sent home and then the complaint would disappear. If a pilot scheme is in place, there must be an inspection regime that is clear and can be checked and validated. Based on replies to parliamentary questions, a validation scheme does not appear to be attached to the pilot scheme and checks are only made in response to a complaint. If that is the case, a person on a work permit would be like an indentured servant and could be used to maintain a salary cap in low-paid work.

Ms Clare Dunne: I will deal with the Senator's questions in the order they were asked. One does not surrender a passport to get a work permit. That simply does not happen. We do not require anybody's passport but we do require a copy of the relevant page of the passport. We never ask for a passport. I want to nail that.

Chairman: That is something the committee was told a fortnight ago. I think the Department of Justice and Equality asks for it.

Ms Clare Dunne: Perhaps.

Senator Kevin Humphreys: It is something that the two Departments need to work on together. A high-skilled worker without a permit who returns home might not bother to come back again even though an employer would have made an investment in him or her. There seems to be a gap between the two Departments that needs to be pulled together.

Chairman: To be clear, is it the case that a copy of the passport suffices for the Department of Business, Enterprise and Innovation?

Ms Clare Dunne: It suffices, absolutely. I do not disagree with the Senator but, to be clear, they are two separate systems. We work closely with the Department of Justice and Equality. I am in regular contact with the head of the Irish Naturalisation and Immigration Service, INIS. We have both agreed that we need to work even more closely together. We meet regularly and our next meeting is on Thursday afternoon of this week, when our two senior teams will meet. There are issues that need to be addressed, including stamp 3. I accept that we need to have greater synergies between the employment permits system and the visa system. My colleague

in the Department of Justice and Equality feels the same. We are committed to driving change where we can to streamline the processes. We are mindful of the fact that we need to work ever more closely together. To nail the passport issue, first, we do not ask for passports. Perhaps the Department of Justice and Equality does. I will check that.

Senator Kevin Humphreys: Could the committee get clarification on it? It is important that we would do so. We need to hammer that out and if the Department of Justice and Equality is the problem, we will need to follow that up.

Ms Clare Dunne: Absolutely. With the Chairman's permission, I propose that at our meeting on Thursday afternoon I will raise all of these issues with the Department of Justice and Equality and come back to the committee with a joint reply.

Chairman: That would be fantastic. We need clarity on the issue. I thank Ms Dunne.

Ms Clare Dunne: Absolutely.

The second question was about stamp 3 and dependent spouses and partners of critical skills permit holders. The stock answer is that they have almost full access to the labour market. We do not require a labour market needs test. They do not have to pay for their permits. That is a fact. The reality is that there is a perception problem. It is stated on a stamp 3 visa that spouses and partners are not allowed to work, and that is what employers think. That is a problem. Spouses and partners are allowed to work. Once they apply for a job, they can apply for a work permit and they will get a change of visa status. I accept that this has created problems. In the short term, we have done what we can in the Department. We have put up a notification on our website to explain the position exactly. We have also issued what we call "letters of support" to people in receipt of critical skills employment permits and those applying for such permits so that they can see clearly that if they have spouses or dependent partners who seek work, they will have almost full access to the labour market. The only work that they are not allowed to do is domestic work. As long as they work more than ten hours a week and they are paid the minimum wage, they can take any job in the economy. The Senator is correct that there is a perception issue and it is one of the issues on which we are working closely with the Department of Justice and Equality to find a solution. I hope the matter will be addressed in the short term.

I have met the stamp 3 association and I spent a lot of time with them. It was an education. My colleagues in the Department of Justice and Equality met with the association shortly afterwards. We are alive to the problem and we want to rectify it because the critical skills permit is vital and we want to make it as attractive as possible. We are working on that and I hope we will have a resolution soon.

The Senator also asked about low skills and people joining pilot schemes on lower wages. In my opening statement I indicated that up until recently we have been very much engaged at the higher end of the skills market and the higher end of the salary scale. It has become apparent, however, that there are shortages at the lower skills and lower wage end in certain sectors, in particular in agriculture, and-----

Chairman: Tourism.

Ms Clare Dunne: We took certain chefs off the ineligible occupation list. Their salary cap is still €30,000 because they are the higher end chefs. We pitched the salary at €22,000, which is above the minimum wage. The sectors involved wanted their wages to be lower than that but having looked at it in consultation with the interdepartmental group, we felt that €22,000 was

as low as we could possibly go with that particular cohort. We are mindful that we have to look at what is happening in the marketplace. We do not want to preside over a system that is driving wages down. The general employment permit and the critical skills employment permit are next on our list. We are looking to increase their minimum salary thresholds to keep them in line with what they should be pegged against, so to speak, which is the average annual earnings.

In terms of the numbers that have come in, we allowed 360 meat deboners, which is a very skilled occupation, and their salary level was agreed at €27,500. We exhausted that quota recently so 360 out of the 360 have been filled, therefore, we are not issuing any further permits for meat deboners.

For HGV drivers, their salary is €30,000. We issued a quota of 120 permits and 57 of that quota has been taken up to date.

For chefs, the quota was slightly lower than 610. We have issued 170 permits of the allowed quota for chefs to date.

Chairman: To be clear, is that non-EEA workers?

Ms Clare Dunne: They are non-EEA, outside of-----

Senator Kevin Humphreys: To be clear, is this part of the 800 visas under the pilot scheme that was launched, the remuneration for which occupations was €22,000?

Ms Clare Dunne: The pilot scheme was for the agrifood sector. On that particular one-----

Senator Kevin Humphreys: Did that include meat deboners?

Ms Clare Dunne: No. Meat deboners were separate.

Senator Kevin Humphreys: That was a separate document.

Ms Clare Dunne: Yes.

Senator Kevin Humphreys: Does the €27,500 agreed for them include a shift rate for unsocial hours or was the Department expecting them to work unsocial hours for that rate?

Ms Clare Dunne: The €27,500 is the salary.

Mr. Rob Walsh: It has to be a guaranteed €27,500 for a 39-hour week.

Senator Kevin Humphreys: Does that include payment for working unsocial hours?

Mr. Rob Walsh: Any overtime would have to be paid on top of that.

Senator Kevin Humphreys: I am not talking about overtime. It is a shift rate for working unsocial hours. Otherwise, there is a depressing cost on the market. If somebody is brought in and paid €27,500 to work unsocial hours and an Irish meat deboner is working for €27,500 in addition to remuneration for working unsocial hours, a shift premium, the Department is causing a problem in respect of the market. It is depressing the salaries.

Ms Clare Dunne: We understand we are paying for a 39-hour week, but we will check the shift hours and revert to the Senator.

Chairman: We will allow the witness to continue.

Ms Clare Dunne: For chefs, we have issued 170 permits so far this year.

In agrifood, the salary for meat processors who are not deboners - this is a lower skilled occupation - is €22,000. As of today, we have issued just shy of 750 permits. A further application has been received from that sector seeking an additional 750, and we are looking at that evidence.

For the dairy sector-----

Senator Kevin Humphreys: Can I ask a question while Ms Dunne is dealing with the figures? The unemployment rate nationally is just over 5% but many of these positions are located in areas where the unemployment rates are higher. Is the Department ensuring there are opportunities for upskilling into those positions? The meat sector is based in rural Ireland where the unemployment figures are much higher. Is that taken into consideration?

Ms Clare Dunne: One of the conditions of granting the permits for meat deboners, for example, was that upskilling programmes for the general population would be put in place. Skillnet Ireland might have been running those; I do not know if the other witnesses know anything about that. Upskilling was very much tied in to the granting of those permits. We understand that has happened.

Senator Kevin Humphreys: What is the inspection regime in respect of the upskilling? How it is done?

Ms Clare Dunne: I could not tell the Senator offhand.

Senator Kevin Humphreys: I do not expect that but I would be grateful if Ms Dunne would revert to me on that.

Ms Clare Dunne: Absolutely, and I will talk about the Workplace Relations Commission shortly.

Senator Pádraig Mac Lochlainn: I have a brief supplementary question. The meat companies would be in the lower skilled category. What checks has the Department made in terms of where they are located and the unemployment levels in those areas? The Department has a range of local agencies that help people to attain work. One of our concerns, and we dealt with it in the previous session, is that work permits would not be utilised as a way of keeping wages low. Has the Department examined the wage policy of those sectors? Is it a case that the wages they are offering are not in any way acceptable? I would like to get a sense of the robustness of the Department's policies in respect of sectors and to make sure they are not utilising the permit option as a way of keeping wages low. There is a sense among primary producers and farmers, for example, that they do not get a fair price for their produce. There is a sense also that there is major profitability in that sector already but that it does not give a fair price to the primary producer. That is one issue. Second, we would be concerned that they are utilising the permit process to keep wages low. On both sides, therefore, there is suspicion, at the very least, of profiteering being facilitated by the State.

Ms Clare Dunne: The first point to make is that we do not issue permits on a regional basis. Our system is vacancy led. If there is a vacancy in a particular company or plant they apply for a permit and if they fulfil all the conditions, they will get a work permit, regardless of where they are based.

The second point is about wage levels. We are very clear that neither the Department nor the work permits regime is in the business of setting wages across the economy. We would have certain minima in place to ensure that we are not unnecessarily displacing domestic workers. In the particular case of the meat processing sector, it is probably not a secret to say that the level we set at €22,000 met with quite strong resistance from those in the sector, who felt it was too high.

The salaries of general operatives in the meat processing sector, as advanced in the case made, and we have engaged extensively with the Department of Agriculture, Food and the Marine on this, are lower than the €22,000 we insisted on. We are mindful of the fact that we do not want in any way to be a party to driving wages down. I hope that answers the Senator's question.

Senator Pádraig Mac Lochlainn: This is my final supplementary on this issue. To be clear, in terms of the permits the Department has facilitated for the meat processing sector, the wage level is €22,000 for those positions. However, those in the meat processing industry are telling the Department that they cannot fill those positions in the local labour market, and they have given demonstrable evidence to that effect.

Ms Clare Dunne: We are encouraging them to keep trying because we are mindful in the Department that even though we are at almost full employment, there are still 120,000 people unemployed. There are approximately 210,000 on the live register. All those people are in receipt of State payments. Our preference is for employers to be able to source their labour and skills needs as locally as possible without the need for work permits.

We are satisfied that, in the case of jobs in this sector, those people have made genuine efforts across the EEA. We have a good deal of evidence where they have gone to jobs fairs in the Baltic states and all the eastern European countries that used to be a very rich source of employment for Ireland. However, they are not as interested now because their economies and wage levels are improving and they are taking the decision to stay at home or go to other countries. For example, Poland is now importing significant labour for jobs it is not possible to get people in Poland to do. Some of these people are not prepared to come as far as Ireland and we are mindful of that. We are also mindful of the fact that, as I said in the opening statement, work permits are not a permanent solution. We cannot accept a sector that keeps coming back again and again looking for work permits. If that is the case, the problem is with retention. My understanding of the sector is that not everyone wants to work in a meat plant. I have not visited one myself, but it is difficult work.

Senator Pádraig Mac Lochlainn: It is tough work.

Ms Clare Dunne: It is tough work. At the same time, these companies need to work on retention and to put in place training and upskilling for these people so that they have some level of progression at sites they join at entry level. This is all part of what we have agreed with the sector in return for allowing these permits. The sector must also guarantee to us that the people coming in on these permits will have access to suitable accommodation as that is another concern of ours. Once one starts to tinker with the work permit system or labour market and to bring people in from outside the immediate environment, one is into all sorts of knock-on effects on low wages, access to State supports, housing, infrastructure pressures and so on. We are trying to strike a balance between allowing these processing firms to stay in business and to fill overseas orders and yet to get them to improve the terms and conditions so that more people will want to go in.

Chairman: Deputy Quinlivan has been waiting patiently.

Senator Kevin Humphreys: I ask to get my questions finished. Ms Dunne touched on one regarding adequate housing. While the WRC has responsibility for the checks, what checks have ever been carried out on accommodation? What is the definition of “adequate accommodation”? What about education? Part of the pilot scheme involves English classes. To what level do those go and who provides them? Who is monitoring that? Ms Dunne said employers had to assure the Department they had made adequate efforts to fill posts? Is there a check whereby someone rings the relevant Intreo office? I recall a strong case being put to me for a particular sector and when I rang the local Intreo office, I found there were more than enough people registered with it to fill those positions. Is there a basic check sheet to ensure Intreo offices in relevant areas are contacted to determine if there are people available who could, with minimal training, fill those positions?

Ms Clare Dunne: We work closely with the Department of Employment Affairs and Social Protection on all of this. We have probably never worked more closely with them than we have over the past six months or so. The Department provides us with the assurance that efforts are being made on the part of these companies within the EEA to attract workers. That is what it is telling us. This is not just a one-off whereby a quota is decided on one day. Our Department and the Department of Employment Affairs and Social Protection work assiduously with the sector. Where necessary, the Department of Justice and Equality is also involved. A great deal of outreach work is taking place to meet the sector and explain matters to it. We are also seeking to ensure the sector engages in a real and meaningful way with the Department of Employment Affairs and Social Protection before it comes back to us to seek an extension of its quotas. We believe we have that covered off as best we can at the moment, but we are keeping a close eye on it.

Regarding the WRC, I do not have full information on each and every check. However, the commission has inspected some of the sites that received work permits under the meat processing pilot scheme. The information I received back is that the commission has looked at several plants and all were found to be fully compliant with the terms and conditions of the permits. The terms and conditions include access to suitable housing, the provision of language training and so on. I will ask the commission.

Senator Kevin Humphreys: There is a contradiction. The commission has told my office following inquiries that it only reacts to a complaint and it did not have any records of an inspection of English language provision or accommodation. There is a mix-up between offices as we have two different answers.

Ms Clare Dunne: The commission reacts to complaints, which is a key part of its role, but it also undertakes unannounced inspections. Sometimes those take place at our request and sometimes it is risk-based. A new scheme like this might be on the commission’s radar as something that could be open to misuse.

Senator Kevin Humphreys: Could the committee be provided with the information on the number of inspections? That would be helpful.

Ms Clare Dunne: Sure. That is no problem.

Senator Kevin Humphreys: I thank the Chairman.

Chairman: The Senator is welcome. I call Deputy Quinlivan.

Deputy Maurice Quinlivan: I refer back to the matter of apprenticeships. As part of the SOLAS contribution, it was stated that the programme for Government and the Action Plan for Education contained a commitment to a cumulative 31,000 enrolments in apprenticeships between 2016 and 2020. I am concerned about how confident SOLAS is about reaching that figure given that the targets set out in the Action Plan on Apprenticeships were missed in 2016 and 2017 and it appears they will be missed again in 2018. The Action Plan set out a target of 82 apprentices in new courses in 2016 and that was not met. There was a target of 800 registrations on new courses in 2017 but only 335 were achieved. In 2018, it was estimated that 1,500 would take part in new courses but the figure was 509. Dr. Trant said it was more than 800 and I would be interested to know where that came from. There is only one month left in 2018. Clearly, something is going wrong. I would be interested to know exactly what SOLAS feels has gone wrong and why people have not come in. Senator Davitt said there was probably not enough contact with employers and I echo that view. I agree with Mr. Donohoe that there should probably be a central portal. It would provide people who do not know businesspeople access to apprenticeships. That is an issue in particular in areas of urban deprivation where people might not know a business person to approach. The targets are being missed. Will anyone take responsibility for that?

I raise also the issue of the rate of participation of females, as mentioned earlier, and people with disabilities. It is astonishing to think that there are only 319 female apprenticeships out of 13,921, which is only 2%. In addition, I was told by SOLAS that its records indicate that there are 371 people with disabilities, which is approximately 2% as well. These are unacceptable figures. What plans are afoot to address the participation rates of both females and people with disabilities?

Dr. Mary-Liz Trant: I thank the Deputy. He said I mentioned an estimated figure of approximately 800 by the end of this year. The figure of 510 was at the end of October. The auctioneering programme was mentioned but a range of other programmes are still being rolled out and registering apprentices. We are working on the basis of what each consortium is aiming for by the end of the year. As such, the estimate is 800. That is, in effect, a year behind. We were aiming for 800 in 2017 and it looks like we will have that number by the end of this year. A great deal of our effort has focused on why it is the case that we are year behind. As we said earlier, there is significant demand for apprenticeships, but the issue is getting employers on board, buying into apprenticeship and starting to use it as a pipeline. A number of things need to happen. We are engaging with the consortia on the feedback on what is happening with them and why it is taking longer to get employers on board. They are saying this is positive but asking for patience in circumstances in which it is taking a little more time than anyone originally envisaged. However, it is going in the right direction. That is a message the council has listened to. That investment needs to be made even by the State, in supporting these apprenticeships to keep going and giving them time to ramp up. It may well be that we get to 2020 and we are still slightly behind, but our expectation is that the numbers will continue to grow. In 2019, we are aiming to have more than 30 new programmes under way and, by the end of 2019, there will not be 42 new programmes but 65 or even 70. The number of employers and apprentices, therefore, will increase immediately and significantly next year. It is about all of our efforts going into awareness. As part of the Generation Apprenticeship competition, there will be an element of employer engagement and employer awareness next year, and that will be rolled out from January. We need to continue to support that momentum, which we have now and which Mr. Donohoe mentioned, and keep it going.

On pathways, the Deputy mentioned the percentage of women and people with disabilities

in apprenticeship. The figure for those who declare a disability is 2.75% of the population, which is low. Where a student of an ETB or institute of technology declares a disability, arrangements and supports are in place to ensure he or she is able to proceed. Employers are also good, and there are many case studies and examples of employers supporting people with disabilities who are apprentices to complete their training and become valuable members of the workforce and companies.

A range of steps has been set out to get a better handle on supporting those with disabilities. The figure of 2.75% is people who declare a disability but there could well be more, hidden disabilities. We must provide a universal design and supports to ensure people do not necessarily have to identify but can succeed, as well as the positive message that the overall system and employers welcome people with disabilities and see them as a positive part of their workforce and the ongoing diversity of their companies. There is a range of actions in the pathways report, which we can provide to the committee after the meeting and which is on our websites *apprentice.ie* and *solas.ie*, to build awareness and encourage supports. If there are practical barriers, we will work through them with employers in the first instance but also with the education and training providers.

Deputy Maurice Quinlivan: I asked a question about the portal, which Mr. Donohoe said he supported.

Dr. Mary-Liz Trant: Yes, we are at an advanced stage in developing the portal and we are due to pilot it with a group of employers next month. The approach will be that employers will post vacancies on *apprenticeship.ie*, on which we will build a one-stop shop for all information. Apprentices will then access the information with visibility. The Deputy made the point that if one does not have a network or contacts, if he or she does not know somebody who is taking on apprentices or who is in the family, it could be hard to see where the opportunities are. The idea is that with the portal we will expand the access.

In a practical way, it will also contribute to the overall awareness. Where employers are advertising vacancies, word of mouth may lead others to take on apprentices, that is, in a local or regional area employers may say: “We are taking on apprentices. Why are you not?” We expect the portal to roll out fully early in the new year and we hope it will be a positive contribution to the entire project.

Deputy Maurice Quinlivan: On the roll-out in the new year and SOLAS’s plans to publicise it more, will specific steps be taken such as advertisement or visits to secondary schools? The perception is that parents are not keen on their children doing an apprenticeship and they want them to go to third level. We are trying to break down that barrier and show that apprenticeships are a good progression in life.

Dr. Mary-Liz Trant: We have a network of 47 officers around the country who work with employers and ETBs. They do a great deal of work and some of them do up to three or four school visits a week. Supports are provided to them to engage students and get those conversations going. Parents are also a significant constituency, and we link in with the National Parents Council and so on. This is all about a large transformation and change project where parents, potentially young people and career changers see apprenticeship as an option. When young people are thinking about what they want to do when they leave school or later in their careers, and when they are looking at the full range of what they might do to further and develop their career, apprenticeship is a great earn-and-learn opportunity and an interesting option.

Career guidance counsellors, which I mentioned, teachers and schools are also highly influential. We work with the Institute of Guidance Counsellors, where Beatrice Dooley is introducing continuing professional development for guidance counsellors, which specifically briefs them on apprenticeship, traineeship and all work-based learning. This will help to ensure when students and school are thinking and talking about what they want to do all of these opportunities will be very much available to them, and the students will know about those opportunities.

Senator Pádraig Mac Lochlainn: Will Mr. Donohoe or his colleague Mr. Daly of the expert group outline what sectors currently face skills shortages? Are any additional sectors expected to face skills shortages in the next few years?

On SOLAS, the issue of employers and the cost of new apprenticeships during block releases for training came up at a previous meeting of the committee. This is a cost issue of particular importance for special needs assistants, SNAs. Are there plans to introduce funding to cover these costs? We heard that the legislation governing apprenticeships should be updated. Does SOLAS agree?

On the Department, a matter was discussed at the previous meeting of the committee but I am re-affirming it. There are issues and delays within the Department of Justice and Equality that impact on the issuing of permits. Will the Department make a submission in response to the issues raised at the previous meeting? Perhaps time will not allow officials to appear before the committee, but we should ask the Department to provide a response to the issues raised at the previous meeting because they were significant issues which were reiterated earlier. There is no need for Ms Dunne to respond but I appreciate her offer to raise it at the meeting on Thursday. It is important the Department of Justice and Equality be made aware that there are concerns.

Is SOLAS satisfied it is adequately resourced to meet the targets in the expansion plans that have been outlined? Have additional resources been requested to meet those targets? I asked Mr. Donohoe and Mr. Daly from the expert group about the issue of struggling industries. What sectors are struggling to find skilled workers in the experience of SOLAS? Will representatives from either the expert group or SOLAS comment on whether these shortages have an impact on foreign direct investment? Mr. Donohoe might want to consider the second hat again on that issue.

Mr. Tony Donohoe: I will take the first question, which was directed to the expert group. We probably need to clarify our terminology, such as skills shortages versus labour shortages. Some of the discussion earlier was very much about labour shortages. Sometimes we run out of people who are prepared to do a particular job. Skills, however, which are the remit of this group, are a much broader area. All the way through the recession, there was a perennial shortage of ICT skills in their broadest sense. There is an international war for talent. Every country in the world is looking for ICT engineering technologists. We are living in a technological age. It is not confined just to the sector. We are particularly exposed - this relates to the Senator's final question on foreign direct investment, FDI - because all the top ICT companies are located here and they tend to hoover up much of this talent. About a third of these ICT openings are not in the sector. Very few industries do not require ICT skills now. That pace is accelerating. It involves services, particularly financial, but it is across the whole range of industries, which are all looking for ICT staff.

We have not published the report yet but we have done a significant piece of research on future skills demand in ICT for the next few years and this is to underpin the skills action plan. We looked at different scenarios, including low growth, high growth and middle growth sce-

narios. Even with a middle growth scenario, we were looking at 8.5% per year, which is huge on a cumulative basis.

I will ask Mr. Daly to deal with some of those other sectors but before I do that, I will make the point that during the discussion on apprenticeships, it occurred to me that the way we do policy is on a sector and industry-group basis. Much of the gaps are now in occupations that are spread across sectors. That could be something of an issue with our apprenticeships as well. There are many different occupations and the one that strikes me is sales and marketing. There is not a company which would not take on a good sales and marketing person. We do not structure our calls and our policy analysis in such a way, where it is not just about sectors.

Senator Pádraig Mac Lochlainn: Cross sectoral.

Mr. Tony Donohoe: These are horizontal skills gaps. I will leave it to Mr. Daly now to take up some of the other points.

Mr. Kevin Daly: Mr. Donohoe has stolen my thunder on the ICT piece. He has made a good point about looking at occupations rather than sectors. The shortages will appear in occupations and people are quite flexible going across sectors if they have the skills. ICT is number one. The report we will be producing in the next couple of weeks shows that is a big problem and it is getting worse.

I would not say sectors are experiencing shortages but certain occupations within sectors are. For example, in construction, it is not the ones one might expect. The shortages are in niche trades like shuttering carpenters or scaffolders. There is an excellent report by the SOLAS labour market research unit called the national skills bulletin, which is due out very soon. It has top-level analysis on where shortages are appearing in these very niche type of skills. I will be looking at that when it comes out.

Another niche area of skill shortage is in the finance area, particularly among those with deep analytical skills who can apply those with financial skills. The hospitality area is one about which I am sure the committee has heard about, including the loss of chefs and how the employment permit system has reacted to this. At this stage of the economic cycle, I am aware that we are down to 5.5%, but we are not seeing widespread shortages, apart from in ICT which is niche. As the economy recovers it will become more prevalent and will involve a greater number of skills.

The last question was on whether shortages are impacting on investment. We are competing with other European countries for our foreign investment and many of them are experiencing the same shortages as we are. I cannot answer the question definitively but it is not something the IDA has raised with us as being a key factor in losing investments. Ireland is quite an attractive country to come to because we are English-speaking and many people around the globe learn English as a second language so Ireland is an attractive destination for migrants.

Chairman: Before we conclude this section, I would like to ask Ms Dunne a question. She spoke about the extra demand for permits and how the waiting list had increased outside of her control. She said she was hoping to have it back within normal timeframes, where two weeks and four weeks were standard. Was she able to employ extra staff or did she redeploy from within the Department?

Ms Clare Dunne: Before I answer that question, can I clarify a question put by Senator Humphreys earlier about the €27,500 salary level for meat deboners? I wish to confirm that that

is basic salary and it does not include shift work, which is additional, as is overtime.

On the Cathaoirleach's question, it is a combination of all the things she mentioned. We redeployed staff within the unit. We secured additional staff across the Department and we are looking for even more staff. When the increases began to appear we probably thought they were temporary spikes and we tended to cover them by using overtime. I am convinced that this is a structural change as to where the economy is going. I have made that point in the Department. The Minister and the Secretary General are very supportive of ensuring that the work permits section is adequately resourced. It is a structural change and we are looking for more staff, if even a modest number. We will need more permanent staff in the work permits section.

The graphs are going the right way. As of tomorrow, we will be down to 11 weeks for standard applications and we are at five weeks for trusted partners, although we were at seven.

When we are at full tilt, and even now, we generally out-perform most of our neighbouring countries, which are looking at turnaround times of between three and six months for the generality of permits, be they critical skills or standard. We perform well when at full tilt. Even when struggling under the additional applications, we are managing to bring these back to what is approaching an acceptable level. Early in the new year we will be back to what we would prefer. We are customer-driven and we hate to be this much out of kilter and we are doing absolutely everything we can to bring it back.

Senator Pádraig Mac Lochlainn: There are a couple of questions I had asked SOLAS that I wanted to get a reply to.

Chairman: I beg the Senator's pardon.

Dr. Mary-Liz Trant: The Senator's first question was on the cost for employers and block release apprenticeships. A number of the new apprenticeships use that block release model with others using the one day off one. We have been getting the feedback from the consortia on this and what is emerging is that where there are apprenticeships based upon block release, employers struggle to backfill and to pay the salary. They have asked about what can be done and we are going to look at that feedback.

In regard to the apprenticeships that are four days on, one day off, they have told that it is not an issue and that they can manage it. I suppose there is a mix but we are taking that feedback on board to ensure that if there is an issue, we are considering it. Obviously, that will feed into any policy considerations by the Department.

On the legislation, when this whole project got going we had the 1967 Act. It was very much about saying that we can draft new legislation or we can use the legislation we have, which is what we have done.

Interestingly, it has, by and large, served us fairly well. If we were looking at new legislation, it would be different but the existing legislation is working. There are a few small tweaks that we need to do on the kinds of apprenticeships that are going to be introduced next year in the agricultural, horticultural and fisheries areas. For the moment, it is working.

On resources, we have expanded in SOLAS. We have expanded out to the regions as well to the education and training boards, ETBs, to support apprenticeships. Any requests we have made have been granted, which has been very supportive.

I will make a couple of points on the shortages issue and sectors struggling to find skilled workers. To give a couple of examples of sectors struggling to find skilled workers, Ms Dunne mentioned chefs; we now have more than 150 chef apprentices in the system. We had none this time last year, by the end of the year we had 24 and we have 130 this year. That is where apprenticeship is immediately meeting a need in a particular industry that we know has been crying out for skilled workers. A new chef's charter has been developed by the chef network to drive the image within the industry. That is very positive. We are working very closely with the Restaurants Association of Ireland and the Irish Hotels Federation on that to make the chef apprenticeships – there will be four by this time next year – really part of how that industry is meeting those skills needs.

The council has recently been looking at one of those niche construction areas, roofing, and there will be a recommendation to develop an apprenticeship in roofing to meet the need. There are opportunities for flexibility in how we respond. On the sales point that Mr. Donohoe made, there is a sales apprenticeship in development and part of the feedback that consortium has given is that the apprenticeship will be very important but they would like to develop an add-on in sales in a range of industries, whether technological or financial, where somebody who is really good technically and is interested in a sales role could add that on and have that role in their company. The reaction of the council was that was a really interesting way to respond in a horizontal manner to a skills need. Our sense is that there is a great deal of opportunity and potential that we will be proactively pursuing in the coming months.

Mr. Andrew Brownlee: The SOLAS skills and labour market research unit, SLMRU, plays a big role in identifying skills needs; the national skills bulletin should be coming up in the next couple of weeks and we will send it on to the committee. Mr. Donohoe mentioned that the issues are more occupational. Construction is the other big sector where the issue crosses several trades and there are shortages all over the place including engineering.

A couple of people made a point about the value of apprenticeships and asked whether we are getting that across accurately. One side of that is to ramp up promotion. On the other side we see a lot of analysis of the graduate premium; if a person goes to college and gets a degree they earn x amount over a lifetime. We have not done enough of that on the value of apprenticeship where there is a significant premium for anyone undertaking that training and going on to earn money. That is something we are actively working on. We are doing an impact evaluation of Kerry Education and Training Board that will track what happens to apprenticeships, trainees and people who have gone through a post-leaving certificate course where there is an immediate premium in terms of securing employment. It is on our agenda to reinforce that marketing effort.

Senator Kevin Humphreys: That is important but the other element that needs to be tracked is the value to society. Mr. Brownlee is talking about the tracking to the individual and the graduate, which is very important but there is also a benefit to society and, compared with investment in a graduate who gets the premium, less money is invested in an apprentice which is not valued against the outcome for society. We need to start valuing that. There will be more and more apprenticeships and what they contribute to society has to be valued.

Senator Aidan Davitt: The subsidies the wet trades get do not apply to the insurance, auctioneering and engineering industries. That will have to change and there will have to be an even playing field for all employers. I cannot see why one is fish and one fowl when they are trying to encourage people, give them skills and give people in their locality jobs. That will have to be urgently addressed. That would have the support of the committee if Mr. Donohoe

wants to bring it back to SOLAS.

I am from the midlands and much of the meat industry is based there - the preparation work, killing and packing. I would be keenly aware that if I knew a kid playing football and wanted to give him a job I could guarantee him a job in a meat factory in the morning but unfortunately he would not want to work there.

If somebody was receiving jobseeker's allowance and became self-employed their entitlements would be scaled down over several years. That certainly was the case unless it changed very recently. Where there are people on the live register looking for permits in these places even if they get €27,000 starting they are afraid of losing their benefits. That is one of the biggest factors stopping people going into the workplace. Could we try a model that people on the live register would retain a certain amount of their benefits, such as their medical cards or housing? Is that in place?

Senator Kevin Humphreys: There are supports for that. It is retention in career path. It is one thing starting a job at €22,000, €27,500 or €29,500 but the person has to see where they will be in 15 years. A person will not physically be able to do the work of boning in their late 30s. It is a young man's game but the salary does not treat it as a young man's game.

Ms Clare Dunne: I take the Senator's point. It is certainly something we can explore. People who bring people in on work permits pay €1,000 per work permit. If they could get them locally relatively easily they would tend to do that. Sometimes if they have to pay more to somebody on a work permit they may not always pay the same salary to somebody they are employing locally. That can cause problems. That is the way it is. Those are the conditions we have set out.

Senator Aidan Davitt: They could be coming in with skills that we do not have here.

Ms Clare Dunne: They could be. I will bring that back.

Senator Aidan Davitt: I am curious about the benefits. They say the biggest impediment to many of these guys getting off the jobseeker's benefit at present is the other benefits that come with it. Maybe if they could retain them while they are there and if it works out and they are suited for the job, brilliant. It might be worth considering.

Ms Clare Dunne: It is something I will take back.

Senator Aidan Davitt: I appreciate that.

Chairman: I thank all the witnesses for coming here today. It was a very frank and worthwhile meeting. I hope they will come back when we launch our report on this.

We will suspend the meeting now to allow our other guests take their seats.

Sitting suspended at 6.19 p.m. and resumed at 6.22 p.m.

Chairman: I welcome Ms Laura Regan and congratulate her on completing her four-year electrician apprenticeship with the ESB. She is now a qualified electrician and has secured a full-time job with the ESB. I also welcome Mr. Paddy Power. He is from Wexford and he is in the final year of his three-year insurance apprenticeship that will lead to a level 8 degree. He was part of the first intake of students participating in the insurance apprenticeship programme. I shall not read the note on privilege pertaining to the Defamation Act 2009 because the wit-

nesses were present when I read it into the record earlier. I shall refer to the witnesses by their first names, if that is okay, and ask Laura to briefly outline her apprenticeship and career.

Ms Laura Regan: I thank the committee for the invitation to attend.

A few years ago I decided to apply for an apprenticeship. However, apprenticeships were never talked about when I was in school and I thought that college was the way forward. I took up a course on engineering in Dublin Institute of Technology, DIT, because I like to work with my hands and I thought the course would allow me to do so. At the same time, a couple of my friends had been accepted for the electrical apprenticeship with the ESB. I spoke to them and learned that they were learning while working and getting paid. I liked the sound of that. I applied for and got an apprenticeship with the ESB so I left college. As part of the apprenticeship course I must attend college once a year and, in the ESB, we attend college as well. The apprenticeship course was great and it was the best decision I ever made.

Mr. Paddy Power: I thank the committee for the invitation to attend and it is a pleasure to speak in front of members.

I worked in the hospitality industry for 14 years. At 15 years of age I commenced working in the industry on a part-time basis and straight after I completed my leaving certificate, I began to work in the industry full time. When I reached my late 20s, I became concerned about my long-term career because I knew that the hospitality industry is a single man's game and a young man's game. I could not envisage myself working in the industry when I was in my 40s and 50s. I panicked a little because I was in my late 20s, my only work experience was in the hospitality industry and I knew that if I was going to have to start from scratch, it would be from the ground up. I saw a newspaper advertisement on apprenticeships and, specifically, an insurance apprenticeship, which was published in *The People* based in Wexford. Wright's Insurance Brokers in Wexford offered the apprenticeship, which is where I still work. They offered earn-and-learn, on-the-job experience, which stood out. I thought to myself that I would simultaneously access academic study and on-the-job training, and graduate with a fantastic qualification in three years. I know a few friends who, having attended college for three or four years, secured a fantastic qualification but it took a further year or two of working in an office or wherever to gain valuable experience. I quickly realised that an insurance apprenticeship scheme would give me the best of both worlds. Before I started the apprenticeship, I searched for a few different jobs in the hospitality industry but there was not a whole lot available. Now, because of the apprenticeship and qualification that I have attained, on a weekly basis I receive job offers in person or via email, LinkedIn or whatever. That is simply because of the skills that I gained from the apprenticeship. The insurance apprenticeship has been promoted a lot. As was mentioned earlier, the scheme had 65 apprentices in the first year; in 2017, the number of apprentices increased to 85; and this year, the number has increased to 95 apprentices. The popularity of the scheme is growing steadily.

In 2016, when I started in Wexford only Wright's Insurance Brokers and Zurich Ireland were the only two employers taking on insurance apprentices in the county. This year, five brokers have taken on insurance apprentices in the county. In Wright's Insurance Brokers, which is where I am based, I am in the third year of my apprenticeship, another person is in the second year and yet another is in the first year. That means there is a constant pipeline of skills coming through. When I finish my apprenticeship in August, a new apprentice will be taken on in September. I cannot speak highly enough about the programme, how I have been treated and how my employer treats me. The programme is especially good because I have learned so many skills due to working in various departments of the brokerage. I have experienced differ-

ent aspects of the industry. No question is stupid or silly. My employer, SOLAS, the Insurance Institute of Ireland and the Institute of Technology Sligo have also been fantastic.

Chairman: I thank Paddy and Laura for their comments. I congratulate both of them on their achievements. Laura has broken the mould as a young girl by qualifying as an electrician in the ESB because only 2% of women and girls undertake apprenticeships. What Laura has done is fantastic.

Equally, Paddy is fantastic because he bravely changed career. As he has said, he worked in the hospitality sector for 14 years but he looked to this future and decided to retrain

I have a few questions and I will start with Ms Regan. I wish to assure her that I will not interrogate her. Was she based with the ESB when she was an apprentice electrician?

Ms Laura Regan: Yes.

Chairman: Was Ms Regan the only female in the intake of apprentices?

Ms Laura Regan: Three girls were taken on out of a total of 75. There were 72 boys and three girls.

Chairman: Did Ms Regan find that strange?

Ms Laura Regan: I did not but I can understand how some people might find it strange. I did not because I was used to being with boys due to the subjects I chose to study in school. I have always wanted to work in the construction or engineering sectors so being the only girl or one of few girls on a course did not bother me. ESB promotes the participation of women in apprenticeships at schools fairs, etc. and I go along to talk to people. It is better for prospective participants to talk to someone like me. Sometimes girls think that they cannot study to be an electrician, engineer, etc. but I reassure them that they can study for whatever they want.

Chairman: Did Ms Regan attend a mixed gender secondary school?

Ms Laura Regan: Yes.

Chairman: Did Ms Regan attend a community college or vocational educational school?

Ms Laura Regan: Yes. I started my secondary education in an all-girl private school but only lasted until Christmas in first year. No practical subjects were taught in the school other than home economics and I realised that it was not for me. As soon as I transferred to a community college, I was so much happier because I was able to study various practical subjects. When I was talking to girls at Higher Options at the RDS, many of them said the subjects are not available to them, so they are not sure of the skills they need in order to go on to do the apprenticeships. If I had not changed schools, I probably would not be doing what I am doing now.

Chairman: Ms Regan found that being in a mixed school helped when you were going for the apprenticeship in that you did not feel daunted despite being one of three in a group of 75.

Ms Laura Regan: When I went out to the yards, I was the only girl, although there were hundreds of men.

Chairman: Did Ms Regan find that difficult?

Ms Laura Regan: No. Everyone was so nice. If anything, they treated me even nicer because they were aware of the fact I was the only girl, and they minded me. I was very lucky with the people I worked with and the ESB was very supportive of that. I never felt intimidated at all.

Chairman: Did Ms Regan go straight into the apprenticeship out of school or did she do something in between?

Ms Laura Regan: I did engineering in college for a year.

Senator Kevin Humphreys: I congratulate both of our witnesses. I am sorry for delaying them, given it has probably been my questions that have kept them here late.

On a question to Mr. Power, the hospitality sector is obviously physically gruelling and many people do not stay long after their mid-30s, especially with the unsociable hours and so on. Did he find there were financial barriers to going back to retrain? Was there a large drop in earnings over that period?

Mr. Paddy Power: Hospitality is a young man's game. I was at the stage where I was not physically burned out but mentally burned out. I was working unsociable hours and I was missing out on things with my family. I used to get my roster on a Sunday night for the following week and I did not know if I was working Monday or what day I was working. I needed something with a little bit of clarity and consistency. I needed to get my life back, in a way. I took a wage drop for the first year but I did that because I knew the wages were going to increase in year two and year three, with a nice big increase after year three. I accepted it was going to be a struggle for a year or two, but, at the end of the day, what is three years of hard work to really turn your life around?

Senator Kevin Humphreys: If Mr. Power does not mind me asking, what age did he leave school?

Mr. Paddy Power: At 16.

Senator Kevin Humphreys: I believe there should be a kind of educational voucher that an early schoolleaver can cash in at a later stage of life. They should be able to say: "I did not cost the State by going to college but at some stage I can cash in my educational voucher to possibly increase my wage." If there was that type of voucher system which someone could cash in to a value of €4,000 or €5,000, would that be a huge benefit to someone like Mr. Power? I am an early school leaver and I left at 16 as well. It is a barrier to getting back to education because people have to take quite a large financial hit at some stage.

Mr. Paddy Power: Absolutely. I was quite high up where I was working. I was a bar manager and duty supervisor in various places, and was highly skilled in the industry. I took a financial hit at the start but, then again, apprenticeships are associated with low money starting out. When a person gains the skills and experience, they can start moving up and things get better financially. At the end of the day, it was my decision to take that hit, to make a life decision and a career decision.

Senator Kevin Humphreys: It is a conversation piece. In the building and construction sector, the hospitality sector and several other sectors, people can earn reasonably good money up to a point, but when a family comes along or people are physically not able to continue, they find they cannot go forward because they cannot afford education, and they find themselves

unemployed and unable to earn a reasonable income because of the lack of early opportunities.

Mr. Paddy Power: Yes. Do not get me wrong. The starting wage for me was tough; it was €20,000, so I took a €15,000 or €16,000 decrease in wages per annum. Then again, as I said, it was my decision to do that and I was prepared to put my head down and work hard for three years to get back to where I was financially in a different career. To have a nine to five job, something with clarity, was a big thing for me. A job that would allow me to progress career-wise and financially, with room to improve, was what it was all about. In hospitality, I felt I had gone as far as I could and as far as I wanted to.

Deputy Tom Neville: I thank the witnesses for coming in today. It is not an interrogation or anything like that; it is just for us to understand what is like at the coalface. I worked in the hospitality sector for ten years so I empathise with what Mr. Power says about being mentally burned out. It is very difficult after a period of time.

I would like the two witnesses to educate me on the process they went through. If somebody like them was thinking about going for an apprenticeship, while they have highlighted all the positives, are there any challenges that they found? Before they started, were there psychological barriers which made them question whether they should do it or not? Was there anything they felt uncomfortable about? It is often those softer things that we cannot pinpoint on paper that block people from taking the plunge.

Mr. Paddy Power: I can only speak as a career changer, not as a school leaver or college graduate. On the apprenticeship I am doing, there are school leavers, college graduates and career changers, although there are very few career changers, perhaps just three or four, myself included. For me, to move from the industry I had known so well for such a long time to start something new was nerve-racking. I knew it was going to be a challenge so it was scary. I had to drop everything I knew. I had to drop a fantastically paid job to dive into something new that I knew nothing about. Although I wanted to start something fresh and to have a bit of clarity, those mental barriers were there. I asked myself if I would be able for this change and if it was for me, but I knew that would be the case no matter what. I say that as a career changer and cannot speak as a school leaver.

Ms Laura Regan: The only negative I had before I made the decision to take the apprenticeship was that my family were asking if I was going to leave a college degree to do the apprenticeship and whether I was sure this is what I wanted to do. Many parents have those worries and want to know what benefit an apprenticeship will be. All the people I started college with graduated this year. Many of them did not have jobs to go to, or were going back to start on a really low wage because they had no experience or had to work for free to get the experience, whereas I have learned while I was working and I continue to work the same as I did in my apprenticeship, although I am qualified. I got paid throughout the whole process and I am starting on a very good salary now that I am qualified. Maybe people do not know enough about apprenticeships and their benefits.

Deputy Tom Neville: That needs to be communicated better.

Ms Laura Regan: Yes, especially to parents and guidance counsellors. I do not think it is spoken about enough.

Deputy Maurice Quinlivan: I congratulate both witnesses on their work so far and thank them for coming before us today. I am delighted to see them here and it will not do them any

harm on their CVs to say they have presented to an Oireachtas committee.

If they could change anything in the present apprenticeship scheme, what would it be, or do they feel anything needs to be changed?

Mr. Paddy Power: I can only speak for the insurance apprenticeship but I cannot speak highly enough of it. I cannot speak highly enough of how I am treated by SOLAS, IT Sligo, the Insurance Institute of Ireland and especially my employer. The employer really has to engage with the apprentice and with SOLAS and the Insurance Institute of Ireland. I am very well looked after and am given many different things to study. If I need extra time to study, or whatever support I need, it is only one question away and I get it every single time. While I do not know about those in other brokerages, I have worked in three or four different departments in the brokerage in two and a half years, so I have different department experience in one industry in just a short amount of time. I really get to see the industry from a broad horizon. I do not want to come here and just tell the committee how good it is but that is my personal experience. I cannot speak highly enough of the process.

Chairman: Can Mr. Power explain how it works? Does he, say, work three days a week with the insurance company and spend two days in college?

Mr. Paddy Power: No, it is four days with the insurance company and one day at my desk in college and I do some online lectures through the Institute of Technology, Sligo. We have done a vast amount of different modules and subjects over the past two and a half years such as big data, advanced excel, marketing in e-business, technical communications and technical mathematical communications. I have done six or seven different insurance exams; I am an accredited product adviser, APA, qualified in insurance; I am a certified insurance practitioner, CIP, as of September; and, I have nine months left until I have a bachelor of arts degree, BA, in insurance practice. At the end of the three years I will have a signature BA and CIP.

Chairman: That is fantastic. Can Ms Regan explain whether she had to go to college for some of her apprenticeship?

Ms Laura Regan: Yes, in first year we go to college for six months. I was working full time from Monday to Friday and then for six months we got block release to go to college and in second and third year we went to college for three months apiece as well so it is slightly different in that we are let go in blocks.

Senator Pádraig Mac Lochlainn: I am from Buncrana in County Donegal and the reason I say that to the witnesses is that I left school when I was 14 years old and that was actually the norm in my secondary school back then. When I returned from first year to second year, half of the girls in my class had not come back for second year. They had taken up work in the local factory which was Fruit of the Loom, a textile manufacturer. Culturally, that was what people did, they left school and went out and earned money. I am 45 years old so I am not talking about the Hovis bread advertisements and all of that, I am talking about the 1980s.

I was really taken by Mr. Power's testimony because so many of the people in my generation went into factories or construction and-----

Senator Kevin Humphreys: They felt stuck.

Senator Pádraig Mac Lochlainn: Yes, they ended up doing the churn.

My sense of this is that there is a lack of awareness, particularly around those who left school and went into trades. There is the famous stereotype about them not being academically intelligent and that the system was not suited to them but maybe they had vocational intelligence on the job. I strongly feel that our society does not value those skills as much as academic skills and that our system is skewed in that respect.

I am interested to hear the witnesses speak about how we can target sections of the economy and promote people changing career and going on a path that they would have taken if that opportunity had come along. I am visualising so many people from my community who would have liked to have had a career change and to find job satisfaction. I am very taken by Mr. Power's testimony in light of my life experience. I commend him - and not in a patronising way - on the financial sacrifice he made for a number of years, which is not easy but now he is on a path that in the long term will give him true job satisfaction and happiness. It is a powerful testimony to share with other people out there who might go down the same road.

Mr. Paddy Power: The Senator is talking about how we can promote apprenticeships in the future. I have done a lot of work with the Insurance Institute and SOLAS in recent years promoting this apprenticeship, be it through the *Insider* magazine or newspaper advertisements and I was on "Ireland AM" last year as well to promote the apprenticeship. There has been a big push and surge in the insurance apprenticeship in this country and many people have gotten in contact with me over the past year or two asking me if I am Paddy Power, saying that they saw an interview of mine and asking how they can get involved in an apprenticeship. Any of the apprentices who have applied to where I am working have seen different promotional tools that I have done recently and have wanted to change career. I worked in hospitality so there is a sense that if I can do it they can do it as well.

We had more 150 applicants for the job this year and it was the same the previous year and the year that I started but many people got in contact telling me how they have seen that I have made a career change and that they want to do likewise and start again in a new career where they can gain more experience and improve themselves financially and academically. The promotion that is put into the insurance apprenticeship that I am doing is fantastic and I do not see how it can be improved more. Perhaps more apprentices could be asked about their experiences and we could get them out there on an advertising campaign because there is no better way than to get feedback from someone who has been through the mill.

Senator Aidan Davitt: I will be brief as we have to leave to vote. I congratulate the witnesses. They are very well presented, they speak very well and they are the only two people here today who were not waffling all day, myself included, so well done.

Senator Kevin Humphreys: I could talk about the Senator in that scenario.

Chairman: Ms Regan struck me when she mentioned "learning while working and getting paid" and that could be the tagline for apprenticeships. It is brilliant and as Mr. Power said it is a career changer. Do the witnesses find that they have a much better work life balance and quality of life now? They probably have a weekend now that they never had.

Mr. Paddy Power: Unfortunately I am out every Saturday night now. It is nice to have that clarity and to be able to make plans with my family because previously, people would ask me to go somewhere on a Friday, Saturday or Sunday and I would have to say I could not come because I was working. I did not have any set routine to how I was working so it is nice to have my life back and to know that at the same time that I am improving myself academically

and financially. I said last year and I will say again that it is the best decision that I ever made.

Chairman: That is great to hear.

Deputy Tom Neville: Ms Regan made a specific point from her experience about the type of school that people are attending at such a young age and the influence that has on their development at age 12 or 13 in terms of their skills because if the specific vocational subjects are not in the school and they are interested they are caught and they are being pushed down an academic line that means that maybe when they are 28 or 29 they are coming back in again to find their niche. It might be something that we need to flag earlier or something we need to discuss with the education committee.

Ms Laura Regan: Everyone should be given the same opportunities. The girls were saying that many of them had to choose between the likes of home economics and woodwork and it was split down the middle with all of the girls going into home economics and all of the boys to woodwork. Sometimes the boys wanted to do home economics and *vice versa* but it was not available to them.

Chairman: Ms Regan is completely right in what she is saying because I attended St. Declan's Community College in Waterford, which is a vocational education committee, VEC, school. My 13 year old daughter started there a couple of months ago and her favourite subject is technical graphics. I was absolutely blown away by that because she is an academic child. She will kill me now if she hears me but she just liked technical graphics and if she had not gone to that school she would never have gotten the opportunity to do it.

There should be a broad range of subjects in schools. Academic subjects are not for everyone and a child should be guided at a young age to let them know that they do not always have to go to university or an institute of technology, that they can take on an apprenticeship. As I said, Ms Regan's comment on learning while working and getting paid was brilliant and it is a great byline.

I thank the witnesses for coming. I know they had a long wait but it is our job to put the other guests who were here through the wringer and we have to get as many answers out of them as possible. We will be making recommendations and launching our proposals and if the witnesses are available on the day we would be delighted to have them back to launch it with us.

The joint committee adjourned at 6.48 p.m. *sine die*.