

DÁIL ÉIREANN

SELECT SUB-COMMITTEE ON EDUCATION AND SKILLS

Déardaoin, 13 Meitheamh 2013

Thursday, 13 June 2013

The Joint Committee met at 10.00 a.m.

MEMBERS PRESENT:

Deputy Ciarán Cannon (Minister of State at
the Department of Education and Skills),

Deputy Jim Daly,

Deputy Derek Keating,

Deputy Charlie McConalogue,

Deputy Aodhán Ó Ríordáin,

Deputy Jonathan O'Brien,

Deputy Ruairí Quinn (Minister for Educa-
tion and Skills).

DEPUTY JOANNA TUFFY IN THE CHAIR.

The select sub-committee met in private session until 10.20 a.m.

Estimates for Public Services 2013

Vote 27 - Education and Skills (Revised)

Chairman: I welcome the Minister for Education and Skills, Deputy Ruairí Quinn, the Minister of State at the Department of Education and Skills with responsibility for training and skills, Deputy Ciarán Cannon, and their officials. The purpose of the meeting is to consider the following Revised Estimate for public services 2013: Vote 26 - Education and Skills. As members will be aware, the 2013 Revised Estimate was presented to the Dáil in the new programme-based format. This means the Estimate, as presented, contains the following information for each programme: how the money allocated to the programme is proposed to be spent and the previous year's outturn in each case; the number of staff assigned to work on or connected with the programme and how the number compares with the previous year; performance-related information; departmental outputs, with corresponding information from previous years and what are termed performance and impact indicators relating to the previous year's information as well; and administrative expenditure for the Vote as a whole, which is summarised in more detail than previously.

The Revised Estimate gives us an opportunity to review whether targets set and the distribution of moneys across the Vote are appropriate in the circumstances and whether they demonstrate the best use of resources. It also gives us an opportunity to explore issues facing the Minister in terms of the 2014 allocation for his Department.

A timetable for today's meeting has been circulated and agreed by the members. It allows for a brief opening statement by the Minister, approximately five minutes, and then a discussion of the 2013 Revised Estimate with questions on each programme listed in the Estimate. I invite the Minister to make his opening statement.

Minister for Education and Skills (Deputy Ruairí Quinn): As requested, I will keep this opening statement short. The net voted sum proposed by the Department for 2013 is €7,926.9 million, made up of current expenditure of €7,514.4 million and capital expenditure of €412.5 million. The Department has supplied briefing material on the 2013 Estimate, which members will have received. The document is in a new format and seeks to reflect the new performance budgeting approach to the Estimates process.

Under this new process the traditional expenditure-type information is accompanied by additional detail on the outputs to be delivered and outcomes achieved with the funding voted in the Estimate. The move to performance budgeting has also resulted in a restructuring of the Department's Vote to reflect the high-level goals in the Department's statement of strategy. This explains the revised structure of the subheads in the Vote this year. The new-format briefing supplied is part of a pilot project and is, by definition, a work-in-progress. The Department will continue to work with the committee and with the Oireachtas services to improve the effectiveness of this new approach.

The briefing material supplied summarises the overall expenditure position for the Depart-

ment in 2013 and how it is divided across the Department's four high-level goals. Almost four in every five euro of current expenditure on the Vote is on pay and pensions, supporting almost 92,000 whole-time posts in the education sector. This equates to one third of overall public sector employment. The paybill also covers the costs of 2,700 Civil Service posts and posts in various other education bodies and agencies.

Details are provided of key outputs to be achieved in 2013 under each high-level goal, as well as information on savings measures introduced to maintain education expenditures within their overall ceiling. These measures are required to keep within the general government deficit ceiling of 7.4% of GDP for 2013.

While I would prefer not to have to seek any expenditure savings in education, I have sought, with Government colleagues, to protect front-line education services as far as possible. Budget 2013 protected the pupil-teacher ratio in primary level schools and in free second-level schools, while there was a two-point increase in the ratio for the 55 fee-charging schools. It is expected overall that some 900 additional teachers will be hired for the next school year. Special needs assistant numbers were also maintained, and the DEIS scheme was also protected in the budget. I also sought to make provision for several important education initiatives. These include further funding for the national literacy and numeracy strategy; an overhaul of the junior cycle; the continued roll-out of high-speed broadband to all second-level schools; and funding under the national training fund for extra places under the labour market education and training fund, called MOMENTUM, and under the Springboard programme.

The allocation for capital expenditure in the Estimate was almost €414 million, along with a carryover of €19 million from the previous year. This forms part of the €2.2 billion five-year capital investment programme for education. The allocation was announced as part of the infrastructure and capital investment framework for 2012 to 2016. Major elements of the programme this year include the following: a total of 50 major school building projects scheduled to advance to tender and construction, which will deliver over 25,000 permanent school places; a further 63 school projects carried forward from last year, including eight projects under bundle 3 of the public private partnership programme; and an investment of €60 million under the devolved additional accommodation scheme.

In addition to the provisions for capital expenditure in the 2013 Revised Estimate, earlier this month I announced a further provision of €50 million that will enable 28 further school building projects, made up of 18 primary and ten post-primary schools, to go ahead. The Department's total investment in these new school projects, which will provide facilities for over 12,000 students, will amount to €100 million, with the balance coming from within the existing school building budget. On Monday this week, I announced that a total of €15 million has been allocated in 2013-14 to replace prefabs and provide permanent classrooms and resource rooms. Some 46 schools with 115 prefabs will be offered grants to provide the new facilities. This is a follow-on to the 2012 scheme, which provided funding in excess of €42 million for the replacement of more than 458 prefabs.

As part of the economic stimulus package announced in July last year, the planned consolidation of the Dublin Institute of Technology at the Grangegorman campus was signalled. The first phase of the public private partnership works proper, at a value of €180 million, will be completed in 2017, with 9,500 students to move to new facilities on the campus at that time. In advance of the PPP works commencing, enabling infrastructure works are required to be delivered through conventional procurement, for which Government approval of almost €80 million was secured as part of the stimulus package. Some of these works have already begun on site.

The target is to have 1,000 students on site by September 2014 in the first phase of relocation.

I do not propose to go into further detail regarding the Department's Estimate at this stage but I, along with the Minister of State, Deputy Cannon, would be pleased to respond to any matters raised by the committee members. I commend the Estimates to the committee.

Chairman: We will now consider the Estimate. We will commence with the general position in respect of savings measures that were to be introduced in 2012 and then we will move on to consider performance on expenditure proposals for 2013 programme by programme. We will follow the usual procedure that we have adopted and we will begin with spokespersons. I call Deputy McConalogue to ask questions under the heading of savings measures to be introduced from 2012 and the comprehensive expenditure review report for 2013. The details are on page nine of our briefing material.

Deputy Charlie McConalogue: Is this in the material provided? I am unsure where we are.

Chairman: If you go through the material prepared by the Oireachtas secretariat, it is on page nine.

Deputy Charlie McConalogue: My page nine has the overall heading: "First, Second and Early Years Education."

Chairman: I am not sure what the story is. The relevant heading is on the page before that and refers to savings measures to be introduced from 2012.

Deputy Aodhán Ó Ríordáin: What document is that in?

Chairman: It is the document prepared by the secretariat.

Deputy Aodhán Ó Ríordáin: Okay. The information on page nine.

Deputy Charlie McConalogue: I thank the Minister, Minister for State and the departmental officials for coming in and engaging in the process, which can be very constructive. My opening question relates to the cost-cutting measures introduced for 2013. Can the Minister provide an update in terms of the impact they have had or an assessment of what has taken place, especially in respect of the measure relating to reserves in the VEC sector. There was a request for VEC institutions to operate from cash reserves and therefore they had to decide where and if any cuts would be made. Has the Minister received any feedback in respect of the impact this is having? I have received feedback from a number of VECs that feel hard done by. Those which took a sensible approach to fiscal budgeting in the past and which set aside reserves in respect of particular projects have been obliged to absorb significant cuts. In a sense, what is happening is counterproductive. The VECs which may have been sensible in the context of how they conducted their business and which have a certain level of reserves have found that the budgets they received for this year on foot of last year's Estimates process are significantly lower than those they were allocated in previous years. Is the Minister in a position to provide any further information on the breakdown in this regard? The reductions to which I refer formed a significant part of the budget savings envisaged in the 2013 Estimates.

Deputy Jonathan O'Brien: The 20% reduction in funding for students with disabilities is listed in the document provided by the Department, which outlines the savings for 2012. It is stated that the relevant measure in this regard was fully implemented but that an additional

€3 million was allocated to the student assistance fund in 2012 and 2013 to cover the increased cost. Will the Minister comment on the particular measure in question? In the context of the broadening of the grant means test to include the value of capital assets, it is stated that the report of the implementation group is under consideration. Will the Minister indicate whether this will form part of the upcoming budget?

The Department's documentation appears to indicate that nearly all of the proposed savings measures have been implemented in full. For various reasons, however, some of these have not achieved what was envisaged. I refer, for example, to the adjustment in staffing schedules in small primary schools. The budget measure in this regard was implemented as planned but the yield was lower than originally projected as a result of the introduction of the appeals process. The original target was 100 posts, while the actual yield was 80. If the targets that were envisaged for 2012 have not been achieved, how will the Estimates be achieved?

Deputy Ruairí Quinn: We are working with a format that is slightly different to what which previously obtained. If the Deputies on the other side of the table feel somewhat confused, I assure them that they are not alone. We want to co-operate with them and if there are queries which we are not in a position to answer today, we will reply to them in writing at a later date.

On Deputy McConalogue's question regarding cash balances, I have in my possession a note which is very informative. On 1 July, the 33 VECs will be amalgamated into 16 new entities. Those VECs had cash balances of €160 million in recent years. These figures are monitored on a quarterly basis by the Department. Budget 2013 includes a measure to reduce, on a one-off basis, these cash balances. This measure involved reducing the non-pay allocations to VECs by €13.2 million, a small portion of the total cash balance within the sector. All VECs have been advised that they are expected to maintain the same level of services as in 2012. This measure is purely intended to utilise the level of cash balances which exist in the sector. The significant majority of cash balances existing in the sector are those from funding previously allocated by the Department of Education and Skills. In other words, this money was allocated but it was not drawn down and spent. Rather, it was lodged in the bank accounts of the VECs. From our point of view, it makes no sense for such amounts of money to be held in VEC bank accounts at a time when difficult budgetary decisions are being made in respect of the education sector. This one-off measure to reduce the bank balances of VECs will not impact on the education of children but it will allow the Government to continue to protect the pupil-teacher ratio in our schools as well as maintaining the number of SNAs and resource teachers available to support children with special needs.

Deputy McConalogue also referred to the impact of other budgetary measures. The one with which we are all familiar in this regard is that which relates to the equalisation the pupil-teacher ratio for post-leaving certificate courses. We asked each of the VECs to provide an indication of what would be the impact of this and of the 33 committees, a total of five were adversely affected. We have discussed the introduction of measures to ameliorate the position in this regard. The measure in question has largely affected the large urban VECs, namely, City of Cork VEC, City of Dublin VEC, Dublin County VEC and one or two others, which, in the context of the provision of their post-leaving certificate courses, employed part-time teachers. We are in the process of addressing the impact of this measure.

With regard to Deputy O'Brien's question on the decision to disimprove the pupil-teacher ratio over a period of three years, an estimate was made of what would be the yield. The Deputy is correct in stating that the yield was 80 posts rather than 100. This was due to the application

of the appeals process. It is expected that the projected savings will be achieved during the implementation period but not necessarily within the timeframe originally envisaged.

Deputy Jonathan O'Brien: Is the Minister in a position to provide a figure regarding the net savings it is hoped to achieve through this particular measure?

Deputy Ruairí Quinn: The full amount of the savings expected for 2014 in this regard is €11.5 million. We have no reason to believe that these will not be achieved. As the Deputy quite rightly pointed out, some of the schools lodged appeals. The pupil-teacher ratio is based on the number of children who in the system, which, depending on the number of applications for places, can vary from year to year.

Deputy Jonathan O'Brien: The saving of €11.5 million is due to be achieved in 2014. The amount for 2013 is €6.5 million and that for 2012 was €1.5 million. Are these net savings or do they just relate to the adjustment in the staffing schedules. Are teachers being redeployed elsewhere in the system? Is the amount to which I refer the net saving that is going to be achieved on foot of this budget measure?

Deputy Ruairí Quinn: It is a gross saving. This is because the vast majority of those teachers are permanent and would be redeployed.

Deputy Jonathan O'Brien: Would it be possible to obtain a figure in respect of the net saving the Department is hoping to make?

Deputy Ruairí Quinn: We could try to obtain that for the Deputy. However, given that the population is increasing, extra teachers will be needed. This means that the teachers in question will be redeployed. It also means that newly-qualified teachers would otherwise be obliged to wait until the former are redeployed before taking up employment. I will come back to the Deputy on how redeployment actually works. Vacancies which occur in an area from which teachers are being redeployed and which might require the appointment of new teachers would, in the first instance, be filled by redeployed teachers.

Deputy Jonathan O'Brien: The yield initially envisaged was 100 posts and some 80 of these have been achieved. Is this due to the redeployment process or is it because teachers are reluctant to move from locations in which they may have family ties, in which they may live or whatever? Why was the full yield of 100 posts not achieved?

Deputy Ruairí Quinn: There are two possible explanations. The first of these is that the school involved may have appealed. The appeal is an independent process. The evidence has shown that numbers are not dropping as expected and they are retaining teachers or their numbers have increased to allow them to retain teachers under the new pupil-teacher ratio. Alternatively, it may be that there are difficulties with a teacher's redeployment. It is mostly due to the appeals. On the Deputy's other question on capital assets, the memo has not yet been brought to Government despite public discussion of the matter. It was never intended to be applied for the forthcoming year. A notional saving of approximately €1 million for this year will be factored in. The implementation of it will be with be for September 2014 to September 2015.

Deputy Jonathan O'Brien: Did the €3 million that was put into the student assistance fund this year because of the problems with SUSI have to be found elsewhere in the budget and, if so, where?

Chairman: We will be able to go into specifics like that when we go through the pro-

grammes. Is that all right?

Deputy Jonathan O'Brien: It would be good if we can go into the details later.

Chairman: Does anyone have questions on the general savings? Our advice is that the information the Minister has supplied to the committee does not include the comprehensive expenditure report we required. Is the Minister in a position to supply the committee with a statement of the outcome in relation to each of the comprehensive expenditure report measures that were to be introduced? Were they successful? It need not be provided immediately but might the Minister be in a position to provide it at some stage?

Deputy Ruairí Quinn: I have a note with me which it might be helpful to deliver to the committee. It should be made clear that not all of the saving options, of which there were 83, identified in the comprehensive expenditure report, or CER, were agreed to be implemented. The CER submitted by the Department in September 2011 contained a very large number of saving options across the education area. The options were identified to facilitate wide consultation and ultimate decision by Government in determining the budgetary position for the years 2012 to 2014. It was never intended that all 83 options would be implemented. In fact, some options are mutually exclusive including the range of options to abolish or modify the school transport scheme or different options to reduce teacher numbers. Between budget 2012 and budget 2013, some 42 options, or half the total, have been implemented in some shape or form. The commentary in the CER on those options that were not proceeded with identified the challenges to their successful implementation.

Deputy Jim Daly: I welcome the Minister and Minister of State and their officials to the committee. Looking at the Minister's stewardship of the Department since taking office, I note a number of things to be highlighted. I have used every opportunity I have had to speak on education to commend and recommend the Minister's continued approach to special needs education. To his credit and the credit of the Department, we have the same number of special needs assistances and resource teachers - 9,750 and 10,500, respectively - in the system as were there when he took office. I am very pleased to see that and hope it will continue to be the case as we compile budgets.

I welcome this stage of the process. It is very interesting and gives members of the committee a great feel for each subhead, where moneys are going and where savings can be made. It justifies some of what are always referred to as budgetary cuts but which in fact often involve reform. That is the more progressive term to use but for political reasons, we tend to choose different language. The Minister's legacy reform on special needs is notable and appreciated. The infrastructural developments which have taken place over the last couple of years has been second to none, which is a point that must be made when we talk about budgets. The capital budget is approximately €400 million again this year. That is to be welcomed.

Have the useful recommendations that emerged from the NCSE's report on special needs had any impact on the short-term budgeting and clinical process of doing sums within the Department? I appreciate that the recommendations are more policy-driven and refer to the role of the special needs assistant. Has there been any move to make changes to the allocation of funding in the area of special needs on foot of that review?

Deputy Ruairí Quinn: I thank the Deputy for his comments. I received the NCSE's report in the middle of May. Deputy Cannon, the officials in the Department and I are looking at the 28 recommendations the NCSE proposed. I have not yet received from within the Department

a recommended response. The NSCE has proposed changes in the way resources are allocated to ensure that each student with special educational needs gets the supports he or she requires based on his or her actual needs. The NSCE also wants to ensure that children with special educational needs have immediate access to additional teaching support in mainstream schools. We will carefully review the recommendations and bring forward proposals for future improvements to our system. The changes will not happen over night. It has been 20 years since the original allocation of resources and a great deal has been learned and much research has been conducted in that time. We will be looking at the recommendations in that context.

Deputy Jim Daly: In case I was not understood, I wish to clarify my position. I welcome reform wholeheartedly. It is very important in all sectors, but particularly in the case of education. Certainly, reform is required in the special needs area. While I am very supportive of some of the measures advocated in the NCSE report, what I hope is that we can maintain the budget and funding that is there for special needs education for children with learning difficulties. While the way in which the money is spent should be reviewed and challenged at every opportunity, it is important to get a commitment in principle from the Department to continue to ring-fence the amount of funding that has been applied to date.

Chairman: I move now to programme A, which relates to first, second and early years education. It is set out at page 15 of the Department's brief. There is additional material in the committee's brief from the Oireachtas secretariat at pages 10 and 11. I call on questions on the programme.

Deputy Charlie McConalogue: I refer to the previous matter of the overall envelope and the revised Exchequer ceiling for 2013. At the start of the year, it appeared to be €8.525 billion. For 2014, it is €8.453 billion. The revised Exchequer ceiling for 2013 is set out as €8.152 billion. There is a €300 million gap between the revised 2013 and the 2014 figures. Can the Minister explain that? What does it mean?

Chairman: I ask the Minister to be very brief on that. We need to move on to the different programmes if we are to get through our business.

Deputy Ruairí Quinn: I will give a brief reply and come back to the Deputy in writing if required. The increase from €8.152 billion to €8.453 billion is an increase in gross expenditure generated by the increase in population. We still have to get the savings that are set out below that.

Deputy Charlie McConalogue: Does that mean the Department's spend for 2014 is likely to be a good deal higher - up to €300 million higher - than it was in 2013? Some 900 additional teachers will be employed. I am not sure of the cost. Are we expecting the Department to spend less in 2014 than it will spend in 2013? Does the figure for 2014 indicate that education spending will be greater in 2014 than in 2013?

Deputy Ruairí Quinn: I apologise that I cannot provide the figures as we are a little bit over halfway through. We will be spending more in absolute terms because of the demographic increase but we must stay within a certain current account budget constraint. We must find savings and that is the exercise we will do between now and budget day in October. We will write back to all committee members in this respect.

Chairman: Someone among the Minister's officials has a mobile telephone switched on and it is interfering with the sound. Perhaps the Minister and his officials can switch off their

telephones.

We are now dealing with early years education. The estimate lists ten context and impact indicator figures for programme A. These are reproduced on page 15 of the brief supplied by the Department. Deputy McConalogue may wish to raise some of the issues on page 10 of our brief.

Deputy Charlie McConalogue: With regard to the value for money review the Minister is planning to bring to Cabinet in the coming weeks, is there an expectation that the value for money review-----

Deputy Ruairí Quinn: Is this the value for money review on small schools initiated by the previous Government?

Deputy Charlie McConalogue: Yes. It is now on the Minister's table. It is his baby now.

Deputy Ruairí Quinn: We know who the parents are, so we will be looking for some maintenance payments.

I do not want to anticipate what the Cabinet will decide but it is not a question of instant savings from the point of view of the Department. It is a question of whether we are getting value for the money being spent. That is the principle behind it and it is an interdepartmental process set out by the old Department of Finance and maintained by the Department of Public Expenditure and Reform. It is a comprehensive work that I hope will be published quickly but it does not have a budgetary impact and is not seen in the context of budgetary figures. When it is available and has been cleared by the Cabinet, I would be happy to come to the committee to discuss it in detail. There are major long-term implications.

Deputy Jonathan O'Brien: I have been speaking to teachers about capitation grants, which are based on the number of students in a school. Money is being spent on the capital programme and we are building new schools and replacing prefabs with extensions. Given two schools in the same location, one may be housed in an 80-year-old building, which takes much more to heat and to run and is not energy-efficient, while the other may be very modern and may not cost as much to operate in terms of heating and overheads. However, the capitation payment is based on the number of students. Has any consideration been given to, or any report produced on, capitation grants and how the Department allocates them? One suggestion is that part of it could be based on student numbers, but consideration should also be given to the type of school, its age and its energy efficiency. If it costs more to run a particular school because of its age, it makes more sense that the amount the school gets in capitation grants is greater than that given to a modern and up-to-date energy-efficient school that does not cost as much. This is particularly the case given that the minor works grant and the summer works grant are being discontinued. It is a very general question but I wonder whether research has been done by the Department into how the capitation grants system is implemented.

Deputy Ruairí Quinn: I thank the Deputy for the question and the manner in which it was raised. On the question of whether we are looking at changing the basis for capitation grants, the short answer is that we are not, but I can see why it might warrant being examined. One size fits all is the approach to primary schools, if that is what we are talking about.

Deputy Jonathan O'Brien: Yes.

Deputy Ruairí Quinn: There is a recognition that there are basic operational costs, for

which capitation grants are presumed to provide. These include general electricity, water and other things. The minimum size of the school for the purpose of the capitation grant is 60 pupils in notional terms. From memory, there are some 25 schools with 19 schools pupils and the capitation grant they receive is the same as that of a school with 60 pupils because of the minimum floor threshold. That is the only variation within the capitation allocation. While some principals and boards of management talk about the cost of running a school, we have not gone beyond that. There are no proposals currently. If boards of management in the primary school system were to come forward with ways in which we could, in these difficult times, more efficiently meet costs generally, then we are open to it. The summer works scheme and the other schemes to which the Deputy referred are deemed to be one-off projects for maintenance and early intervention to avoid capital replacement costs later, but they are not seen as current account operating costs.

Chairman: There should be greater scope for schools to reduce costs, whether energy or insurance costs, by co-operating regionally. Is there any progress on that, or will it happen under the education and training boards when they are set up?

Deputy Ruairí Quinn: Across all sectors of the public service, the Government is trying to systematically reduce costs by combining the purchasing power of schools to jointly procure services such as electricity through the extra volume that can be brought to the market. Some school boards of management have traditionally had a local supplier in the area and want to maintain and support local business. If, for example, photocopying paper is deemed by the procurement officer to cost X euro, and the school can get that price from the traditional supplier, the school is free to do business with that company. The Minister of State, Deputy Brian Hayes, is directly responsible in this area. Different agencies of the public service were paying wildly different prices to the same company for the same product. The effort is to ensure we get the lowest price applying to all State agencies. It is a matter of combining procurement services. We have been speaking to the primary school sector about public procurement in that regard. To answer the Deputy's question, we will continue to explore it and continue to encourage and support boards of management to do so.

Deputy Jim Daly: I have a question on subhead A12, teacher education. Is that in-service education or does it include the training colleges? If it does, what impact are the private colleges having? Is there a budgetary bonus? I understand private colleges such as Hibernia College are training one-third or two-thirds of our teachers. Is that having a budgetary impact and is there a knock-on bonus as a result?

With regard to the capitation grants to schools, has the Department carried out any work on examining the value for money of water harvesting systems for schools? I conducted a brief analysis in my constituency. I contacted many of the schools and looked at their water bills for a year. They and the Department are paying huge amounts of money to the local authorities for water. Has the Department considered a cost-benefit analysis of providing a grant to schools for water harvesting systems? Many of them have a flat roof and there is no shortage of rain, so it appears obvious that the option should be explored.

Deputy Ruairí Quinn: I will try to get an answer to the questions regarding the balance of teacher education and the costs there.

Rainwater harvesting systems were first introduced for major school building projects in 2008. Since then, all major school building projects, where site conditions and circumstances allow and where economically viable to do so, can incorporate a rainwater harvesting system

into their accommodation brief. While fitting the systems in new schools during construction is relatively straightforward, retrofitting them in existing schools is much more difficult and expensive because of the various dedicated pipework systems both within the building and externally underground and the amount of making-good work that is required in each instance. For existing buildings it is more cost-effective to minimise the demand for water through installing measures to reduce water usage, such as push-type spray taps, low flushing toilets, urinal controls, repairing leaks and so forth. To this end, schools were invited in 2010 to apply for water conservation measures and funding of almost €10 million was made available to promote water conservation measures as part of this initiative. A list of the schools whose applications under this scheme were successful is available on the Department's website at www.education.ie.

Harvesting is different from conservation. It should be considered by schools and it is being considered in a positive way in the new-build area, but that is a small percentage of the total stock of our schools.

Deputy Jim Daly: Are many of the new building projects taking it up? I am not aware that they are. The Minister said that its provision can be considered but how many of them are actually doing it?

Deputy Ruairí Quinn: I will make that inquiry. It should be relatively easy to find that information.

Deputy Jim Daly: What about the other question on teacher education?

Deputy Ruairí Quinn: We have nothing specific. This was raised at a number of the teachers' conferences last spring and some of the Deputies here will be aware of that. Not everybody who applies to do a conversion course to become a teacher on top of his or her original primary degree is necessarily looking for employment in Ireland. Some of the teacher unions have looked at the demand for teachers within this country, the places that are available and the number of people qualifying and have said that we are producing too many teachers. A number of people who, sadly, have decided to emigrate for whatever reason realise that there is a world-wide shortage of highly qualified English-speaking teachers.

The colleges of education, or teacher training colleges as they were known, accept people from the top 15% of leaving certificate results, which is totally at variance with the average across Europe. The quality of an Irish primary school teacher, and to a lesser extent a secondary school teacher, is very high. For example, there are premiums in pay for Irish qualified teachers who commit to working in an inner city school in London for a fixed number of years, such is the increasing demand in London and the quality of teacher education. There are also teaching opportunities in the United Arab Emirates in the Middle East. People who opt to do the conversion course with Hibernia College, which costs approximately €10,000, do it on the basis that they can get that conversion to primary school teacher accredited and recognised in the space of 20 months, after which they have the earning capacity abroad. They are being recruited in that way in many cases.

The Deputy is probably aware of what we have done in structural reform of the initial teacher education area. The 19 providers are being reconfigured into six different clusters. That is proceeding very satisfactorily and I hope to be able to make a comprehensive report on the position in the autumn.

Deputy Jim Daly: Is the €25 million under subhead A12 for in-service training only or for

training colleges as well?

Deputy Ruairí Quinn: It is for in-service training.

Deputy Jim Daly: Is it for in-service training only?

Deputy Ruairí Quinn: Yes.

Deputy Charlie McConalogue: Teachers' pay is covered by subheads A3 to A5. An increased number of teachers will be required from next September. I presume they are factored into that. What will be the cost of the additional 900 teachers required from September? If the Minister were also to increase the number of special needs assistant posts and learning support posts proportionately to cater for the increased demographics, has the Department assessed what the likely cost of that might be? I realise it is difficult to project that because one cannot be sure how many will be in the system given that it is new intake but, based on trends from other years, can he give an estimate of what the increased demand might be under the current system?

The Minister is establishing a new board to consider reforming the way special needs supports are provided. However, if the Minister were to take the same approach to special needs and learning supports as he is taking to the general pupil-teacher ratio by increasing the number of teachers proportionately to the likely increased demand, what might be the additional cost for learning supports on top of the cost he will incur with the increased hiring of teachers?

Deputy Ruairí Quinn: The cost in a full year of meeting the increase in the number of teachers generated by the demographic increase is €55 million. Obviously, one-third of that cost will arise in the current year because of the autumn period, and that cost is €18 million in round figures. A SNA costs €30,000, which is approximately 50% of the cost of a qualified teacher.

Deputy Charlie McConalogue: What does the Minister mean by that?

Deputy Ruairí Quinn: The average full-year cost of a SNA is €30,000.

Deputy Charlie McConalogue: Would an assessment have been done such as I mentioned?

Deputy Ruairí Quinn: No, because they are not necessarily proportionate. We have capped the number of SNAs at 10,575. I have not yet had a chance to look at the recommendations from the NCSE this year. We will be publishing them quite soon. However, it is not a *pro rata* increase *per se*. It is not a demographically correlated ratio of SNAs to population. It is related specifically to the estimated needs as assessed by the SENOs and the services of the NCSE, and despite population growth those numbers are relatively stable. I am trying to protect the budget allocation so we are keeping the figure at 10,575. Also, there was some controversy due to a misunderstanding in communications within the system. The NCSE is making an allocation of approximately 150 below the total of 10,575, if memory serves, based on the applications that came in through the process. That reserve of 150 is for late applicants or cases that manifest themselves, so we have money and resources within that envelope to allocate them during the year. I have been given the actual figure. The allocation proposed for 2013 is 10,410.

There is cover for late applicants, emergency cases or ones that come through the system.

Deputy Charlie McConalogue: Is that exactly the same as the allocation for last year?

Deputy Ruairí Quinn: It is approximately the same. I am told it is slightly more but the principle is the same. When somebody says that I allocated only 10,410 while there were 10,575 last year, it does not mean there is a drop as the reserve is kept for late applicants. We have made a budgetary provision of 10,575 SNAs for the year, and that is protected. If this is not drawn down and is not needed, there will be redeployment throughout the year. Next year, I intend to have the same figure.

Deputy Charlie McConalogue: In the previous year, would the 10,575 have been fully allocated?

Deputy Ruairí Quinn: Not necessarily. In 2010, the allocation was 10,543. In 2011, it was 10,320. The provisional figure for the period to the end of 2012 was 10,390.

Deputy Charlie McConalogue: With regard to the grants to schools, VECs or ETBs, capitation does not include the minor works grant or summer works scheme allocations.

Deputy Ruairí Quinn: All the minor works are capital.

Chairman: The committee would be interested in hearing a comment from the Minister on programme A in regard to the question of the programme targets and associated financial allocations being contemplated for 2014.

Deputy Ruairí Quinn: Could the Chair repeat the question?

Chairman: Although we are considering what happened, we are interested to know what information the Minister has from the Department on the targets under programme A and the associated financial allocations being contemplated for 2014. What are the Estimates for 2014?

Deputy Ruairí Quinn: I understand we are scheduled to return to this committee before the end of this Dáil session. I will then be in a much better position to update members on a number of the changes. First, the ETB integration programme is proceeding apace. We have set up an implementation office. The Minister of State, Deputy Cannon, and I are working closely together. Report Stage of the SOLAS legislation was completed yesterday evening in the Dáil and Second Stage will be taken fairly soon in the Seanad. It is the intention to have the SOLAS legislation enacted probably before the end of this month and to establish the SOLAS board in July. We have a dedicated office for SOLAS-ETB implementation in the Department. It is a fairly big operation logistically.

With regard to the reconfiguration of the third level sector generally, the Chairman will be aware that we have received the HEA report, the landscape document. I submitted it to the Government. We have basically recognised the reconfigurations in regard to the institutes of technology. There are proposals for educational clusters, which I will be happy to discuss. I refer to clusters of various higher education institutions in different regions to allow for co-operation. Most important from the learner's perspective, there will be portability. One will be able to take one's qualifications from one educational institution in the south east, for example, to another and obtain full credits for what one has already learned.

Deputy Jonathan O'Brien: On programme A in general, we know there will be some savings again next year under this heading because there have been some announcements on multi-annual provisions. For instance, the capitation grant is to be cut by another 1%. This was announced. Do we know the extent of the announced savings to be effected in next year's budget? How much will the budget for programme A be reduced bearing in mind previously

announced measures? I would appreciate the figure. If we had it, we would at least know the scope, if any, for further savings. We are looking at another €44 million again next year. How much has already been identified from previous announcements on programme A?

Deputy Ruairí Quinn: I do not want to mislead the committee. What I will do is confirm the figures in writing.

Deputy Jonathan O'Brien: That is perfect.

Deputy Charlie McConalogue: I have a question on the early childhood education aspect of the Department. How much does the Department spend in the sector at present? What does this involve? This area has received much coverage recently. At present, however, the matter is falling between two Departments, the first being the Department of Children and Youth Affairs, which provides the free preschool year. The Department of Education and Skills is responsible for the education aspect and education policy. The two do not knit together as they should. In the longer term, an issue will arise in respect of who has responsibility. I refer in particular to the responsibility of the Department of Education and Skills. It would make sense for responsibilities to lie with the Department of Education and Skills.

With regard to the implementation of the curriculum and the Síolta quality requirements, what is the current expenditure of the Department? The Minister mentioned the implementation model for evaluating the quality of early childhood care and education. Does he have more detail on additional expenditure in this area to try to generate improvement, particularly in light of recent experience?

Deputy Ruairí Quinn: I agree with the Deputy in that the Department of Children and Youth Affairs is less than two and a half years old. It grew out of the Department of Health. It was originally under the late Deputy Brian Lenihan and former Deputy Barry Andrews. It was a semi-autonomous unit that has become a full Department. The previous Administration introduced the ECCE programme, which every one of us supports.

The recent revelations on child care, as distinct from early childhood education, are disturbing. I will be meeting the Minister for Children and Youth Affairs and senior officials to talk about much closer co-operation in this area. We have a responsibility for the educational input in this area. That costs approximately €6.5 million currently. With the Minister for Children and Youth Affairs, Deputy Frances Fitzgerald, we are trying to improve the qualifications of child care workers. Currently, the recommended level is level V on the national qualifications framework, but this could be raised to level VI. We will be talking to the providers of the education. In many cases, the care workers in the sector pay for their own education. We are considering how this could be subsidised because, quite frankly, the workers are low paid.

We want to increase the quality and implement, in so far as it is possible, the two educational programmes, namely, Síolta, the quality control framework, and Aistear, the curriculum framework. I will revert to the committee and report on the outcome of the meeting with the Minister for Children and Youth Affairs to address the quality of the educational input. A child could be in a crèche for the full working day of its parents, but nobody would suggest a child of crèche-going age should have more than three or three and a half hours of education, as one would see with junior infants. Their capacity to absorb information is lower. The duration of being in care is not the same as the duration of being in early childhood education. We are working to improve the relationship between the two Departments.

Chairman: I will move now to programme B. It is on page 18 of the Department briefing. It deals with skills development. It is on page 13 of our material. There are six headings in this programme, which includes FÁS, SOLAS administration and training costs. I will not list them all. We will begin questions.

Deputy Charlie McConalogue: If somebody else wants to ask a question they may.

Chairman: Does anybody else wish to speak?

Deputy Jonathan O'Brien: A lot of reform is taking place, given the SOLAS legislation. One criticism continually put forward is that there is a skills deficit in the labour force. How is the Government addressing it? The Minister may want to make some general comments on that and how SOLAS will play an integral role. The legislation is very progressive. As I said, we have had three reforming pieces of legislation from the Department which have not received the media attention they should have. They are significant and I congratulated the Minister on their implementation. The impact of the Qualifications and Quality Assurance (Education and Training) Act 2012, the Education and Training Boards Act 2013 and the Further Education and Training Bill 2013 will be felt for many decades to come. There is constant criticism that we are not tailoring our courses to meet the demand of industry. What steps has the Department taken to deal with that?

Deputy Ruairí Quinn: I will ask Minister of State, Deputy Ciarán Cannon, who has responsibility in this area, to address that question.

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): I thank the Minister. On the criticisms to which the Deputy referred, namely, that the training and further education provision engaged in across the further education and training sector is not aligning itself as it should with the needs of the labour market, I would argue that significant progress was made in that area under the previous Government.

One of the main thrusts of the reform programme of the new director general and board of FÁS since taking over has been to ensure all our provision is the best possible because, as the Deputy might be aware, the labour market is evolving and changing on an almost weekly basis. The director general and the board are ensuring there is significant, ongoing and in-depth forensic analysis of the labour market at national and regional level to ensure the training programmes and further education opportunities we are providing are responding to the needs of the labour market.

As the Deputy knows it will be the ambition of SOLAS to build on that progress and ensure every single piece of further education and training provided to our learners empowers them to move closer to the labour market or directly back into it. It is envisaged that research will be carried out at national level by SOLAS with a well-resourced research unit and, more importantly perhaps, by individual education and training boards, ETBs. They will also have a role in carrying out research into the skills shortages that are occurring on a regional basis.

For example, I am from Galway where a significant medical devices and ICT cluster is emerging on the edge of the city. There is already excellent work being done by FÁS, Galway-Mayo Institute of Technology, GMIT, and NUI Galway in responding to the unique skills required for that particular sector. One would expect that in Cork, pharmaceuticals would be a focus and in Dublin the focus would be on financial services and ICT. ETBs locally will work very closely with industry. There is provision for there to be significant co-operation between

industry and enterprise in each region to ensure not alone that are we responding to the skills deficit, but also the curriculums being designed to respond to those deficits are designed through collaboration between ETBs and local enterprises.

Deputy Jonathan O'Brien: I have a question on colleges of further education. I am sure other Deputies have visited Ballyfermot College of Further Education. I will not get into the changes to the pupil-teacher ratio. One issue it raised was certification of some of its courses. Some are regarded as higher education courses. It must get certification from institutes in Scotland and England. Is that something the Department is examining?

If we are to develop further education, perhaps it is something we need to consider. There is an argument about whether they are stepping on the toes of institutes of technology and higher education. I understand 60% of the courses run in Ballyfermot are higher education courses. Representatives from the college told us at a meeting that it was not the case that it could not get courses certified here, rather it was because of the way the system operates. Further education colleges and higher education institutes are separate, which creates a difficulty in getting courses certified. It is not that bodies do not exist to certify them, but for whatever reason Ballyfermot must get permission from outside colleges. Can the Minister of State comment on that?

Deputy Ciarán Cannon: I will make a quick comment. We had this discussion on the drafting of the SOLAS Bill. We did not tie down the exact definition of "further education" because we wanted to have flexibility to be able to incorporate as wide a range of provision as possible within the further education sector. It is an example of why we needed to do that. In terms of the certification and higher education implications, I will defer to the Minister, Deputy Quinn.

Chairman: We had very good attendance at that meeting from the committee and constituency Deputies. I asked whether the representatives from Ballyfermot whether the college would apply for SpringBoard. They thought they were not eligible. I tabled a number of parliamentary questions on the matter. I have established that the college could apply for SpringBoard. A place like that could be used by the Department. It is very close to where I live. It is not in my constituency but it is next door.

The most recent study by Professor Clancy of who goes to college study showed disadvantaged postal districts had greatly increased their participation over a certain period, but Ballyfermot had not. In Ballyfermot, students went to the Ballyfermot College of Further Education which did not come under the heading of third level even though they got third level qualifications. It is a great resource for the community in terms of getting people to go to college who might otherwise not do so. Its potential should be maximised.

Deputy Ruairí Quinn: I agree with the Chairman. Where we have centres of educational excellence, for whatever reason, we should celebrate them and not try to squeeze them back into the box from which they came. That does not make sense. It is part and parcel of why the higher education strategy referred to regional clusters of education.

Ballyfermot is unique because 60% of the courses it offers are in the area of what could be more properly described as higher education. We are trying to get a seamless connection between higher and further education because they are ultimately related to qualification levels under Quality and Qualifications Ireland, QQI. It will be something we will explore with it.

Quite frankly, the fear is that if specific recognition is given to one college of further education, for whatever good reason, the door will be opened to all sorts of other colleges of education throughout the country who will seek the same. That was the answer I got when I was in opposition. We have to look at ways in which we can capture the excellence in Ballyfermot without having a knock-on effect for colleges which do not have the same level of excellence.

Chairman: Are there any further questions?

Deputy Charlie McConalogue: There has been a significant decrease in the grant funding provided to FÁS and SOLAS under subhead B3. The figure was €102 million last year and €103 million the previous year, but it is just €89 million this year. That represents a cut of 14%. Can the Minister of State explain where that reduction in funding came from and what impact it has had? According to the table on page 20 of the briefing document, which gives details in relation to context and impact indicators, the figure categorised as “FÁS throughput training for those seeking employment” decreased from more than 77,000 in 2010 to approximately 60,000 in 2011 and 2012. That is quite a significant drop at a time when one would have expected this country’s employment situation to necessitate the training of more people through FÁS-supported training schemes. Can the Minister of State provide any more detail in that regard?

Deputy Ciarán Cannon: There are a number of reasons for that reduction. Significant savings are accruing in the area of administration and staffing costs, particularly in FÁS. Staffing numbers have reduced under the employment control framework. The figure takes account of the estimated impact of the Haddington Road agreement on future salary costs. The decision to discontinue the practice of paying the maximum level of jobseeker’s allowance - €188 per week - under FÁS training schemes has produced a saving of approximately €9 million.

The Deputy may be aware that a review of our apprenticeship training delivery model is under way. The demand among employers for the training of apprentices, particularly in the construction sector, has been reducing. We used to train approximately 7,000 construction apprentices per annum, but that figure has decreased to between 600 and 700 at this point. I ask the Deputy to bear in mind that those savings have been offset to a certain extent by increased expenditure in other areas. We are spending almost €20 million on the provision of 6,500 training places under the MOMENTUM fund, for example. We are targeting the achievement of savings in specific areas as a result of administrative, staffing and other reductions. I remind the committee that 50,000 training places are being allocated uniquely and solely for the long-term unemployed this year as part of the Pathways to Work initiative. That commitment has not been made in the past.

Chairman: We will move on to programme C, higher education, which is on page 21 of the Department’s brief. The list of headings is on page 22. This programme is covered on page 15 of our own brief. There are seven headings to be dealt with. Does anyone want to ask any questions? I will ask a general question. There seems to be a lack of transparency regarding some of the institutions. Expenditure issues have arisen in the university sector. I refer, for example, to the provision of bonuses to those who are on salaries at the top of the scale. How are the universities doing in general in terms of producing better value for money for the taxpayer?

Deputy Ruairí Quinn: This whole area comes under the remit of the Higher Education Authority in the first instance. The universities approached the Government to explain that their pension fund provisions were no longer adequate. I am speaking in general terms. When they merged their pension fund provision for university academics and staff into the Civil Service sector, in effect, they automatically came under the employment control framework, which

the Government is operating in line with the terms and conditions of the troika agreement. There will be an employment control framework after that, as there always has been in the past. The figures in the current employment control framework were set by the troika, but when that comes to an end, the Department of Public Expenditure and Reform will set our own framework which will be similar in principle. In that context we argued that the changes in high-level salaries for senior public servants should apply to the university sector as well. I am not in a position to update the committee on the progress that is being made in that regard. We are monitoring it.

I will comment briefly on the way in which universities spend their money. The tertiary sector is unlike the primary or secondary sectors because universities and institutes of technology raise money in varying degrees for ongoing programmes. Waterford Institute of Technology, for example, has a strong record of raising money. The question that arises in that context is whether they should be subject to control in the areas where they are raising additional moneys. Some of the benevolent bodies, such as the graduates' associations and the foundations of various colleges, have said they are prepared to give money to universities but do not necessarily want the Government to say how it should be spent. They feel that should be left to the discretion of the universities themselves. There is a fair argument to be made in that regard, as far as I am concerned.

I have been given a note to the effect that there has been a 12% reduction in the number of people employed in this sector on a full-time basis. The overall figure decreased from 19,900 to 17,600 between 2008 and 2013.

Members will have taken note of the announcement of the possible establishment of three technological universities and four regional clusters. These reform plans are all about achieving a better alignment of the public funding at our disposal so that we can streamline the system, create additional critical mass and gear the system towards the kind of performances and outcomes we need. If we were starting from scratch today, we would not create 14 regional technical colleges, or institutes of technology as they are now known. We are looking at how best to reconfigure that structure. As a first step, we invited colleges and institutes of education in that sector to indicate where they thought they should or would be, or where they would like to be, within the framework of the Hunt report. Submissions regarding their aspirations were received by the Higher Education Authority, which examined them and decided to reconcile conflicting aspirations - there were cases of double and triple counting - by recommending an infrastructure for the institutes of technology landscape, with which we are familiar. In effect, there will be a Connacht-Ulster alliance between Galway-Mayo Institute of Technology, the Institute of Technology Sligo and Letterkenny Institute of Technology. The proposed Dublin configuration or merger, involving an alliance between Dublin Institute of Technology, Blanchardstown Institute of Technology and the Institute of Technology Tallaght, is proposing to apply for technological university status. I will come back to that in a moment. Details of the other configurations are available if Deputies want to discuss them.

The outline has been recommended back to the sector. They have been told, in respect of mergers, clusters or applications to proceed to technological university status, that they will have to come forward with a development working plan by the end of this calendar year. Based on an assessment of the feasibility of that plan, with the assistance of external international experts, they will proceed to the next stage. That is the change. The relationship between a university and an institute of technology will be part and parcel of that. For example, a structured relationship between Athlone Institute of Technology and NUI Maynooth has been proposed.

The same thing applies in the case of Dublin City University and Dundalk. That would allow students to carry their learning qualifications from Athlone Institute of Technology, for example, to NUI Maynooth if they wanted to proceed to level 9 or level 10 of their course of study.

Chairman: What about Trinity College, which I attended? It is the most elite in that regard. University College Cork would take students from Cork College of Commerce which is run by the VEC and they would pursue a law degree, but there is nothing like that in Trinity College Dublin which does not take students from colleges of further education or institutes of technology. Obviously, the DIT and other institutes of technology have always had such access. All universities should be free from this and play their part.

Deputy Ruairí Quinn: As a graduate of Trinity College Dublin, the Chairman knows more about the matter than I do. What I have been told by Trinity people in the past four to five weeks is that its access programme is the oldest in any of the universities.

Chairman: It is also the smallest, although I do not mean to be derogatory. It is important in the overall scheme of things, but in terms of access for people from disadvantaged areas, it would not come near that of the DIT and similar colleges. Trinity College Dublin has that programme, but it is a very small part of the bigger picture at the college. For example, it provides virtually the same part-time night learning programme as it did when I attended in the 1980s. It has not done what the other colleges such as that in Maynooth, UCC and the institutes of technology have done. It does very good work, but it needs to be pushed to have a broader programme and instead of token stuff and having little things around the edges, it needs to be like the others, where there is equality of access.

Deputy Ruairí Quinn: I hear what the Chairman is saying. Perhaps she might like to invite its representatives to appear before the committee and ask them to account for it.

Chairman: I will do that.

Deputy Aodhán Ó Ríordáin: In regard to the context and impact indicators, the number of international students in the higher education institutions increased from 25,000 in 2010 to 30,000 in 2012. Can I assume that this is a deliberate act in cross-departmental initiatives to encourage more international students to come our higher education institutions?

Deputy Ruairí Quinn: Yes, it is. The previous Government and, in particular, the then Minister of State, Mr. Batt O’Keeffe, recognised that the promotion of education in Ireland on a global scale needed to be undertaken by a dedicated agency. There was a commitment to do this in the programme for Government. He saw Enterprise Ireland in operation in China in promoting Ireland and Irish companies. A decision was made which, in opposition, I welcomed and supported that we did not need another semi-State agency and that one which had expertise in promoting Irish enterprises in the broadest sense should be utilised. With that intent, Enterprise Ireland has a dedicated promoting education in Ireland unit in East Point Business Park. There is a target figure to effectively double the number of foreign students coming to Ireland. Some 32,000 students are registered in Irish higher education institutions, including 7,000 who are studying as part of Irish programmes overseas. There is continued development of the education in Ireland brand in our priority markets, including the United States, China, India, Brazil and the Gulf states. This has included a particular focus on social media and the use of student ambassadors, which is innovative. Some weeks ago there was the launch of a new Government of Ireland international scholarship aimed at attracting top students from priority and emerging markets. We are strengthening intergovernmental relationships with different countries. The

Minister of State, Deputy Ciarán Cannon, has made a number of visits to target countries and there is ongoing progress on the strategy being monitored by a high level international education unit chaired by the Department. The university that has the highest level of foreign students is University College Dublin. It has a total of 25,000 students, 5,000 of whom are foreign students. I encourage Deputies to go and have a look at its programme. It has a student support centre for foreign students. The attrition rate can be high because students are away from their own cultural area and possibly studying in a different language. The drop-out rate has been identified as costly in every sense of the word - costly for the parents and student involved but also for the institution that has gone out of its way to attract such students. Therefore, supporting systems to keep students engaged and meet their cultural needs is an important factor. In his regard, UCD has a very good unit.

Deputy Aodhán Ó Ríordáin: Given that the intention is to double the number of students in the coming years, is there a target date?

Deputy Ruairí Quinn: There is. I think it is to occur over five years, but I will get the precise details. It is aspirational. There are many factors over which we do not have control and Ireland is not a cheap destination in which to study.

Deputy Aodhán Ó Ríordáin: No.

Deputy Ciarán Cannon: As the Minister has outlined, the education in Ireland unit is an integral part of Enterprise Ireland's efforts, both nationally and internationally. I commend the unit for its professionalism and the commitment it has shown in significantly expanding our presence internationally. We can often underestimate the creative and excellent use that can be made of social media in this regard. The unit has been anxious to establish an education in Ireland social media presence in each of our target countries. For example, on Facebook, education in Ireland-Vietnam has 11,000 members, while education in Ireland-India has 500,000 members. We are communicating directly with students and their parents through very innovative use of social media, for which I commend Enterprise Ireland. We are seeing the benefits accruing from this. Excellent material is being provided in the social media videos created by Enterprise Ireland on the significant benefits of studying in Ireland and in other excellent resources from IDA Ireland. Excellent work is being done and it is beginning to produce dividends. For example, two years ago we only had 150 students from Saudi Arabia studying here; now we have almost 2,000. Shortly we will receive 750 PhD students from Brazil through our international marketing process, using all of the resources of Enterprise Ireland and our embassy presence. Everybody is working together to ensure the best possible outcome.

Deputy Charlie McConalogue: The overall allocation in 2013 for universities-institutes of technology appears to be down. It is shown in the table under the heading "Administration - Universities-IoTs". The 2012 Estimate figure was €1.119 billion and the provisional outturn was the same amount. The 2013 Estimate figure has gone from €1.119 billion to just over €1 billion. It is €107 million less, which is a 10% reduction on 2012 figure. That is a massive swing in any one year. What exactly is involved in that reduction for universities and institutes of technology?

The 2012 Estimate figure for superannuation was €48 million, whereas the actual provisional outturn was €65 million, 18% more than expected. What was the reason for the increase?

The miscellaneous column shows an allocation of €5 million in 2012, whereas there is nothing included for 2013. On what would the €5 million have been spent?

The figure for postgraduate grants is not broken down as such, but more specific figures are provided on page 14. The figures showed that in the postgraduate grants area savings increased from over €6 million in 2012 to €24 million in 2013 and an expected €42 million in 2014, which is exceptional money in the context of the education budget. The figures coming out of the postgraduate maintenance grants budget are stark. Overall, this is making postgraduate study difficult for people who are not of significant means.

There was a recent report and announcement that the door is open to three technological universities to be developed in the coming years. What are the thoughts and plans at this stage with regard to additional funding that may be made available to those technological universities? For these to come up to the mark it will take money and investment and it will not happen otherwise. I do not expect the figures to be in the 2013 Estimate but if there is to be some investment in 2014 one would expect some figures. I am concerned because without providing the investment, achieving that aim will be very difficult. If we are not serious about going after that objective the flip-side of the policy objective is that one creates the expectation and the environment in the institute of technology sector that there will be three technological universities. That, in turn, raises the question of which of the institutes of technology will not become part of a technological university. Do they begin to fade a little subsequently? Do people begin to drift away from them? It is far easier to create a lower tier in the institute of technology sector than to create a higher tier. A higher tier will take investment while a lower tier could simply come about by creating an image or a view that some institutions will not be superior or not up to the same standard as some of their prospective technological university counterparts.

Deputy Ruairí Quinn: There are several questions to address and I will try to answer all of them and get Deputy McConalogue the information as well. The first question was why there has been the significant drop in the funding of the universities and the institutes of technology. This reduction is mainly the result of the decision in the 2012 budget to reduce the once-off funding by 2% for 2013 and in addition the decision in the 2013 budget to make a once-off reduction in the cash balances. This is similar to what we discussed earlier with the vocational education committees. Some €25 million was taken from them. There is also the estimated savings from the Haddington Road agreement. I understand that is the reason for the figures amounting to approximately a €100 million reduction.

Deputy McConalogue referred to pension increases. There was an increase because of the 29 February phenomenon last year when many people were able to retire on their outgoing salary rather than the incoming reduced public service salary. The committee may recall that there was an increase among the teaching profession at primary and secondary level, and there was a similar increased number in the third level sector.

Deputy McConalogue asked a question about the three possible technological universities. I am please that Deputy McConalogue is using that term because there is an expectation that one can simply change the name over the door of the institution and by that one has changed the content of what is happening inside. In a way, that is what happened in 1997 with the then Regional Technical College, Waterford. By general consensus that college had achieved an academic status that was significantly higher than many other of the regional technical colleges throughout the country. However the legislation at the time was so loose that the title of the college could be changed by ministerial order rather than by primary legislation or an increase in academic evaluation. Once the change took place in one college all the others got the same designation. Therefore, the attempt by the college in Waterford to get recognition for its distinct status was effectively nullified.

The legislation has since been changed and there is newer legislation in place and the institutes of technology are now under the Higher Education Authority. Three clusters have applied. The Dublin Institute of Technology with the institutes in Blanchardstown and Tallaght have decided to apply for technological university status. One could argue, given the nature and the history of the Dublin Institute of Technology, that had the concept of a technological university been available ten, 15 or 20 years ago it probably would have applied directly for that title rather than the unique name of the Dublin Institute of Technology. Representatives from the Dublin Institute of Technology have told the Minister of State, Deputy Cannon, and the Department that to promote the Dublin Institute of Technology as an institution internationally and to attract foreign students, notwithstanding MIT and the California Institute of Technology, Caltech, and several other such world-renowned names, the existing title does not have the same resonance from a comprehension point of view and does not suggest that it is providing courses up to and including level 10. That concept does not exist in such places as India and China.

I cannot prejudice what the expert group will likely adjudicate at the end of the year but one would should assume, given what we know already about the critical mass of the Dublin Institute of Technology and the two other Dublin-based institutes of technology, that they are in a different position to the institutes in Carlow and Waterford on the one hand, and Cork and Tralee on the other hand. Some are more advanced in the work on this process but they must produce a clear plan of campaign to get to the level of criteria set out in the Hunt reports and the subsequent Higher Education Authority report on the required thresholds for the level of PhD members of staff, the level of PhD students and the amount of research being undertaken in the technological university, as well as its proximity to local businesses and activity in the region where they are located. They must demonstrate all of that in tangible terms rather than aspirational terms. Not only will the HEA evaluate the particular application and enable the successful applicants to go on to the next stage but a group of international experts will examine the qualifications and the gap between the thresholds set by the HEA and the current position of the clusters, that is, the colleges in Cork and Tralee or the colleges in Carlow, Waterford plus some other institutions in the south east area.

There is a reason for doing this. The internationalisation of third level education is such that the standards now are determined internationally rather than nationally and one cannot do what took place under Mrs. Thatcher in the 1980s in Britain. At that time a UK magic wand was waved and it re-branded every polytechnic in Britain and called them universities. Calling those colleges universities unilaterally had no impact on the reputation and perception of the universities in Oxford, Cambridge, St. Andrews in Edinburgh or the London School of Economics but it did have a big impact on other premier league universities in the so-called Russell group. The result was that one could have three universities, for example, Norwich University, the University of East Anglia and the Norwich University of the Arts. Many academics in Britain maintain this has done great damage to the overall infrastructure of third level education in the UK and specifically in England, because it is an English phenomenon.

I am keen to ensure that we provide for the technological university concept. It relates back to the original regional technical college concept, that is, a close proximity to industry and the needs of industry. However, at the same time I wish to protect the quality reputation that Irish education has. I received a text message two days ago from Professor Brian MacCraith from DCU. He said that in the league or category of young universities, that is, universities that are 50 years of age and younger, DCU is now rated 40th in the world, a fantastic tribute to all the people who are associated with it. We must maintain the reputation and quality of all existing third level institutions, including the institutes of technology and the universities. Any progres-

sion to technological university status, which is clearly needed and desired in parts of the country, must be matched by meeting a minimum threshold of academic excellence.

Chairman: I have one question about DCU. It has links with Open University, as do other institutions as far as I know. Although it started in Britain it has extended into Ireland and has headquarters in Northern Ireland. I was at the graduation ceremony recently and there was huge number of graduates. They had done really well through Open University in the Republic. Does the Minister see the Open University as having a role and expanding its remit here?

Deputy Ruairí Quinn: That is a very interesting question. Lord David Puttnam has been Chancellor of Open University for some years. He is a Labour peer.

Chairman: He lives in Cork.

Deputy Ruairí Quinn: Yes, but I did not realise that until I was at the ASTI conference in 2011, where he was one of the speakers. He announced that he is Irish by choice, whereas most of the other people in the room were Irish by accident. I have got to know him reasonably well since then and he makes the point that Open University was an obsession of Harold Wilson's in the Labour Cabinets between 1964 and 1974, allowing for the Ted Heath *interregnum*. Wilson was a scholarship boy from a lower middle class or working class background, who went to grammar school, an example of that famous divide in the British educational system between secondary modern and grammar schools. He had a sense of the very bright cohort that came from grammar schools and for whom part of the social deal in England - and I am talking about England rather than Great Britain - was that if one was working class and qualified and went to college one detached oneself from one's roots. It was nearly an unwritten condition. People changed their accents and their cultural lives were quite different from those they had been born into. In some cases they left their entire family behind. I know a young woman who travelled a very similar route and has little or no connection with her family or its immediate circle, which I think is tragic. Open University was Wilson's attempt to address that and most of his contemporaries thought it was a nonsense, that it would not work and that there would be no demand for it. What we have discovered is that it is an extraordinary success. It is not part and parcel of our infrastructure. I know that many people in the Republic take its courses. We do not have immediate plans of which I am aware to make the relationship more formal, but it is open to pretty well anybody to take its courses.

Chairman: My understanding is that there have been some initiatives with the Teachers' Council here to bring people up to the maths standard, and it has done some Springboard courses. Perhaps it could collaborate with other institutions.

Deputy Ruairí Quinn: It possibly has. I am not so aware of plans for it to come formally onto the third level landscape of the Republic's educational system.

Chairman: If everybody is happy with that, we will move to the next programme, which is capital services-----

Deputy Charlie McConalogue: The entry for "Miscellaneous" went from €5 million in the previous year to €0 in 2013. What does that refer to?

Deputy Ruairí Quinn: According to the note I have here this provision covers miscellaneous expenses arising at third level, as well as funding for certain cultural organisations. The subhead provided funding for Springboard initiatives in 2012. The reduced allocation in 2013 mainly reflects the decision to transfer this funding to the national training fund, the NTF, which

will now contain almost all such funding. There is no overall reduction in the resources; it is more a reallocation within the Estimates.

Chairman: We will move on to Programme D, capital services. There are six headings. Do Deputies have any questions about this programme?

Deputy Jonathan O'Brien: On the capital budget, for the past two years there has been an underspend and a roll-over. Is there a blockage in the system or is there a particular reason for this? Significant funding is going into the capital programme. I would be the first to say that a lot of work is being done in the form of new school buildings, replacement of prefabs, etc. We can see that over the past three years the figures for replacement of prefabs show that their numbers have decreased, which is a positive step. Significant funding has been put into the capital programme to meet the increased number of students anticipated over the next couple of years. Is there a particular reason for the underspend in the past two years? If there is a blockage in the system, maybe the Minister could tell us what it is?

What is the status of the PPPs in which the Department is involved? Will they be more prevalent in coming years?

Deputy Ruairí Quinn: I thank Deputy O'Brien for his questions and for his non-partisan support for measures which he independently judges to be good. He is very public in his support for them and I appreciate that. We have several problems and I have taken quite an interest in this, given my own background as an architect and that I worked in that area. We had problems, which we have now solved to a certain extent, in the way in which the Department's building unit appointed architects. Then, the Department's architectural technical section second-guessed how it was doing its job. On the basis that if one has a dog one does not bark, we now have a different relationship with the design teams and hopefully that will speed up the process. There are other areas under our control in respect of procurement, which we are trying to streamline. It takes between two and four months to appoint a design team under European rules of procurement. I am absolutely convinced that our colleagues in Portugal, Spain and particularly France and Greece are adhering as rigidly to the standards of procurement as we are. There seems to be something in the ether of Tullamore that makes them adhere very strictly to those standards. I think we need to speed things up, but that is only part of the solution.

We are having great difficulty getting planning permission from local authorities. We have memorandums of understanding with the administrative staff. There are administrative staff in Tullamore, as distinct from technical staff, negotiating for site acquisition, but the delivery of that can be problematic. I know the Deputy is a former member of a local authority and will be able to understand this from his own experience. With the exception of Deputy McConalogue, who I think was not a member of a local authority-----

Deputy Charlie McConalogue: I was, yes.

Deputy Ruairí Quinn: I beg the Deputy's pardon. That is something we all share. The city manager or county manager will tell the equivalent administrative person that the council will facilitate the project and that message goes down the line until it reaches the planning officer, who says there is a local area plan in the draft plan - this was driven by the Celtic tiger - such that in an area to be developed for private sector housing, proper planning suggested that the local neighbourhood centre should be in the middle of that development. However, since the Celtic tiger collapsed the site has remained a brown field and the school is located out in the middle of that area. There is no indication of when the rest of the development will

be built, but because the school is to be the first physical item of development on that site, the Department of Education and Skills and the building unit are required to pay for much of the preliminary work, such as the road into the middle of the site and related engineering costs. In one case I saw when I visited Tullamore in the past six weeks, the fire officer effectively wanted a swimming pool built under the school so that it would have a water reserve in the event of fires breaking out in buildings that were yet to be built. They saw us coming with the chequebook of taxpayers' money, one public authority to another, and felt that we were fair game. The alternative is to change the location of the school and put it to the edge of the site where it would abut the existing road infrastructure. There are health and safety implications in walking over an undeveloped site which is not necessarily cordoned off. There are serious problems. I get a fortnightly report on the building programme and progress. Site acquisition was a problem in approximately nine areas.

Deputy Jonathan O'Brien: Does the backlog refer to new buildings rather than refurbishment and upgrading of existing ones?

Deputy Ruairí Quinn: Yes. There are more hurdles to be crossed in building from scratch on a new site.

Deputy Jonathan O'Brien: In terms of the local authority, is it because local area plans are in place? Are there issues around rezoning?

Deputy Ruairí Quinn: There could be. I will be happy to come back and discuss this in some detail. The Deputy has heard me say many times that my nightmare is a child looking into an empty field rather than a schoolyard, largely because somebody does not want to go through the hassle of changing the area development plan or because a planning officer or a traffic control person feels there will be problems.

I support the idea that an educational campus makes sense from the point of view of the provision of education services. Sporting facilities, halls and so on can be shared. The numbers at primary and secondary school level can be increased. A traffic officer, who is an engineer and works on the technical side, as in Cork city, may say the area does not like a traffic arrangement or will refuse an application on traffic grounds because between 8.30 a.m. and 9.30 a.m. there will be a traffic jam in a particular area.

Notwithstanding the fact that we have memorandums of understanding negotiated at senior national level between county councils and county managers and their counterparts in the Department, that has not been implemented. There are also third party appeals, such as in Athenry.

Deputy Jonathan O'Brien: I will not mention the name of the school in Cork where funding was in place for many years under the previous Government. This Government has stated the funding is still in place. It is a primary school. Pupils are being taught in a GAA hall and prefabs. The local authority has passed the planning application twice and has been taken to An Bord Pleanála twice. It is now probably subject to court proceedings. There seems to be a continual delay which is not down to funding. I recognise that it is a problem and steps are being taken to rectify the situation.

Some €19 million was rolled over from the capital budget last year. One obvious question people will ask is why we cannot take that money and allocate it to another area to offset some of the cuts in other areas of education. It is very hard to explain why we cannot do that. Is there a communication problem with the Department? Today would have been the first indication I

heard that there are issues around new builds, in particular a greenfield site to which the Minister referred and the additional costs if a school will be the first building. Perhaps those matters need to be communicated better by the Department.

Deputy Ruairí Quinn: I thank the Deputy. To add to other factors to which I did not refer, even though very little activity and development is taking place, a lot of landowners saw that at the height of the boom property was worth X. For emotional or personal banking reasons they still think it is worth X. We are the only buyer in town. If the State or a local authority is involved there can be a perception that there is no end to the amount of money that can be spent because we have our hands on other people's money through the taxpayer. I do not want to deride the public sector for its profligacy, but some landowners have no difficulty in charging a price that is way above market value for the land on which we are trying to build. Getting deals over the line for acquisition is a problem. Implementing planning conditions that are too onerous and costly is also an issue.

There are also difficulties in the vagaries of building programmes. However, I assure the Deputy that there is no loss. We have an agreement with the Department of Public Expenditure and Reform to carry over the money. Some of the carryover moneys went to the stimulus package I announced recently. It is frustrating and a matter of concern. We need to have some kind of national debate about it.

Strategic infrastructure legislation would deal with third party appeals. There is a case in Tallaght where a site was allocated in the area development plan for a school which we want to expand. However, neighbours have become so used to the site which has been unbuilt on for so long that they regard it as their personal park and are now objecting to the school being built on the land which was originally intended to be used for the school.

Deputy Jonathan O'Brien: What about PPPs?

Deputy Ruairí Quinn: I have a note on PPPs. There are 15 PPP schools currently in operation located throughout the State. There are a further eight schools, bundle 3, in construction, and two further bundles, 4 and 5, announced by the Government to proceed last July. These bundles will deliver a total of 12 schools. The vast majority of schools delivered through the PPP process are post-primary schools because of their size, which is much larger than primary schools and more amenable to the PPP process.

Approval has now been given for bundles 4 and 5 by the National Development Finance Agency to proceed to publish the contract notices for the projects and invite expressions of interest from suitable consortia for pre-qualification. Our intention is to engage further with the Department of Public Expenditure and Reform on a further pipeline of schools. The attraction from our point of view of PPPs is that they project manage the whole process. It is like buying something on hire purchase. It is more expensive but the contract is maintained for its duration. That is all the information I have at the current time.

Deputy Charlie McConalogue: What about the context and impact indicators? Point 2 refers to a number of devolved projects providing either additional accommodation or upgrading and maintaining facilities in the primary, post-primary and higher education sectors. What is meant by "devolved projects"? Are they prefabs or rented rooms?

Deputy Ruairí Quinn: I am subject to correction but we have engaged other agencies like the VECs, the OPW and the National Development Finance Agency to implement our building

programme. We identified the schools, where they are located and what their capacities are. As a result of the sheer scale of the problem the feeling in the Department was that we did not have the resources to do all of this ourselves. We devolved responsibility for the delivery of the project to a number of different agencies.

Deputy Charlie McConalogue: To what does the figure of 494 at primary level in 2012 refer?

Deputy Ruairí Quinn: Mr. Jerome Kelly may have that figure. We will revert to the Deputy. If we cannot get the figure now, we will get it to him in writing. I understand the school would do it.

Deputy Charlie McConalogue: The school would do it. On the minor works grant and the summer work schemes which were not available this year or last year, how much was spent in the past? The Minister might have the figures. I again emphasise the loss of those schemes, in particular the minor works grant. We all see it in schools we visit. It is putting serious pressure on schools. It is paid in the autumn and is normally a minimum of €5,000. What would it cost to reinstate it?

Deputy Ruairí Quinn: I will get a note on that matter. The soaring demand in pupil numbers which, as the Deputy is probably aware, are projected to increase by 70,000 up to the year 2018 is putting extraordinary pressure on the provision of school places, that is, the net number of additional places, as distinct from improvements that would have been characteristic of the minor works grant, from which a total of 837 schools benefited last year at a total cost of €81 million.

Deputy Charlie McConalogue: From which grant?

Deputy Ruairí Quinn: The summer works grant.

Deputy Charlie McConalogue: That scheme does not include the minor works grant.

Deputy Ruairí Quinn: On the minor works grant, the note I have states that in 2012 a total of 52 large-scale projects were substantially completed and that it is planned that 113 major school projects will be undertaken on site in 2013. The grant was last issued in November 2011. All of the management bodies were advised that a minor works grant was unlikely to be available in the coming years for the reasons I stated, namely, that all available capital was going towards new build rather than refurbishment and upgrading works. I accept the argument that early maintenance saves the capital cost of replacement down the road, but we have to make choices.

Deputy Charlie McConalogue: What would that figure have been?

Deputy Ruairí Quinn: I understand it was €28 million.

Deputy Charlie McConalogue: A total of €28 million for the minor works grant.

Chairman: If Deputies are agreeable, we will move to the next subhead which covers appropriations-in-aid which is dealt with on page 21 of the document. It is not contained in the Department's briefing material, but it is contained in ours and we should be able to work from it. The subhead appropriations-in-aid covers the headings of superannuation contributions, ESF, EGF and other EU receipts and pension-related deductions which come under subhead E.3; subhead E.4 covers secondments and overpayments, while subhead E.5 covers miscellaneous

appropriations-in-aid.

Deputy Jonathan O'Brien: My question relates to higher education provision, educational disadvantage and people from disadvantaged areas accessing higher education. I raise this question under this subhead because a scholarship scheme was launched last September targeted at individuals from disadvantaged backgrounds. I note that funding for that scheme will be increased again next year. Are there other grants or appropriations-in-aid to assist in encouraging early school-leavers to return to education? I accept such a provision may not come under this heading.

Deputy Ruairí Quinn: Speaking from memory, many of these were existing scholarships that had no connection with the income status of the recipient. They were on the basis of "first in Ireland" in this or that course and it involved a relatively small or modest amount of money which we decided to allocate to students from disadvantaged backgrounds to address the imbalance in our very unequal society.

Deputy Jonathan O'Brien: Our briefing paper states there was funding from the dormant accounts fund to address the issue of educational disadvantage. Has this now ceased or will there be more funding from that source? If the Minister does not have that information to hand, he can pass it on to me.

Deputy Ruairí Quinn: If we keep on dipping into dormant accounts, they will stop sleeping, as it were.

Deputy Jonathan O'Brien: They are pretty much exhausted.

Deputy Ruairí Quinn: They are pretty much depleted. I will get a note on the matter for the Deputy.

Chairman: The table on page 4 of the Department's briefing material on appropriations-in-aid may also assist Deputies. A vote has been called, but we have a few minutes before we will have to leave. How do Deputies want to proceed?

Deputy Jonathan O'Brien: There is only one item left. I do not have questions on the administration section.

Chairman: Deputies' outstanding questions-----

Deputy Charlie McConalogue: Does the figure of €59 million for salaries, wages and allowances in the administration section include pensions or are pensions paid from a different envelope outside the Department?

Deputy Ruairí Quinn: Pensions are paid from a separate subhead.

Deputy Charlie McConalogue: Is that subhead within the Minister's Department or are pensions paid by a different Department?

Deputy Ruairí Quinn: I am told they come under the heading of public expenditure.

Deputy Charlie McConalogue: In terms of the Haddington Road agreement, does the Minister have a rough figure for the expected reduction in the bill for the Department this year and next year?

Deputy Ruairí Quinn: The Estimates reflect a €51 million reduction in 2013.

Deputy Charlie McConalogue: That takes account of teachers and so on.

Chairman: Does Deputy Jonathan O'Brien have a further question?

Deputy Jonathan O'Brien: No.

Deputy Charlie McConalogue: I wish to return to two points. I ask the Minister to come back to me with a breakdown of the figure of €100 million in terms of the change in the IT third level agreement and a breakdown of the overall figure for 2014 and indicate whether it will be higher.

Chairman: The Deputy means in the future.

Deputy Charlie McConalogue: Yes.

Chairman: Would Minister like to make some concluding remarks?

Deputy Ruairí Quinn: I thank the committee for engaging in this exercise. I found part of it a little challenging in locating some of the material sought in questions. We might reflect on how successful and effective this exercise has been. I am scheduled to come back to the committee on an Estimate later. If there are unanswered questions or queries that have not been adequately responded to and we receive advance notice, we will be able to give the members the required information. I will have no problem in giving them all of the information we have available. There is nothing secretive as such, but sometimes the format in which we have the information or the way in which members ask for it does not immediately fit. That does not mean we are not trying to answer the question, it just means we have a difficulty in replying. I do not adhere to the policy of a previous Minister and Taoiseach who said, "You did not ask the right question."

Chairman: This exercise has been helpful. We are grasping the details of the different headings and Votes. I thank the Minister and the Minister of State and their officials for attending the meeting.

Message to Dáil

Chairman: In accordance with Standing Order 87, the following message will be sent to the Dáil:

The Select Sub-Committee on Education and Skills has completed its consideration of the following Revised Estimate for Public Services for the year ending 31 December 2013: Vote 26 - Education and Skills.

The select sub-committee adjourned at 12.30 p.m. *sine die*.