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Briefing Paper

General Scheme of the National Training Fund (Amendment) Bill

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General Scheme Briefing Paper

Abstract

The General Scheme of the National Training Fund (Amendment) Bill was published in June 2025. In advance of the publication of the Bill, this paper examines the origins and purpose of the National Training Fund, the span of the tertiary education sector, and the legislative proposal contained in the General Scheme.

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Glossary

Glossary and abbreviations	
C&AG	Comptroller and Auditor General
DFHERIS	Department of Further and Higher Education, Research, Innovation and Science
ETBs	Education and Training Boards
FE	Further Education
FET	Further Education and Training
HE	Higher Education
HEA	Higher Education Authority
IUA	Irish Universities Association
NTF	National Training Fund
R&I	Research and Innovation
2000 Act	*National Training Fund Act 2000*, as amended

Executive Summary

This briefing paper examines the legal and policy context for the General Scheme of the National Training Fund (Amendment) Bill (the Bill). The General Scheme outlines the proposal to amend the *National Training Fund Act 2000, as amended* ('2000 Act') to enable the additional use of funds across the tertiary education sector. The National Training Fund (NTF) has a significant surplus and the specific areas/programmes which can avail of NTF funds are prescribed in the 2000 Act. The General Scheme proposes to enable the use of the NTF for items such as core funding for Higher Education, capital funding for key training facilities, and current funding for skills and apprenticeships.[1] These new areas of funding would still need to accord with the purposes outlined in the 2000 Act: (a) to raise the skills of those in employment, or (b) to provide training to those who wish to acquire skills for the purposes of taking up employment, or (c) to provide information in relation to existing, or likely future, requirements for skills in the economy.[2]

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[1] Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) (1 October 2024) Ministers O'Donovan and Collins announce major capital and funding package for the tertiary sector, *Press Release.*
[2] *National Training Fund Act 2000*, as amended, Section 7.

Box 1: An overview of the National Training Fund.

The National Training Fund (NTF) was established by the *National Training Fund Act 2000* as a **dedicated fund for schemes** which:

- raise the skills of those in employment, or
- provide training to those who wish to acquire skills to take up employment, or
- provide information in relation to existing, or likely future, requirements for skills in the economy.

As such, the NTF is a dedicated fund to support the training of those in employment and those seeking employment.

The fund is generated through a **levy on employers**. Currently, a levy of 1% is applied to reckonable earnings paid in respect of employees in Class A and Class H PRSI employments (circa 75% of all insured employees).

The **accumulated surplus** in the Fund at the end of 2024 is estimated to be almost €1.8 billion.

NTF funding is **allocated by the Minister for Further and Higher Education, Research, Innovation and Science** with the consent of the Minister for Public Expenditure, NDP Delivery and Reform. The financial allocation for each scheme is determined as part of the annual Estimates process. While the NTF does not form part of the Vote of the Department, NTF expenditure increases general government expenditure and can only be accommodated within the Government's fiscal strategy.

Monitoring of NTF funding compliance includes individual Service-Level Agreements, Performance Delivery Agreements, and mid-term reports. Outcomes against agreed targets are reported in end-of-year reports. The Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) develops an annual expenditure report setting out the expenditure allocations, targets and indicators for each NTF-funded programme.

Sources: DFHERIS (17 June 2025) Regulatory Impact Assessment - National Training Fund (Amendment) Bill 2025; DFHERIS (29 April 2025) Minister Lawless obtains Government approval to amend National Training Fund Act, unlocking funding package of €1.5 billion, *Press Release.*

In June 2025, the Minister for Further and Higher Education, Research, Innovation and Science ('the Minister') published the General Scheme of the National Training Fund (Amendment) Bill and an accompanying Regulatory Impact Assessment (RIA).

The General Scheme (GS) seeks to provide for payments from the NTF (within the existing purposes of the fund) to be made for:

- the acquisition of lands, premises, furniture or equipment or the upgrading, construction or reconstruction of facilities or premises; and/or
- core funding for higher education institutions; and/or
- research and innovation.

As outlined by Minister James Lawless TD during a Dáil debate in May 2025:

> "The National Training Fund has a budget of €1.5 billion, which has been constrained in recent years. I recently brought the issue to the Cabinet and secured approval to legislate to unlock the National Training Fund and spend that money as it is intended, on higher education, plugging the core funding gap, further education, research development and many other areas that are essential to our prosperity and societal wellness."[3]

The General Scheme of the NTF (Amendment) Bill proposes to widen the scope of the fund to enable funding for made for: (a) the acquisition of lands, premises, furniture or equipment or the upgrading, construction or reconstruction of facilities or premises; and/or (b) core funding for HE institutions; and/or (c) research and innovation. These new payments could only be made in line with the overarching purposes of the NTF set down in the 2000 Act.

The NTF is an important funding source for tertiary education, focusing primarily on funding training for those seeking employment and upskilling for those already in work. Any development of the NTF requires consideration of how the fund can best be used to meet the skills and education needs of the state, employers and citizens, and to ensure the fund is flexible and responsive to ever-changing labour market trends and economic conditions.

Additional L&RS Resources

- Bill Resource Page (2025) National Training Fund (Amendment) Bill » L&RS providing resources related to this Bill.
- Bill Digest (January 2024) Research and Innovation Bill 2024 includes analysis of Ireland's research and innovation policy context.

[Resources may only be accessible on the Oireachtas network.]

Introduction

In June 2025, the Minister for FHERIS published the General Scheme of the National Training Fund (Amendment) Bill and an accompanying Regulatory Impact Assessment (RIA). The Bill received a waiver from pre-legislative scrutiny from the Oireachtas Committee on Further and Higher Education, Research, Innovation and Science in July 2025.

This briefing paper firstly explores the legislative and policy context for the General Scheme, including the origins and purpose of the NTF and an overview of the tertiary education sector (further education and training, higher education, and research and innovation). Secondly, the briefing paper examines the legislative proposal outlined in the GS, including an overview of each Head, and outlines the Regulatory Impact Assessment (RIA) accompanying the GS.

It is planned to examine the broader amendments proposed by this Bill, when published, in a future Bill Digest published prior to Second Stage debate.

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[3] Ceisteanna - Questions – Dáil Éireann (34th Dáil) – Tuesday, 13 May 2025 – Houses of the Oireachtas.

Background

According to Minister for FHERIS James Lawless TD, "the National Training Fund has been a strategic national asset for reskilling and upskilling of our existing workforce".[4] In **Budget 2025**, the government announced funding of **€1.485 billion for the tertiary education sector over a six-year period** from 2025 to 2030 (see Box 2).[5] This funding is to be drawn from the NTF, but to do so requires changes to the 2000 Act. As highlighted by the Regulatory Impact Assessment (RIA) accompanying the GS:

> "A legislative amendment is required to the National Training Fund Act 2000 to extend the scope of the Act to facilitate expenditure from the NTF funding package of €1.485bn over the next 6 years as agreed in Budget 2025. This funding package includes capital funding which requires an amendment to the Act and core funding for higher education and research expenditure (including an increase in the PhD stipend) which may require amendments to the Act".[6]

These new areas of funding would still need to accord with the **purposes outlined in the 2000 Act** (Section 7): (a) to raise the skills of those in employment, or (b) to provide training to those who wish to acquire skills for the purposes of taking up employment, or (c) to provide information in relation to existing, or likely future, requirements for skills in the economy.

Box 2: Funding package for the tertiary education sector 2025 to 2030 announced in Budget 2025.

In **Budget 2025**, the government announced a total NTF funding package of **€1.485bn over a 6-year period** (2025-2030) to include:

- €650m **core funding package for Higher Education**, addressing Funding the Future by increasing core funding by a further €150m by 2030.
- €600m **capital uplift** providing for:
  - €150m capital funding to provide key training facilities in the areas of Veterinary, Medicine, Nursing, Pharmacy and Dentistry and to provide for universal access.
  - €150m for the upgrading of the tertiary estate.
  - €150m capital funding for the Further Education and Training Sector.
  - €150m for the research sector including research infrastructure and an increase in the PhD stipend.

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[4] DFHERIS (29 April 2025) Minister Lawless meets Ibec to discuss skills and innovation in face of global uncertainty, *Press Release.*
[5] DFHERIS (29 April 2025) Minister Lawless obtains Government approval to amend National Training Fund Act, unlocking funding package of €1.5 billion, *Press Release.*
[6] DFHERIS (17 June 2025) Regulatory Impact Assessment - National Training Fund (Amendment) Bill 2025, p.3-4.

- €235m for the tertiary sector as **one-off current funding** including skills and apprenticeships.

Sources: DFHERIS (17 June 2025) Regulatory Impact Assessment - National Training Fund (Amendment) Bill 2025; DFHERIS (1 October 2024) Ministers O'Donovan and Collins announce major capital and funding package for the tertiary sector, *Press Release.*

The 2025 Programme for Government makes a number of commitments for the tertiary education sector, which relate the aims of the GS, including:

- To close the core funding gap in further and higher education by "unlocking the National Training Fund" (p.71).
- Support tertiary institutions to meet carbon reduction targets.
- "Expand the skills categories that can avail of the National Training Fund to include sectors such as healthcare and education" (p.73).
- Double places for places high-demand healthcare professions.
- "Increase funding for research which adds value to our economy, grows future job opportunities, and strengthens our competitiveness" (p.73).
- Increase the supports for PhD students.
- Produce annual details of research funding to facilitate transparency.
- "Examine a new funding stream for bricks and mortar facilities e.g. laboratories and libraries along the lines of the former Programme for Research in Third-Level Institutions" (p.74).

The NTF fund has had a **surplus** in income over expenditure in all but four years.[7] The surplus was €1.543bn at the end of 2023 and is estimated at €1.772bn at the end of 2024.[8] Recent increases in NTF income reflect current high employment levels, rises in incomes, and the recent increase in the NTF levy[9] (the original levy of 0.7% of reckonable earnings increased incrementally by 0.1% 2018 to 2020 to the current rate of 1%).

As NTF income is based on a levy of earnings, the NTF is generally **pro-cyclical** – income into the fund is higher during periods of strong employment, and lower during periods of increased unemployment.[10] There is a need to strike a balance in fund allocations between training for those in employment and the up-, re-skilling of people who are unemployed.

National Training Fund expenditure

€641m	€978m
2020	2024

+€1.485b

Additional allocation over 2025–2030 period

Source: National Skills Council (July 2025) Strategic Advice 2025, p.13.

Announcing the General Scheme of the National Training Fund (Amendment) Bill in June 2025, Minister James Lawless TD said:

[7] DFHERIS (17 June 2025) Regulatory Impact Assessment - National Training Fund (Amendment) Bill 2025.
[8] DFHERIS (17 June 2025) Regulatory Impact Assessment - National Training Fund (Amendment) Bill 2025, p.3.
[9] Following the 2016 Report of the Expert Group on Future Funding for Higher Education (Cassells' Review).
[10] For a discussion of the operation of the fund see: PBO (2018) The National Training Fund; PBO (2023) An Overview of the National Training Fund (NTF). See also: C&AG (2023) Report on the Accounts of the Public Services 2022, Chapter 19 National Training Fund.

> "The National Training Fund has been a cornerstone in supporting our education and skills framework, enabling us to weather the impacts of past economic downturns.
>
> However, it is essential that we unlock the surplus in the Fund to future-proof our workforce, ensuring that they are equipped with the skills needed to thrive in an increasingly unpredictable global landscape.
>
> I aim to make a small number of amendments to the Act as quickly as possible and before the end of 2025. I will be engaging with the relevant stakeholders shortly to discuss the required amendments to the Act, which are very limited in nature and are required to utilise the full funding package. This is vital for the continued development of the tertiary education sector.
>
> These changes will not affect the purposes of the Fund, which are to raise the skills of those in employment, provide training to those who wish to acquire skills to take up employment and provide information in relation to skills requirements in the economy."[11]

The next section provides an overview of the origins and purpose of the NTF and the policy context of the tertiary education sector in which the legislative proposal is made.

Policy and legislative context

In all countries the education sector needs to be responsive to the changing needs of learners, society and the labour market. Ireland has long followed a human capital and knowledge economy approach to further and higher education and research, in which education and research are framed as key drivers of economic growth and as vehicles for commercialisation.[12] Current factors impacting skill needs and educational delivery internationally include post-pandemic changes in work/learning patterns, the drive towards carbon neutrality in line with national and international climate goals[13], and the opportunities and disruptions generated by new technologies.[14]

The Irish tertiary education sector has incorporated a range of significant developments in recent years, including responding to growth in student demand (reflecting that a majority of

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[11] DFHERIS (29 April 2025) Minister Lawless obtains Government approval to amend National Training Fund Act, unlocking funding package of €1.5 billion, *Press Release.*
[12] Hazelkorn, E. and Gibson, A. (May 2017) Public goods and public policy: what is public good, and who and what decides? Centre for Global Higher Education working paper series, No. 18. UCL Institute of Education, London; Oireachtas Library & Research Service (2014) Spotlight - Higher education in Ireland: for economy and society?
[13] For example: Ireland's Climate Action Plan 2025 and The European Green Deal - European Commission, *Webpage*.
[14] AARC, in association with Indecon and LE Europe (October 2020) Increasing the sustainability of Higher and Further Education provision in Ireland Economic review of funding options - Deliverable 1.1 and 1.2: Adapting Higher Education and Further Education & Training Provision to Meet the Skill Requirements of Ireland's Labour Market.

adults in Ireland participate in advanced studies at some level), changes in governance structures and controls between the state and third level institutions (e.g., *Higher Education Authority Act 2022*), changes in the research funding and governance landscape (e.g., *Research and Innovation Act 2024*), a post-financial crisis drive for commercially-orientated research, and the establishment of the new Department (DFHERIS) with policy responsibility across further, higher, skills training and research.[15] Box 3 outlines some of the recent relevant education legislation. One of the core roles of the DFEHRIS is to fund and create policies for the higher education (HE), further education (FE)/ further education and training (FET), and the research sectors. The Department is also responsible for overseeing the work of the state agencies and public institutions operating in these areas, such as the Higher Education Authority (HEA).

Box 3: Legislation related to the tertiary sector and the current Bill.

- *National Training Fund Act 2000*
- *Research and Innovation Act 2024*
- *Higher Education Authority Act 2022*
- *Technological Universities Act 2018*

Note: Where available, the hyperlinks provided direct to Revised Acts, which are administrative consolidations of the current law compiled by the Law Reform Commission.

Recent years have also seen a growing emphasis on decarbonising the tertiary sector and meeting government and public service climate commitments, including the Public Sector Climate Action Mandate.[16] Such efforts include developing the skills base needed in critical sectors, such as construction, transport, finance and others, to support Ireland's climate transition.[17]

As such, the tertiary sector has been experiencing a significant period of turbulence. State-led responses and reforms in light of economic, technological and other challenges are outlined in a wide range of recent policies/strategies for Ireland's tertiary sector (some of which are outlined in Box 4).

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[15] Loughnane, Caroline (2024) Irish university governance in transition, *Administration*, 72(4): 123-146; McTaggart, B. (2024) Fifty years on – limitations and opportunities within Ireland's higher education system and structures, *Policy Futures in Education*, 22(8), 1771-1793; Hazelkorn, E. and Boland, T. (2023) Ireland: Toward a Unified Tertiary Education System, *International Higher Education*, 114: 5-7; Hazelkorn, E., Harkin, S. and Gibson, A. (2015) From Massification to Globalisation: Reflections on the Transformation of Irish Higher Education in Rafter, K. and O'Brien, M. (eds.) *The State in Transition,* Dublin: New Island.

[16] DFHERIS (10 February 2025) Minister Lawless announces funding of €8 million to drive energy efficiency across the FET sector, *Press Release;* DFHERIS (7 January 2025) Minister O'Donovan announces funding of €60 million to drive energy efficiency and decarbonisation across the FET sector, *Press Release.* For broad overview see: Gallagher-Cooke, M. (April 2023) Higher Education Institution policies in the Climate and Ecological Emergency, PublicPolicy.ie, Geary Institute, UCD, pp.1-27.

[17] DFHERIS (15 October 2024) Minister O'Donovan launches first National Further Education and Training Strategy for the Green Transition, *Press Release.*

Box 4: Some recent and planned policies and strategies for FE, HE and, Research and Innovation.

Recent

- 2024, Green Skills 2030: The First National Further Education and Training (FET) Strategy for the Green Economy
- 2024, Offshore Wind Skills Action Plan 2024
- 2023, National Strategic Framework for Lifelong Guidance 2024-2030
- 2023, Public Service Apprenticeship Plan 2023
- 2022, Funding the Future - A Funding and Reform Framework for Higher Education
- 2022, Impact 2030: Ireland's Research and Innovation Strategy
- 2022, National Access Plan - A Strategic Action Plan for Equity of Access, Participation and Success in Higher Education 2022-2028
- 2021, Action Plan for Apprenticeship 2021–2025
- 2020, Future FET: Transforming Learning – The National Further Education and Training (FET) Strategy
- 2016, National Skills Strategy 2025

Planned

- Further Education and Training Strategy (2025–2029)[18]
- Ireland's first Tertiary Education Strategy, which is a statutory requirement under the *HEA Act 2022*.[19]

Source: DFHERIS (February 2025) Briefing for Minister and various online sources.

Origins and purpose of the National Training Fund (NTF)

The *National Training Fund Act 2000* established the NTF. In essence, the NTF has two broad priorities – training for those seeking employment and upskilling for those already in work. Reflecting recommendations in the 2018 Indecon Review of National Training Fund, the NTF Advisory Group was established in 2019 to enhance enterprise engagement on NTF priorities.[20]

[18] For details of a consultation on the strategy launched in January 2025 see: SOLAS (2025) FET Strategy consultation document.

[19] For an overview of the development of a unified tertiary system and a strategy for tertiary education see: DFHERIS Unified tertiary system, *Webpage* and DFHERIS (14 August 2025) Public Consultation on the Tertiary Education Strategy, *Webpage.*

[20] For the advisory group's terms of reference see: DFHERIS (no date) National Training Fund Advisory Group Terms of Reference.

While NTF funding is not part of the **Vote of the DFHERIS**[21], the allocation for each funded scheme is determined as part of the annual Estimates process and annexed to the published Revised Estimates.[22] As outlined in the National Training Fund Financial Statements Year Ended 31 December 2023:

> "Any increase in NTF expenditure, all other things being equal and without a corresponding reduction on the Vote, requires an increase in the Department's and overall Government expenditure ceilings. NTF expenditure increases general government expenditure and can only be accommodated within the fiscal strategy agreed by Government".[23]

Initially, the NTF was developed to support FÁS/ SOLAS training, but its use has broadened to supporting HE and wider FET.[24] The Comptroller and Auditor General (C&AG) report that in recent years, the Higher Education Authority (HEA) and SOLAS have been main recipients of NTF funding, accounting for over 90% of annual allocations.[25] Annual funding allocated to HEA has increased from 10% of annual NTF expenditure in 2017 (€37 million) to over 46% in 2022, (€314 million). Increases in NTF funding to the HEA reflects the decision to increasingly use the NTF to fund the HE sector.

> "NTF funding allocated to the higher education sector via the HEA has increased almost ten-fold in recent years."

Source: C&AG (2023) Report on the Accounts of the Public Services 2022, Chapter 19 National Training Fund, p.289.

Income to the fund, predominantly via levies from employers, has increased significantly in line with Ireland's recent economic growth. In 2022, the NFT had an income of €951 million (and a surplus for the year of €269 million), more than double 2017 income (€436 million).[26] Figure 1 below demonstrates the generally pro-cyclical nature of the fund, whereby NTF income rises when employment levels are higher. While NTF expenditure has increased since 2017, it has not kept pace with increased in income (see Figure 2 below).[27]

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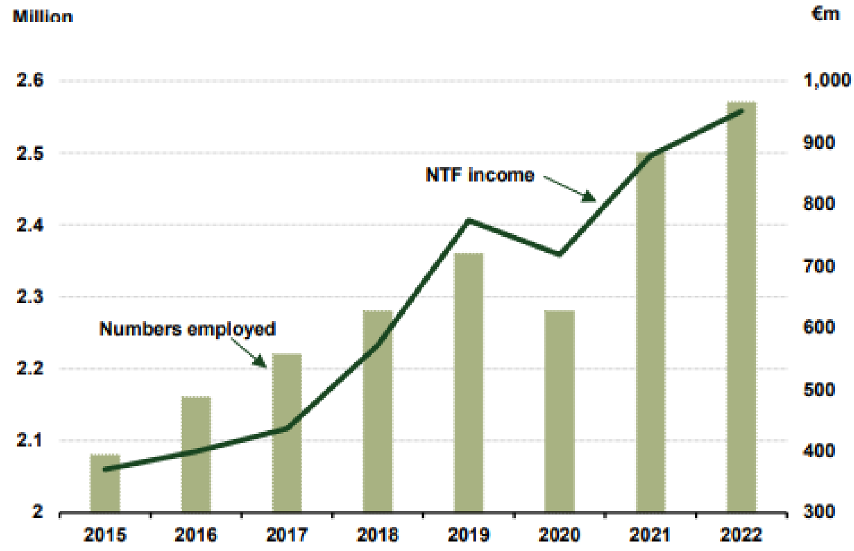
21 'A Vote is a coherent area of Government expenditure which is the responsibility of a single Government Department or Office, which is, in turn, accountable to the Dáil for the expenditure shown.' Source: PBO (2018) Appropriations-in-Aid in the Revised Estimates for Public Services.
22 National Training Fund Financial Statements, year ended 31 December 2023.
23 National Training Fund Financial Statements, year ended 31 December 2023, p.11.
24 PBO (2018) The National Training Fund. PBO Note 22 of 2018.
25 C&AG (2023) Report on the Accounts of the Public Services 2022, Chapter 19 National Training Fund.
26 C&AG (2023) Report on the Accounts of the Public Services 2022, Chapter 19 National Training Fund, p.281.
27 OECD (2023) OECD Skills Strategy Ireland: Assessment and Recommendations, OECD Skills Studies, OECD Publishing, Paris.

Figure 1: NTF income and numbers employed, 2015 to 2022.

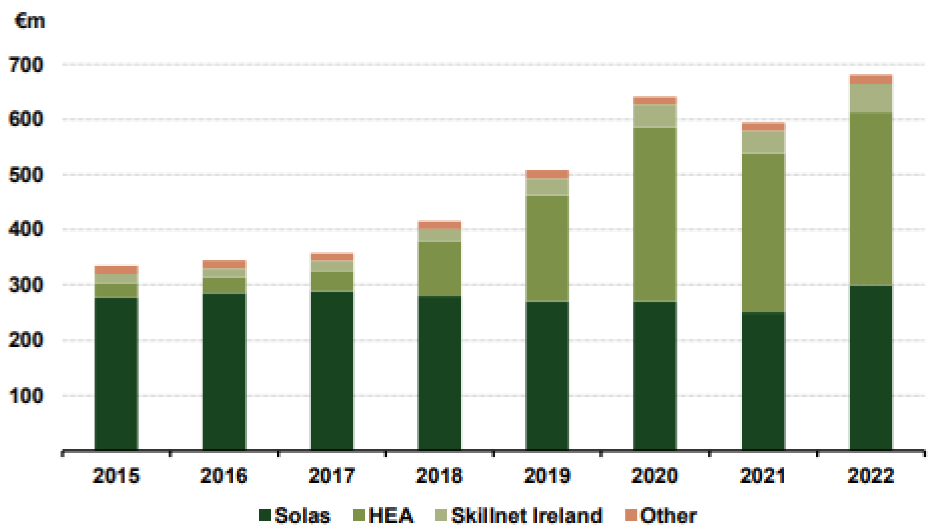


Source: Central Statistics Office, Labour Force Survey. Analysis by the Office of the Comptroller and Auditor General.

Note a Numbers employed are shown at a national level to provide context. The NTF levy applies to reckonable earnings of Class A and Class H PRSI employees, estimated at 75% of all insured employees.

Source: C&AG (2023) Report on the Accounts of the Public Services 2022, [Chapter 19 National Training Fund](), p.282.

Figure 2: NTF expenditure per grantee, 2015 to 2022.

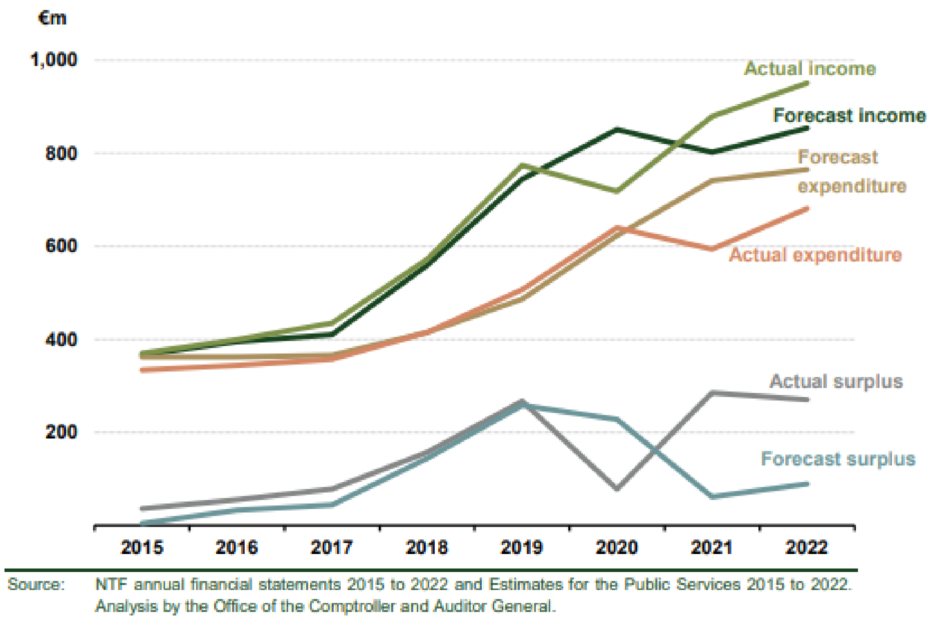


Source: NTF annual financial statements 2015 to 2022. Analysis by the Office of the Comptroller and Auditor General.

Source: C&AG (2023) Report on the Accounts of the Public Services 2022, [Chapter 19 National Training Fund](), p.284.

The **accumulated surplus** in the NTF at the end of 2024 is estimated to be almost €1.8 billion.[28] C&AG analysis of the NTF published in 2023 found that the year-end accumulated surplus in the fund in 2022 (€1.37 billion) was over seven times that recorded in 2015 (€184 million).[29] The C&AG identified that in 2021 and 2022 income exceeded forecasts, while expenditure was lower than planned. Figure 3 shows the differences between forecast and actual income, expenditure and surplus. It depicts the recent growth in the NTF surplus above forecasted levels (following a decrease during the 2020 pandemic period).

Figure 3: Forecast and actual income, expenditure and surplus, 2015-2022.



Source: C&AG (2023) Report on the Accounts of the Public Services 2022, Chapter 19 National Training Fund, p.287.

On the ongoing surplus in the fund, the C&AG determined:

> "A prudent level of reserves in the NTF is necessary to guard against the uncertainties of the economic cycle and to ensure sufficient resources are available to deliver programmes when required. However, the level of surplus of almost €1.4 billion at year-end 2022 would be sufficient to fund total 2022 expenditure twice over, and exceeds the amount required for a prudent reserve."[30]

As outlined by the C&AG (2023), the estimated expenditure of the NTF is included within the expenditure ceiling of the DFHERIS and, therefore, increases in NTF spending need to be considered within budgetary policy and EU fiscal rules. Overall, the C&AG made two recommendations for the NTF:

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[28] DFHERIS (17 June 2025) Regulatory Impact Assessment - National Training Fund (Amendment) Bill 2025.
[29] C&AG (2023) Report on the Accounts of the Public Services 2022, Chapter 19 National Training Fund.
[30] C&AG (2023) Report on the Accounts of the Public Services 2022, Chapter 19 National Training Fund, p.285.

- Recommendation 19.1: The Department should review the performance delivery arrangements in place with each of the NTF grantees to ensure that specific NTF performance targets are included. The Department should also ensure that there is a clear reporting link between the end-of-year reviews and the targets agreed in the performance delivery agreements.
- Recommendation 19.2: The NTF should develop a series of standard metrics against which to evaluate the effectiveness of its overall performance and the performance of the bodies it funds. The performance metrics developed should focus on the effectiveness of the NTF spend by measuring outcomes rather than levels of activity in schemes/ programmes and numbers participating in schemes. (p.289-290).

Perspectives/commentary on the NTF

This section provides some perspectives and recent commentary on the operation of the NTF. Many EU countries operate a training fund model to fund education and training.[31] Cedefop, the European Centre for the Development of Vocational Training, documents a range of ways that Member States organise cost-sharing for training, including national training funds such as the NTF, grants to businesses/individuals, loan and saving schemes for individuals to meet training costs, and training leave for employees.[32]As identified by the Indecon review (2018) of the NTF, the governance of other Member States' various funds and the level of engagement with the enterprise sector differs significantly.[33]

Strengthening the evaluation of the outcomes of NTF funding has been raised in reviews/analysis of the fund, including by Indecon (2018) and the C&AG (2023), and by stakeholders, such as Ibec (2022).[34] In terms of the operation of the NTF, the Indecon review, although now somewhat dated, noted:[35]

> "the core objectives of the NTF remain valid, but there are key issues relevant to consideration of the appropriate future strategic focus of the NTF. These include the need to ensure an appropriate balance of resources deployed between in-employment versus for-employment programmes; and to focus on skills which are required by the enterprise sector. There is also merit in specific interventions which are targeted at the needs of enterprises and to help workers most at risk from Brexit." (p.iv)

Ultimately, Indecon made recommendations in relation to four broad areas:

1. Reform of the future direction of NTF.
2. Utilising the NTF to support investment in HE.
3. Enhancing enterprise engagement and input into NTF priorities.

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[31] Indecon (2018) Review of National Training Fund.
[32] For more detail see: Indecon (2018) Review of National Training Fund (p.18-19) and Financing adult learning database | CEDEFOP, *Webpage.*
[33] Indecon (2018) Review of National Training Fund.
[34] C&AG (2023) Report on the Accounts of the Public Services 2022, Chapter 19 National Training Fund; Ibec (2022) The Future of the National Training Fund; Indecon (2018) Review of National Training Fund.
[35] Indecon (2018) Review of National Training Fund.

4. Improvements in the monitoring/evaluation of the NTF.[36]

The OECD's Skills Strategy Ireland: Assessment and Recommendations (2023) identified a number of issues with the NTF, including that surplus funds are not deployed for education and training, a low level of awareness and uptake by employers of NTF-funded training, and relatedly employers' need for training not currently funded from NTF resources, for which they pay privately. Alongside a range of recommendations, the OECD determined that:

> "Ireland should unlock surplus NTF funds, improve structural incentives for employers to take advantage of NTF-funded education and training, establish a discretionary fund as part of the NTF for the regional/local/sectoral level, and increase NTF support for upskilling and reskilling for SMEs" (p.33).

In July 2025, the National Skills Council made its first tranche of recommendations to government to improve the skills system, such as the establishment of a National Skills Observatory to create a unified repository of information on skills and the labour market, and 'targeted leveraging' of the NTF.[37] The Council's vision for use of the NTF (p.23-24) include formalising the processes for employers and social partners to be aware of and engage in decision-making on NTF expenditure, provision of multi-annual funding supports, development of a transparent approach to NTF allocations, and moving away from income and expenditure reports to key performance indicator evaluation.

Education and Training Boards Ireland (ETBI) have called on government to expedite their commitment to further NTF funding for the FE sector. As outlined by the ETBI General Secretary Paddy Lavelle in February 2025: "The National Training Fund stands at a record surplus, yet our member ETBs continue to face constraints in infrastructure, digital capacity, and learner access".[38] While the Irish Universities Association (IUA) has welcomed government plans to use part of the NTF surplus for third level funding and essential skills development, such as healthcare.[39]

ISME represents small and medium Irish enterprises. In their 2026 Pre-Budget submission ISME argues that 'Diversion of the bulk of NTF funding into tertiary education is a mistake', and that the 'bulk of NTF spend must be diverted to where it was intended by law: in-work for-work and life-long learning' (p.12). ISME recommends removing NTF funding from state spending rules, or if this is not possible, reducing the training levy to bring it in line with annual training expenditure.

Ibec, representing employers' perspectives, consistently emphasise the need for an enterprise focus in the allocation of NTF funding and welcomed the Budget 2025 NTF commitments to

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[36] Indecon (2018) Review of National Training Fund. For specific recommendations in each of these four areas see p.vi-xi.
[37] National Skills Council (July 2025) Skills Matter Priorities to Shape Our Future Capabilities - Strategic Advice 2025.
[38] Mayo, Sligo and Leitrim Education and Training Board (MSLETB) (28 February 2025) Education & Training Boards call for accelerated release of National Training Fund to future-proof Ireland's workforce, *Press Release.*
[39] IUA (31 October 2024) IUA calls for investment in future talent and innovation to be prioritised by political parties | Irish Universities Association, *Press Release;* IUA (June 2024) Pre-Budget Submission; IUA (23 January 2020) IUA, THEA [Technological Higher Education Association] and USI [Union of Students in Ireland] recommend using the National Training Fund to address higher education funding crisis, *Press Release.*

fund skills development.[40] Ibec's 2022 report, The Future of the National Training Fund, argued:

> 'The surplus should not be equivalent to more than 6 to 9 months income of the fund. A mechanism must urgently be put in place to utilise the existing surplus and to prevent the year-on-year increase of unspent employer contributions. It is untenable that employers' contributions would continue to accumulate while the demand from business for upskilling and reskilling goes underserved, particularly in the context of a tight labour market where upskilling and reskilling is critical for the attraction and retention of talent.' (p.3)

Ibec critiqued recent use of the NTF 'as a short-term measure to address the funding crisis in higher education', arguing that NTF expenditure 'must align with its core objectives' (p.3). Ibec made 14 recommendations for the future of the NTF (p.3-4; 8-10), including:

- improvements in monitoring and evaluation of the fund,
- increased enterprise input into prioritisation of NTF funding,
- introducing a National Training Voucher Scheme to engage employers in skilling and upskilling of workers, and
- investment in industry-academia collaborations.

Ibec is a member of the National Skills Council, feeding business concerns and priorities into the development of skills and labour policies.[41]

Ireland's tertiary education sector

This section provides an overview of Ireland's tertiary education sector, including the broad composition of the sector and changes in the number of learners across the sector in recent years.

Box 5: An overview of further and higher education in Ireland

Further education (FE) / **Further Education and Training** (FET) covers education and training after second-level schooling, but which is not part of the higher education system. Includes Education and Training Boards (ETBs) and SOLAS.[42]

Higher education (HE) is provided by universities, technological universities, institutes of technology, colleges of education, and a number of other third level institutions which provide specialist education in fields such as music and medicine. The Higher Education

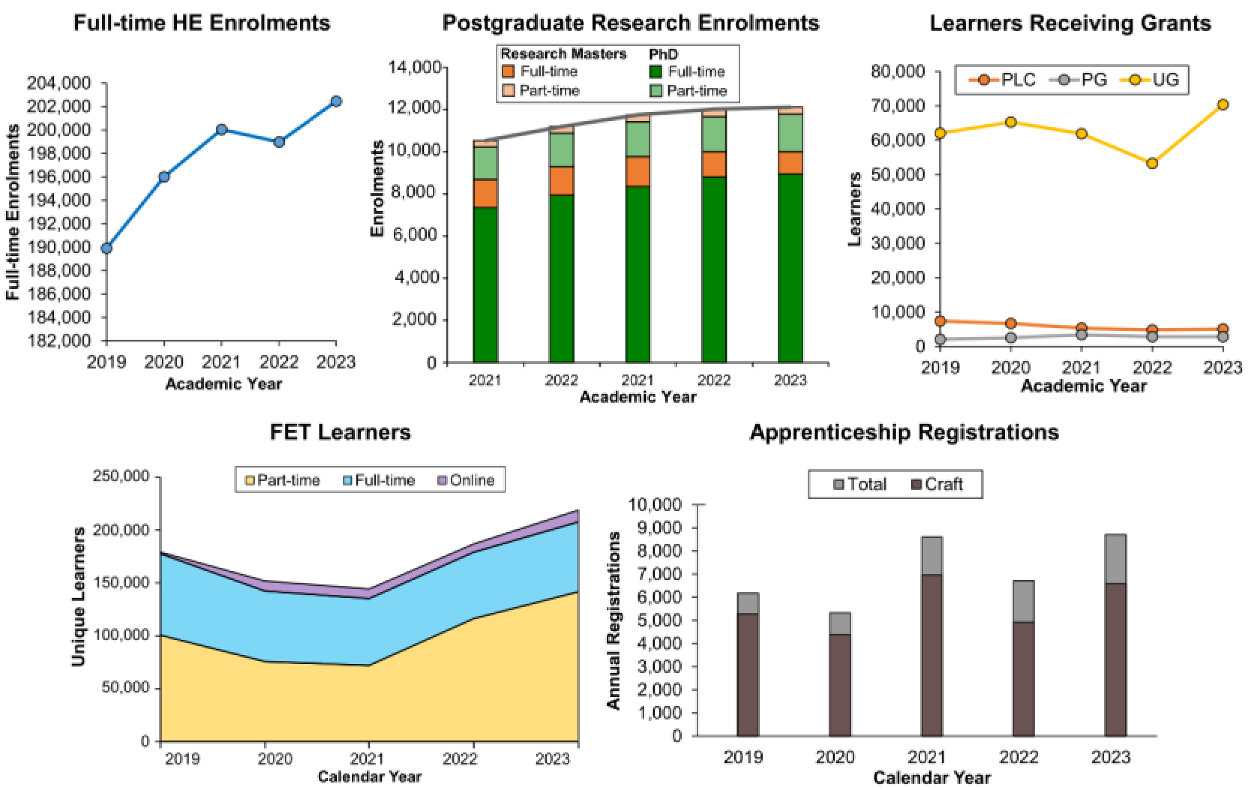
[40] Ibec (1 October 2025) Ibec welcomes scale of investment in human capital and infrastructure set out in Budget 2025 - IBEC, *Press Release.*
[41] DFHERIS (29 April 2025) Minister Lawless meets Ibec to discuss skills and innovation in face of global uncertainty, *Press Release.*
[42] For an overview of Ireland's FE sector see: Smyth, E., Devlin, A., Bergin, A., and McGuinness, S. (2022) A North-South comparison of education and training systems: Lessons for policy, Research Series, No. 138, The Economic and Social Research Institute (ESRI), Dublin.

Authority (HEA) is the statutory planning and development body for higher education and research in Ireland.

Sources: DFHERIS Further and higher education, *Webpage;* DFHERIS Further education, *Webpage.*

The overall education system in Ireland has been assessed as high-performing, although there are consistent inequalities in educational attainment for particular groups of students.[43] Ireland has the highest tertiary educational attainment rate in the EU (62.7% amongst 25–34 year olds in 2023).[44] Full-time HE enrolments, postgraduate research enrolments, FET learners and apprenticeship registrations have all increased since 2021 (with some dips during the COVID-19 pandemic) (see Figure 4).

Figure 4: High-level trends observed in the tertiary system.



Source: Government of Ireland (July 2025) Education Indicators for Ireland, Executive Summary, DFHERIS, no page numbers.

Notes: Higher Education: Full-time enrolments in higher education by academic year (excluding National College of Ireland, NCI). Postgraduate Research Enrolments: Full-time and part-time enrolments on postgraduate research programmes (Research Masters/PhD). Learners Receiving Grants: Learners enrolled in Post-Leaving Certificate (PLC), postgraduate (PG), and undergraduate (UG) programmes by academic year who received support in the form of SUSI grants. Further Education and Training (FET): Unique learners enrolled by calendar year (excluding eCollege and apprenticeship). Apprenticeship: The number of annual registrations at the end of the year, including those on craft (vs. consortia-led) programmes, by year.

[43] OECD (2024) Review of Resourcing Schools to Address Educational Disadvantage in Ireland.
[44] European Commission (2024) Education and Training Monitor 2024 – Ireland.

Box 6 provides an overview of the span of Ireland’s tertiary sector from apprenticeships to third level institutions.

Box 6: Overview of the span of Ireland’s tertiary sector.

- The number of people registered on **apprenticeships** has increased by over 50% from almost 18,000 in 2018 to 27,470 in 2023. The total apprenticeship certifications exceeded 4,500 in 2023.
- The most recent **Adult Education** Survey (2022) reported that 48.3% of adults had engaged in **formal or non-formal learning** in the previous 12 months, up 2.3% since the previous 2017 survey.
- There were just over 96,600 **Skillnet Ireland** learners in 2023 (up from 70,270 in 2019).
- Registrations on courses for **Near-Zero Energy Building/Retrofit skills** increased almost ten-fold from 455 in 2019 to almost 4,500 in 2023.
- There were more than 8,900 full-time **PhD** enrolments in 2023, and almost 1,800 part-time PhD enrolments.
- In 2023, there were 6 **Third level** Institutes of Technology and colleges and 13 Third level universities and technological universities funded by the HEA.

Sources: Government of Ireland (July 2025) Education Indicators for Ireland; Department of Further and Higher Education, Research, Innovation and Science (10 July 2025) Ministers McEntee, Lawless and Foley announce publication of Education Indicators for Ireland 2024, *Press Release.*

In 2023, there were approximately 181,000 full-time undergraduates in **higher education (HE)**, and this is anticipated to increase to 240,000 full-time undergraduates by 2031.[45] As noted by the European Commission, the Irish HE sector faces financial challenges.[46] Further, when adjusted for inflation, educational spending in Ireland has not yet returned to the pre-financial crisis levels of 2008.[47]

A key strategic concern of Funding the Future, the policy framework for HE, is to support greater **linkage between the FE, HE and research sectors**.[48] In tandem with the focus on increasing core funding for HE (see further discussion of funding below), the policy framework identifies 5 priority strands:

1. Enhance quality and international standing of the higher education system across the three missions of teaching and learning, research and engagement.
2. Drive skills and engagement – with a particular focus on essential public services.
3. Enhancing student participation and success with a focus on under-represented groups.

[45] DFHERIS (February 2025) Briefing for Minister, p.27.
[46] European Commission (2024) Education and Training Monitor 2024 – Ireland.
[47] European Commission (2024) Education and Training Monitor 2024 – Ireland. See also: *The Irish Times* (27 August 2025) The Irish Times view on funding higher education: a vital long-term investment; Quality and Qualifications Ireland (2016) Quality in an Era of Diminishing Resources Report.
[48] DFHERIS (2022) Funding the Future – Summary of the Department’s Policy Response.

4. Create a unified knowledge and skills system which is balanced and integrated.
5. Address cost as a barrier to higher education and improve student supports.

SOLAS is the state agency responsible for **Further Education and Training** (FET) in Ireland. SOLAS allocates funding to the regional Education and Training Boards. SOLAS reports that over 400,000 FET places (229,000 unique learners) were taken up in 2024.[49]

Apprenticeship programmes are industry-led programmes, which focus on gaining specific skills, such as in engineering, crafts and construction, and in which learning takes place both in the workplace and in education/training centres.[50] The 2025 Programme for Government outlines the intention to increase apprenticeship registrations to at least 12,500 by 2030 and produce a new 5-year Apprenticeship Action Plan for 2026-2030.[51] In 2024, there were 77 apprenticeship programmes with more than 29,700 apprentices (see Figure 5).[52] Issues related to the rate of pay received by apprentices at different stages of their training (in some cases reported as below the minimum wage) were discussed by the Oireachtas Committee on Further and Higher Education, Research, Innovation and Science in June 2025.[53]

Figure 5: Irish apprenticeship system in 2024. Snapshot 31 December 2024.

Source: National Apprenticeship Office Progress Report 2024 and Plans 2025, p.4.

In 2023, the OECD published a review of **skills development** in Ireland, OECD Skills Strategy Ireland: Assessment and Recommendations, assessing Ireland's progress against the OECD Skills Strategy Framework. Their analysis highlighted positives in terms of: high levels of skills

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[49] SOLAS (13 January 2025) (SOLAS Reports Record Numbers of Further Education and Training Places Taken up in 2024, *Press Release.*
[50] For an overview of recent developments in Ireland's apprenticeship provision see: AARC, in association with Indecon and LE Europe (October 2020) Increasing the sustainability of Higher and Further Education provision in Ireland Economic review of funding options - Deliverable 1.1 and 1.2: Adapting Higher Education and Further Education & Training Provision to Meet the Skill Requirements of Ireland's Labour Market.
[51] Government of Ireland (2025) Programme for Government 2025 – Securing Ireland's Future, p.73.
[52] National Apprenticeship Office Progress Report 2024 and Plans 2025.
[53] Joint Committee on Further and Higher Education, Research, Innovation and Science debate - Wednesday, 25 Jun 2025. See also: Apprenticeship Programmes – Thursday, 20 Feb 2025 – Parliamentary Questions (34th Dáil).

among young people; tertiary attainment, which is amongst the highest in OECD countries; activation of people's skills in the labour market; and, good performance in the digital skills. However, the OECD also noted key challenges, such as lower rates of lifelong learning when compared to high ranking EU countries, skills imbalances in the labour market, and the complexity of Ireland's skills system spanning a range of organisations and stakeholders.[54] The OECD identified four priority areas for Ireland:

1. Securing a balance in skills through a responsive and diversified supply of skills
2. Fostering greater participation in lifelong learning in and outside the workplace
3. Leveraging skills to drive innovation and strengthen firm performance
4. Strengthening skills governance to build a joined-up skills ecosystem.[55]

The National Skills Council, with members across multinationals, social enterprise, and local, family-owned SMEs, was formed in 2024 and is mandated to provide strategic advice to government on aligning skills priorities with labour market needs.[56] Government also receives advice on future skills requirements from the Expert Group on Future Skills Needs. SOLAS' National Skills Bulletin 2024 provides an insight into areas of current and potential skills shortages, such as care workers and software developers/engineers (see Box 7).[57]

Box 7: Skills shortages in Ireland.

Occupation	Shortage	Type
Science & engineering	Analytical, process, and medical scientists	Skill shortage
	Quality control/assurance, process & design engineers	Skill shortage
	Mechanical, electrical & automation engineers	Skill shortage
	Maintenance/lab technicians	Skill shortage
ICT	Software developers/engineers	Skill shortage
	IT analysts/engineers	Skill shortage
Health	Medical practitioners	Skill shortage
	Nurses	Skill shortage
Education	Subject-specific secondary teachers	Skill shortage

[54] See also: OECD (2025) The role of subnational governments in adult skills systems - Country Note Ireland.
[55] OECD (2023) OECD Skills Strategy Ireland: Assessment and Recommendations, OECD Skills Studies, OECD Publishing, Paris, p.27.
[56] DFHERIS (3 July 2025) Launch of National Skills Council's Inaugural Publication, Providing First Strategic Advice to Government on Skills Priorities, *Press Release.*
[57] Condon, N., McNaboe, J., Daly, F., Hogan, A. and Shally, C. (November 2024) National Skills Bulletin 2024. SOLAS.

Social & care	Care workers	Labour shortage
	Healthcare assistants	Skill shortage
Construction	Civil engineers & construction project managers	Skill shortage
	Quantity surveyors	Skill shortage
	Carpenters	Potential future skill shortage
	Plumbers	Potential future skill shortage
Other Craft	Welders & fabricators	Skill shortage
	CNC programmers	Skill shortage
Hospitality	Chefs	Skill shortage
Transport & logistics	HGV drivers	Skill shortage
	Bus & Coach drivers	Skill shortage

Source: SOLAS (2024) National Skills Bulletin 2024 Infographic.

Skillnet Ireland supports enterprise training for employed and unemployed learners.[58] In 2024, Skillnet provided upskilling programmes to almost 98,000 people in circa 26,000 companies.[59] Springboard+ began in 2011 as part of the Government's Jobs Initiative.[60] It provides free or significantly subsidised upskilling and reskilling opportunities through HE in areas where there is an identified skills need. In 2024/25, there were 11,350 places on Springboard+ courses.[61]

Ireland's public **research and innovation** (R&I) system[62] is illustrated in Figure 6 overleaf, which shows the relationship between various government departments and research agencies, including those involved in sectoral research. The DFHERIS is responsible for two instruments assessing the spending on research and development in the government and HE sectors – the Research and Development (R&D) Budget and the Higher Education Research and Development Survey (HERD).[63] Analysis indicates that Ireland's expenditure on HE research and development tracks below that seen across the EU27.[64]

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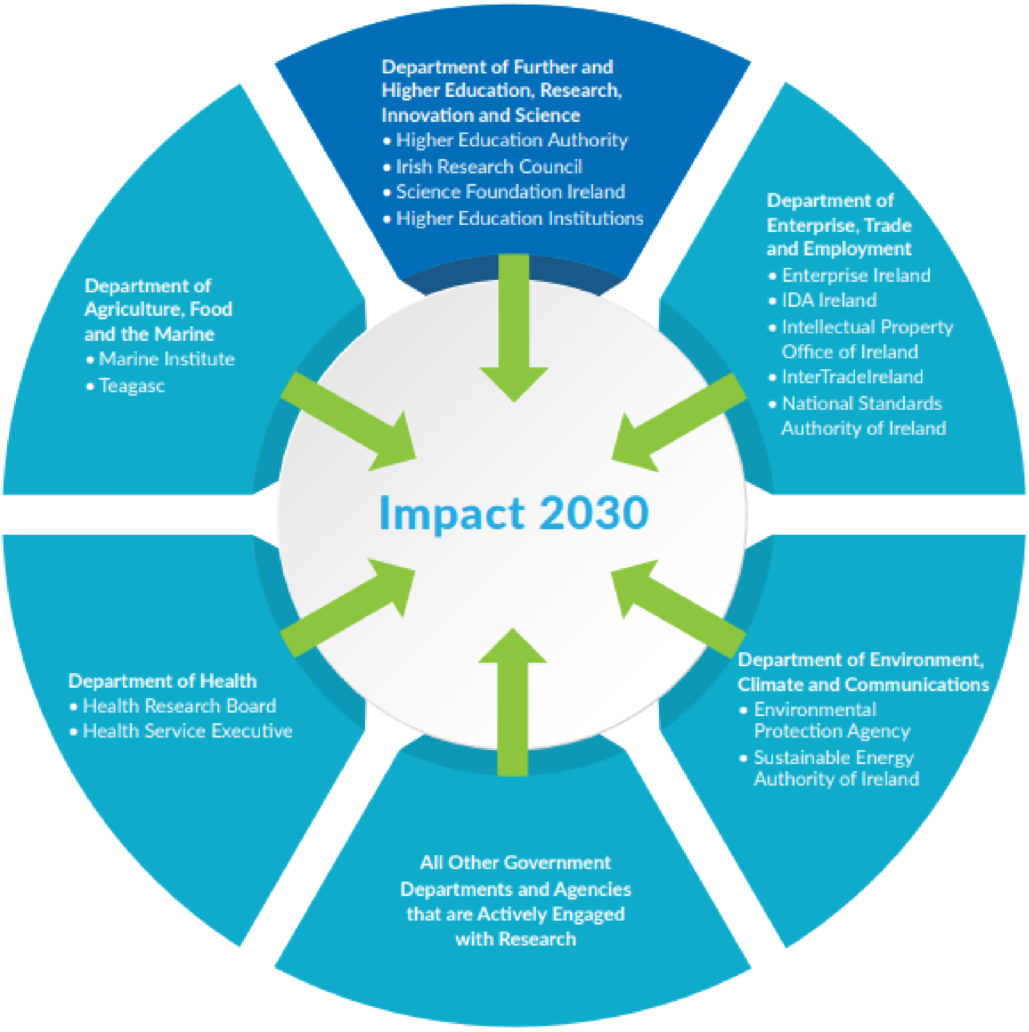
[58] Government of Ireland (July 2025) Education Indicators for Ireland; About Us | Skillnet Ireland, *Webpage.*
[59] National Skills Council (July 2025) Skills Matter Priorities to Shape Our Future Capabilities - Strategic Advice 2025.
[60] HEA - Springboard+, *Webpage.*
[61] National Skills Council (July 2025) Skills Matter Priorities to Shape Our Future Capabilities - Strategic Advice 2025.
[62] The term R&I in Impact 2030 is used to refer to the full spectrum of basic and applied research, experimental development and innovation.
[63] The CSO also conducts the Business Expenditure on Research and Development (BERD) Survey. See CSO Business Expenditure on Research and Development 2021-2022.
[64] Oireachtas Library & Research Service (2024) L&RS Bill Digest: Research and Innovation Bill 2024.

Figure 6: Ireland's public R&I system in the context of the Impact 2030 strategy.



Source: Government of Ireland (2022) Impact 2030, Ireland's Research and Innovation Strategy, p. 14.

The overarching purpose of Impact 2030, Ireland's national research and innovation strategy, is to maximise the impact of research and innovation on multiple national priorities.[65] It envisages investment in research and innovation rising to at least 2.5% of the domestic economy by the end of 2030. The 2.5% of the domestic economy here (as measured by GNI*[66]) would include not only government investment but also expenditure on research and innovation in HE and private business expenditure. Another key objective of Impact 2030 – and relevant to the attraction of PhD candidates – is to make Ireland attractive to top research talent.

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[65] DFHERIS (18 May 2022) Minister Harris launches Impact 2030: Ireland's Research and Innovation Strategy, *Press release*.
[66] For an explanation of Modified GNI see: CSO Modified GNI - Central Statistics Office, *Webpage.*

Táighde Éireann, Research Ireland was established in 2024 under the *Research and Innovation Act 2024*.[67] Following Budget 2025, its total budget funding research is €309.2 million.[68] The DFHERIS reports that in 2022 €854 million was spent on research and innovation activity in HE sector, with 25,360 researchers in the sector.[69] An independent review of State Supports for **PhD researchers** (2023) recommended a stipend of €25,000 per annum subject to funding availability.[70] Budget 2025 provided the funding for Research Ireland to increase its PhD stipend to this amount, representing an increase of more than 31% in two years.[71]

Developments in the funding of the tertiary sector

The funding of Ireland's tertiary education system is complex, drawing from a range of state, individual learner, international bodies, and commercial sources. This section seeks to provide an overview of some elements deemed particularly relevant to the current and proposed functioning of the NTF.

The tertiary education sector continues to experience the impact of funding cuts imposed during and after the financial crisis and is also faced with an increased population demand for education and training and the need to adapt to the changing skills needs of the labour force.[72] Across the whole range of the FE, HE, research, and skills sector there are mounting concerns about how changes in global political instability and violence, trade disputes, large-scale technological and workforce shifts (including AI-driven changes), and challenges to the independence of educational institutions will impact the education sector and the wider economy.[73] Internationally, and in Ireland, inflationary pressures and rising cost of pay, capital

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[67] Research Ireland was established following an amalgamation of Science Foundation Ireland and the Irish Research Council.
[68] Minister for FHERIS, James Lawless TD during Ceisteanna - Questions – Dáil Éireann (34th Dáil) – Tuesday, 13 May 2025 – Houses of the Oireachtas.
[69] DFHERIS (14 February 2025) Minister Lawless announces increased levels of research and innovation activity in Higher Education institutions, *Press Release.* Reporting from the Higher Education Research and Development Survey 2022-23.
[70] Johnson, A. and Cagney, D. (May 2023) National Review of State Supports for PhD Researchers – First Report, p.23.
[71] Further and Higher Education – Thursday, 27 Mar 2025 – Parliamentary Questions (34th Dáil). Note: For PhD students in receipt of stipends from agencies outside the remit of DFHERIS, the level of stipend awarded is at the discretion of each funder and parent Department.
[72] For a discussion of the impact of the 2008 financial crisis on funding for Ireland's HE sector see: OECD (2022) Resourcing higher education in Ireland – Funding higher education institutions, OECD Education Policy Perspectives, No. 51. For a discussion of funding developments from 2016 see: DFHERIS (May 2022) Funding the Future - Investing in knowledge and skills: Ireland's competitive advantage - A Funding and Reform Framework for Higher Education. See also: AARC, in association with Indecon and LE Europe (October 2020) Increasing the sustainability of Higher and Further Education provision in Ireland Economic review of funding options - Deliverable 1.1 and 1.2: Adapting Higher Education and Further Education & Training Provision to Meet the Skill Requirements of Ireland's Labour Market. For a discussion of the impact of artificial intelligence and automation on Ireland's future skills needs see: Bukartaite, R. and Hooper, D. (2023) Automation, artificial intelligence and future skills needs: an Irish perspective, *European Journal of Training and Development*, 47(10): 163-185.
[73] See for example: House of Commons Library (June 2025) Higher education finances and funding in England - House of Commons Library; DFHERIS (4 April 2025) Minister Lawless: "Ireland will lead with talent, science and skills in response to global trade disruption", *Press Release*; DFHERIS (7 January 2025) Minister O'Donovan announces funding of €60 million to drive energy efficiency and decarbonisation across the FET sector, *Press Release*; OECD (2025) Trends Shaping Education 2025; Ojo, E. (2025) Education in the eye of the storm: A

projects and energy, are also impacting the education sector. Industry funding for the HE sector is often promoted and positioned as beneficial for the sector and the wider economy. However, some academics/commentators have raised concerns about growing Irish HE reliance on private sector funding, particularly where this funding is not transparent or may diminish support for academic subjects or research not seen as having commercial value.[74]

Concerns about the sustainability of Ireland's tertiary system, particularly HE, has led to a number of reviews of the current and possible future financial model.[75] Table 1 provides a summary of the recommendations from a government-commissioned economic review on increasing the sustainability of **FE and HE** provision in Ireland published in 2021.[76]

Table 1: Summary of recommendations to improve the co-ordination between the skills demand and supply in the Irish economy, and to increase the sustainability of HE and FET provision in Ireland.

	Recommendations
1.	Measures should be implemented to reduce underutilisation of human capital while also tackling under-education in certain groups in Irish society.
2.	The HE and FET systems should be strongly encouraged and supported to continue to respond to the significant shift in future labour market requirements towards high skilled employment and the rapidly changing needs of emerging sectors and technologies.
3.	Resources should be allocated to further strengthen predictions of demand for skills and qualifications on an integrated and cohesive basis.
4.	Investment and a strong additional emphasis should be given to putting in place seamless pathways between further and higher education.
5.	Flexible and responsive education and training measures should be introduced as a priority to reskill those who have lost employment during the COVID-19 pandemic.
6.	Employers should have an enhanced role in shaping and delivering the education and training system to reflect the prioritisation of human capital development and to secure greater socio-economic equality.

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bibliometric review of research on global crises and their impact on Southern African education (2000–2024), Southern African Review of Education, 29(1): 15–40; Gallagher-Cooke, M. (April 2023) Higher Education Institution policies in the Climate and Ecological Emergency, PublicPolicy.ie, Geary Institute, UCD, pp.1-27; Hazelkorn, E., Locke, W., Coates, H., & de Wit, H. (2022) Unprecedented challenges to higher education systems and academic collaboration, *Policy Reviews in Higher Education*, 6(2): 125–127; Marginson, M. (October 2018) World higher education under conditions of national/global disequilibria, Centre for Global Higher Education working paper series, Working paper no. 42.

[74] Ó Maonaigh, C. , Reilly, L. and Stephens, J. (February 2025) Industry Funding of Irish Universities. PublicPolicy.ie Policy Paper, UCD Geary Institute for Public Policy; Gibson, A. and Hazelkorn, E. (2017) Arts and humanities research, redefining public benefit, and research prioritization in Ireland, *Research Evaluation*, 26(3): 199–210; Lynch, K. (2015) Control by numbers: new managerialism and ranking in higher education, *Critical Studies in Education*, 56(2): 190-207; L&RS (2014) Spotlight - Higher education in Ireland: for economy and society?

[75] Reviews include: Expert Group on Future Funding for Higher Education (the Cassells Review) (2016) Investing in National Ambition: A Strategy for Funding Higher Education and Government of Ireland (18 November 2019) Ministers announce awarding of EU contract for review regarding increasing the sustainability of higher and further education provision in Ireland, *Press Release.*

[76] AARC, in association with Indecon and LE Europe (May 2021) Increasing the sustainability of Higher and Further Education provision in Ireland – Economic review of funding options Deliverable 3.2: Proposal for a higher education funding system for Ireland.

7.	A sustainable model of financing for the HE and FET system should be prioritised to support the future development of the HE and FET systems in meeting the economy's human capital and skills needs.
8.	The Irish Government should ensure that the appropriate level of HE provision is determined with sustainable and adequate resources available to support high quality higher education in Ireland.
9.	The Government should decide how the funding gap will be addressed.
10.	The Government should increase and extend maintenance and fee support.
11.	Consideration should be given to a 'hybrid' model of higher education fees and funding in Ireland.
12.	The application of means-testing for the provision of student support should be improved.
13.	The student support system should be simplified.
14.	The Government should develop and implement a rigorous long-term data strategy and infrastructure for the collection of higher education data.

Source: AARC, in association with Indecon and LE Europe (May 2021) Increasing the sustainability of Higher and Further Education provision in Ireland – Economic review of funding options Deliverable 3.2: Proposal for a higher education funding system for Ireland, p.118.

In 2014, the Government appointed an Expert Group on Future Funding for Higher Education (the Cassells Review). The group's final report (2016), Investing in National Ambition: A Strategy for Funding Higher Education, concluded that the current approach to funding was unsustainable, and that an additional €1 billion in annual funding would be needed by 2030.[77] In May 2022, under the Funding the Future framework, the Government confirmed its intention to increase funding to **third level institutions**. Funding the Future identified the need for a €307 million increase in core funding to deliver enhanced performance, strategic reforms and increased quality of outcomes.[78] As outlined in the DFHERIS briefing for the incoming Minister (February 2025), a total of €164.4m was secured across Budgets 2023, 2024 and 2025, with a further €100m to be provided from the NTF over 2026–2029, and an anticipation that additional funding will be secured in future budgets to meet the remaining gap of approximately €43m (see p.31). As further detailed by the Minister for FHERIS in response to a parliamentary question in March 2025:[79]

> "Over the three budgets since the publication of Funding the Future, an additional €164.4 million has been secured in exchequer and employer funding with a commitment to deliver a further €100 million by 2030 from the National Training Fund

[77] For an overview see PBO (2019) An Overview of Tertiary Education funding in Ireland.
[78] Further and Higher Education – Thursday, 27 Mar 2025 – Parliamentary Questions (34th Dáil .
[79] Further and Higher Education – Thursday, 27 Mar 2025 – Parliamentary Questions (34th Dáil).

> (NTF). The €164.4 million figure includes €58.7 million that was secured in Budget 2025 for Funding the Future.
>
> The €58.7m in additional core funding secured in Budget 2025 will create space for higher education institutions to increase staffing levels and capacity, enable a greater alignment of provision with priority skills needs and facilitate the further development of tertiary programmes.
>
> It is anticipated that further additional exchequer funding will be secured in future estimates processes to deliver on commitments, including on priorities such as healthcare places and tertiary programmes.”

Funding the Future also committed government to **reduce the cost of education for learners**. The policy framework provides for annual publication of an options assessment outlining measures to reduce the cost of education. In 2023, the Funding the Future - annual options paper on the cost of higher education considered options to reduce costs across FE, HE, Research and Apprenticeships. Options analysed included removing PLC charges to students, increasing the funding for the Adult Literacy for Life Collaboration and Innovation Fund, and reducing the apprenticeship fee for those on off-the-job training on consortia-led or craft programmes.

In 2024, the Funding the Future – An Annual Options Paper on Reducing the Cost of Education considered increasing agency stipends for **PhD students**. The paper outlined there are approximately 10,000 annual doctoral enrolments. Of these circa 3,000 are funded by Research Ireland, 2,000 receive scholarships from HE institutions, 1,000 receive funding from other agencies (e.g., Teagasc and the Health Research Board), and 4,000 are privately funded. The options paper concludes that if the 3,000 PhDs funded by Research Ireland were awarded a €25,000 stipend there would be a full year cost of €18 million. The 2023 annual options paper had previously indicated that if the 2,000 PhD students in receipt of scholarships from HE institutions (current average estimated at €15,000-€16,000) were provided with a €25,000 stipend the cost would be approximately €25 million.

Legislative proposal

This section briefly examines how the General Scheme of the National Training Fund (Amendment) Bill proposes to amend the current operation of the NTF. This briefing paper provides an overview of the heads of the General Scheme. It is intended that a future Bill Digest would examine the published Bill's provisions in more detail.

Regulatory Impact Assessment (RIA)

A Regulatory Impact Assessment (RIA) was published alongside the General Scheme in June 2025.[80] The RIA outlined the policy objectives as:

> "The key objective of the amendment of the NTF Act is to ensure that the NTF funding package of €1.485bn which was announced in Budget 2025 for further and higher education and research can be allocated and spent as planned. It is critical that there is no legislative impediment to the provision of this funding.
>
> An amendment is required to the NTF Act to permit capital expenditure from the Fund …
>
> An amendment may be required to the NTF Act to permit research and core funding expenditure from the Fund …" (p.5)

Policy options considered in the RIA:

- Option 1: No amendment to the legislation;
- Option 2: Limited amendment to the legislation but retaining the requirement for all expenditure to be in accordance with a scheme;
- Option 3: Wider amendment to the legislation removing the requirement for all expenditure to be in accordance with a scheme.

Source: DFHERIS (17 June 2025) Regulatory Impact Assessment - National Training Fund (Amendment) Bill 2025, p.6.

Option 1 (no amendment to the legislation) was discounted as it the status quo would not enable expenditure from the NTF announced in Budget 2025 to be made.

Option 3 (wider amendment) was not preferred as wider amendment may require the amendment of the long title of the NTF legislation and development of a new Act may be required. Further, employers' group were not in favour of amending the legislation to provide for a wider purpose for the provision of funding for the NTF.

Option 2, a limited amendment to the legislation, was selected as the preferred option based on the following:

> "The advantage of this approach is that the integrity of the NTF is maintained. The NTF funding would only used for the current purposes of the Act which is the advancement of skills for those in employment and those seeking employment and the identification of skills needs. Under this proposed amendment, expenditure can be made from the NTF on capital, core funding and research and innovation, however, this expenditure must be in respect of a scheme under the legislation. The proposed amendments will

[80] DFHERIS (17 June 2025) Regulatory Impact Assessment - National Training Fund (Amendment) Bill 2025.

> provide certainty that capital and other expenditure can be made under the NTF once that expenditure is in accordance with a scheme under the Act…" (p.7).

The RIA projects a number of likely benefits of enabling new forms of NTF funding, including provision of sustainable funding of the HE sector, expanding healthcare training capacity, ensuring universal access to tertiary education, and improving research infrastructure. More widely, the RIA anticipates NTF funding will provide for a highly skilled and adaptable workforce and more competitive economy, ameliorate barriers to attendance at tertiary level for socially excluded groups (including people with disabilities), and that upgrades to the tertiary estate will contribute to decarbonisation of the sector.

The RIA anticipates there will be no cost to the Exchequer, as funding will be provided from the NTF, which has an estimated surplus of €1.772bn at the end of 2024.

As part of their work in shaping the legislative proposal, the DFHERIS engaged with and/or received submissions from stakeholders, such as the National Skills Council, Chambers Ireland, Enterprise Ireland, the HEA, and the IUA.[81] Key issues raised during this consultation process included: [82]

- Concerns about the potential significant draw on the NTF for upgrading and decarbonising works.
- The need for NTF-funded schemes to prioritise training in digital skills, green skills, management skills, employability skills, and other critical areas.
- Need for full transparency on NTF funding and for funding to University sector to be ring-fenced for enterprise upskilling.
- Increased tracking and reporting of NTF impact.
- Greater coordination with other skills and enterprise systems to avoid duplication and boost impact.
- Potential to remove NTF expenditure from the 'Government expenditure' ceiling which would allow expenditure from NTF surpluses to be additional to existing expenditure ceilings.

Overview of the General Scheme

The General Scheme contains 3 Heads. In brief:

Head 1: Short Title and Commencement provides for the Act to be cited as the National Training Fund (Amendment) Act, with collective citation for the National Training Acts (with the *National Training Act 2000*). The Head further provides the Act can be become operational on the day/days designated by the Minister.

Head 2: Interpretation provides for definitions of 'innovation' and 'research', which are taken from the *Research and Innovation Act 2024*.

Head 3: Payments from the Fund. Section 7(1) of the 2000 Act provides for payments by the Minister from the NTF for schemes covered by section 7(2). Head 3 of the General Scheme

[81] For details of all stakeholders see p.15 of the Regulatory Impact Assessment (RIA).
[82] For list of all issues raised during the consultation as documented by the DFHERIS see p.15-17 of the Regulatory Impact Assessment (RIA).

deals with the insertion of a new Section 7(2B), to provide for payments from the fund to be made for:

- acquisition of lands, premises, furniture or equipment or the upgrading, construction or reconstruction of facilities or premises; and/or
- core funding for HE institutions; and/or
- research and innovation.

These new payments can only be made in line with schemes in accordance with section 7(2) of the 2000 Act.

Pre-legislative scrutiny

The General Scheme of the National Training Fund (Amendment) Bill was not subject to Pre-Legislative Scrutiny (PLS). The Minister for DFHERIS sought a waiver from PLS to facilitate early passing of the legislation to release the Budget 2025 NTF funding package. The Oireachtas Committee on Further and Higher Education, Research, Innovation and Science received an informal briefing by Departmental officials in July 2025 and the Committee subsequently granted a PLS waiver.[83]

Conclusion

The National Training Fund is a significant funding mechanism for tertiary education. It focuses primarily on funding training for those seeking employment and upskilling for those already in work. In any expansion of the NTF it is argued that there is a need to consider how the fund can best be used to meet the skills and education needs of the state, employers and citizens, and to ensure the fund is flexible and responsive to ever-changing labour market trends and economic conditions.

The General Scheme of the NTF (Amendment) Bill proposes to widen the scope of the fund to enable funding for: (a) the acquisition of lands, premises, furniture or equipment or the upgrading, construction or reconstruction of facilities or premises; and/or (b) core funding for HE institutions; and/or (c) research and innovation. These new payments could only be made in line with the overarching purposes of the NTF set down in the 2000 Act.

There appears to be general support for more effective use of the NTF, and particularly for the leveraging of the fund's surplus. However, there are differences in emphasis on where those funds should be directed. While the legislative proposal is relatively straightforward there are some particular areas of consideration. The intention to increase expenditure from the fund bolsters the requirement for transparency in how funding priorities are decided and for strengthened evaluation of the outcomes, rather than the activity, of the fund. Funding for the tertiary education sector was significantly impacted by the spending cuts which followed the 2008 recession. NTF funding is part of the constellation of funding sources for the tertiary sector but may not be a substitute for ongoing central government funding of the sector. The emphasis on enterprise-driven priorities for NTF funding may impact on funding for other

[83] Email communication to the L&RS from a member of the Committee secretariat, 21 July 2025.

significant areas of education and training which have purposes beyond or outside the commercial sector and which are necessary for societal wellbeing and advancement. Given the generally pro-cyclical nature of the NTF, any future economic and technological shocks which impact employment levels could reduce NTF income and limit the ability of the fund to support unemployed people to upskill.

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