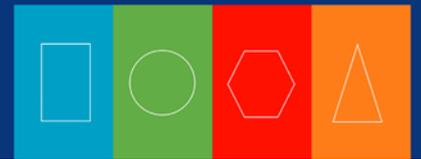


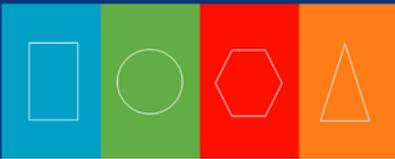
# The Expert Group on Future Skills Needs Statement of Activity 2012

April 2013



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## Foreword

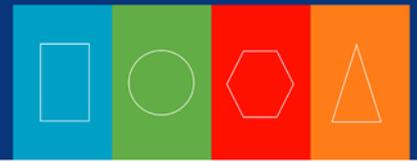
Ireland's workforce is a significant competitive advantage and it is essential that we continue to ensure it is well aligned with the skills that employers need now and into the future.

It is now accepted that the return to economic growth will be primarily export led and based on improvements in productivity across both the manufacturing and wider services sectors. The speed of this return to economic growth is also dependent on the economic climate in our key trading partners. Ireland's *Trade Tourism and Investment Strategy* emphasises the need to diversify our exports and increase the focus on emerging high growth markets. The development of skills and talent in the areas of international sales and marketing and also foreign language proficiency and cultural awareness is crucial to drive this export growth. The EGFSN research informed by businesses for the *Key Skills for Enterprises to Trade Internationally* report identifies the need for a step change in our formal international sales training and the need to boost our foreign language proficiency to meet the needs of the international marketplace.



The Government's Action Plan for Jobs 2012 focused on addressing challenges facing the manufacturing sector in Ireland and targeted specific actions in support of the sector. In response to the action on skills, the EGFSN assessed the skills and competencies needed by the sector in the report *Future Skills Requirements of the Manufacturing Sector to 2020*. This research addresses skills requirements within six sub-sectors of manufacturing. It updates and reinforces, where still relevant, research from the EGFSN/Forfás sectoral reports on Medical Devices (2008), Bio-Pharma/Pharma-chem (2010), Food and Beverages (2009) and the Green Economy (2010) and focuses in detail on the ICT hardware, Engineering and Consumer Products sectors, these latter three sectors not having not been addressed in previous work.

During 2012, the EGFSN continued its focus on addressing the ICT Skills needs of businesses across all sectors. An analysis of the recruitment challenges in 2012 was produced together with recommendations which led to the development of the Government's *ICT Action Plan* for high-level ICT skills. This includes measures to double the output of honours level graduates from the third level sector by 2018 and, in conjunction with industry, provide conversion courses (760 places in 2012 and 770 planned in 2013) to fast-track into ICT, honours level graduates from other disciplines. High level ICT and engineering skills are important for companies not only in terms of meeting current shortages, but also in driving demand, growing new business and winning new foreign direct investment. There was an emphasis on ICT in the EGFSN/Forfás *Guidelines for Higher Education Providers on Current and Future Skills Needs of Enterprise* for the Springboard Call. Research work is currently underway with businesses to assess the high level ICT skills demand to 2018 and propose recommendations to bridge any identified gaps.



Over the last 12 months the EGFSN continued to monitor skills trends and demand through the *National Skills Bulletin 2012* and the *Vacancy Overview 2012*. We also provided an overview of the supply of skills from the Irish education system in the *Monitoring Ireland's Skills Supply 2012* publication. More people are engaging in education and training across almost all levels and an increasing number continue to add to their portfolio of skills throughout their working lives. Most of the vacancies arising during 2012 were due to turnover and/or replacement rather than expansion demand (except for managers, professionals and associate professionals). This was particularly the case for the lower skilled occupations. The level of excess demand is unlikely to be greater than several hundred (in terms of headcount) for the overall economy except for high-level IT skills where the demand is greater especially for experienced personnel who are in short supply globally.

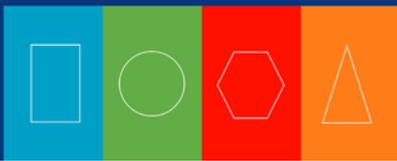
Weak economic demand overall has resulted in rising long term unemployment, falling participation rates and a growth in emigration. Providing interventions to assist those unemployed progress to employment/self-employment (especially, those previously employed in construction and traditional manufacturing), will be the challenge. Global demand in sectors such as ICT, Life Sciences and Internationally Traded Services remains strong, and significant numbers of jobs in Ireland were announced in these sectors during 2012. The education and training system and public employment services, in collaboration with employers/industry bodies, need to continue efforts to respond appropriately to these challenges. It is essential that programmes are aligned to the skills required by businesses, provide structured work placements and that jobseekers are directed to the most appropriate intervention for them. Initiatives, such as Springboard, the ICT Conversion programme, Momentum and JobBridge, which provide opportunities to progress to employment, are welcomed. It is important that they are continuously evaluated and best practice is expanded upon.

The EGFSN continues to engage with a wide range of stakeholders to communicate its key findings via our website [www.egfsn.ie](http://www.egfsn.ie), direct mailing of our reports to interested parties, presentations at conferences and providing our findings to guidance associations, further and higher education and training providers, industry groups and policy makers. The work of the EGFSN helps to inform education and training providers on the required alignment of programmes to meet enterprise skills needs, assist individuals to make an informed decision around employment opportunities and career choice and underpin labour market activation programmes. I would like to thank the members of the Expert Group on Future Skills Needs for their commitment to this important work. I would also like to thank Forfás and the Skills and Labour Market Research Unit, FÁS for the research and analysis support that they provide to the group.

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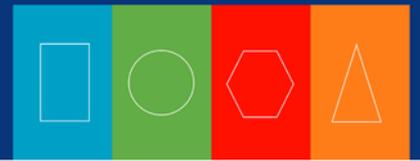
Una Halligan

Chairperson, Expert Group on Future Skills Needs



## Members of the Expert Group on Future Skills Needs

Una Halligan	Chairperson
Marie Bourke	Head of Secretariat and Department Manager, Education, Skills and Labour Market Policy, Forfás
Inez Bailey	Director, National Adult Literacy Agency
Peter Baldwin	Assistant Secretary, Department of Education and Skills
Ray Bowe	IDA Ireland
Liz Carroll	Training and Development Manager, ISME
Ned Costello	Chief Executive, Irish Universities Association
Margaret Cox	Managing Director, I.C.E. Group
Bill Doherty	Executive Vice President, EMEA, Cook Medical
Tony Donohoe	Head of Education, Social and Innovation Policy, IBEC
Dr. Bryan Fields	Director, Curriculum Development / Programme Innovation, FÁS
Sonia Flynn	EMEA Director for User Operations, Facebook
Anne Forde	Principal Officer, Department of Education and Skills
Joanne Gardiner	Managing Director, Ovelle Pharmaceuticals
Joe Hogan	Founder, Chief Technology Officer and Vice President Openet Labs & IP Management
John Martin	Director for Employment, Labour & Social Affairs, OECD
Frank Mulvihill	Former President of the Institute of Guidance Counsellors
Dr Brendan Murphy	President, Cork Institute of Technology
Garrett Murray	Enterprise Ireland
Dermot Nolan	Department of Public Expenditure and Reform
Alan Nuzum	CEO, Skillnets
Muiris O'Connor	Higher Education Authority
Peter Rigney	Industrial Officer, ICTU
Martin Shanagher	Assistant Secretary, Department of Jobs, Enterprise and Innovation
Martin D. Shanahan	Chief Executive, Forfás
Jacinta Stewart	Chief Executive, City of Dublin VEC



## Introduction

The Expert Group on Future Skills Needs (EGFSN) has the task of advising Government on future skills requirements and associated labour market issues that impact on enterprise and employment growth.

Specifically, the Group carries out analysis in order to:

- Advise Government on projected skills needs at national and sectoral levels and make recommendations on how best to address identified needs;
- Advise Government on associated priority education and training requirements and the most cost effective ways of responding to them;
- Advise Government on any skills requirements that cannot be met internally at a given time and that so require to be met through inward migration;
- Advise Government on the content, delivery and outcomes of education and training programmes elsewhere that support excellence and value for money and on adaptations necessary to incorporate such developments here;
- Respond to any request for advice from the Minister for Education and Skills on training programmes that are supported through the National Training Fund; and
- Report on progress made in the implementation of its recommendations.

The Group is composed of representatives of business, employees, education, training, Government departments and State agencies.

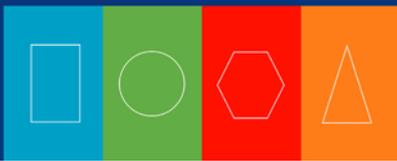
The following Statement of Activity provides details of the Group's output and activity in 2012, forthcoming work in 2013, and information on the Group's research and analysis resources.

## Research and Analysis Resources

The work of the EGFSN is managed by Marie Bourke, Manager of the Education, Skills and Labour Market Policy Department in Forfás.

Research, analysis and administration support to the EGFSN is provided by Forfás and the Skills and Labour Market Research Unit, FÁS.

EGFSN work undertaken by Forfás is funded through the National Training Fund (NTF). In 2012 €361,040 was provided from the NTF towards the cost of this work.



## EGFSN Research and Analysis in 2012

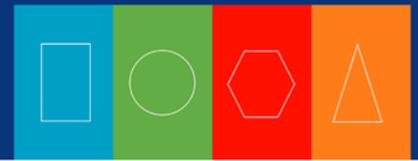
### Future Skills Needs of the Manufacturing Sector

The manufacturing sector is a fundamental driver of the economy in Ireland. Manufacturing accounted for approximately 22 per cent of GDP in 2009 and manufacturing exports were approximately €92.9 billion in 2011. There were around 206,000 people employed in manufacturing in 2011, accounting for 11.4 per cent of total employment. The sector has experienced huge changes in recent years, a significant decline in employment and erosion of cost competitiveness. The Government's Action Plan for Jobs 2012 requested Forfás to develop a long term vision for the Manufacturing sector and a strategic plan to realise this vision (forthcoming report - *Making it in Ireland*). In tandem with the wider strategy research by Forfás, the EGFSN was requested to *undertake a detailed assessment of manufacturing skills needs and use of the new structures for training and skills development to address both the immediate needs of the manufacturing sector and to anticipate longer term needs*. The objective of this work is to address the skills required across six sub-sectors of manufacturing over the period 2012-2020 - Medical Devices, Bio-Pharma/Pharma-chem, Food and Beverages, ICT hardware, Engineering and Consumer Products sectors.

There is a challenge for manufacturing enterprises in attracting the top graduate talent as many of the graduates are sought after for other sectors. Future employment scenarios for the sector are highly dependent on both improvements in domestic competitiveness and a favourable international environment for trade. Replacement demand for the sector is estimated in the region of 4,000 to 5,000 per annum regardless of whether employment expands or not and there are upskilling requirements for existing employees at both occupational and qualifications level.

Skills and competencies needed within manufacturing are rising across virtually all occupations due to factors such as scientific and technological advances, automation, regulatory requirements, new ICTs and the drive for continuous improvement. There are some skills shortages currently within the sector, though not of significant scale. Many of the skills shortages primarily relate to key persons with experience to drive business growth. Current and future shortages are in areas such as toolmaking, where we recommend an accelerated apprenticeship scheme to produce 55-60 toolmakers per annum to 2016, in-company training for machinists and for consideration to be given to an apprenticeship/traineeship for CNC machining/programming. There is a demand in the short term for approximately 250 mechanical engineers with skills related to automation, development and design until increased enrolments in engineering programmes result in increased supply in 2-3 years' time. Support is recommended for up to 200 places on taught postgraduate courses specifically to address critical shortages across a number of engineering disciplines including validation, polymer, quality, automation and supply chain engineering.

Despite substantial loss of employment over the last ten years, there is potential for employment in Irish manufacturing to stabilise and grow in the future. Under the competitive growth scenarios presented in this report, net employment could grow by between 11,000 and 43,000 by 2020. The extent of this growth will depend crucially on attaining reductions in labour and business costs, productivity and innovation improvements and the necessary skills supply to be realised.



## Vacancy Overview 2012

The EGFSN Vacancy Overview 2012 draws on the various datasets held in the National Skills Database (NSD), and provides an overview of the demand for labour as measured by trends in advertised job vacancies. The vacancy data refers to newly advertised vacant posts through Jobs Ireland (DSP/FÁS) and IrishJobs.ie. It reports on the occupations and job titles of approximately 100,000 vacancies advertised in 2012 with the objective of identifying skills for which there is currently a demand in the Irish labour market. On average approximately 5,500 vacancies are notified by employers to Jobs Ireland each month and notifications to IrishJobs.ie averaged 2,500 vacancies each month.

Given that employment contracted between 2011 and 2012 (Quarter 3) for all occupations except for managers, professionals and associate professionals, there was little expansion demand suggesting that most of the vacancies arising were due to turnover and/or replacement demand.

In terms of sectors, industry, IT and financial services sectors had the highest share of mentions of difficult to fill vacancies. A requirement for language skills was also frequently cited, particularly for associate professional positions. German was the most frequently mentioned language required, followed by French, Italian, Spanish and Dutch.

Vacancies notified to IrishJobs.ie and DSP/FÁS Jobs Ireland combined were most frequent for:

- Sales and related occupations
  - business associate professionals (e.g. sales accounts and business development managers, business sales executives, marketing associate professionals)
  - sales occupations (e.g. field sales agents, retail sales assistants) and customer service occupations
  - Science and engineering professionals
- IT professionals (e.g. programmers and software developers, IT business analysts, web designers, IT specialist managers), design and development engineers and process engineers
- Business professionals (e.g. financial project management, chartered accountants, management consultants and business analysts, regulatory professionals, quality control professionals)
- Administrative occupations (e.g. book-keepers, payroll clerks, financial clerks)
- Caring personal services (care workers and nursing assistants)
- Catering occupations (chefs, waiters and kitchen/catering assistants)
- Science and engineering associate professionals - IT associate professionals (e.g. IT operation technicians, IT user support technicians), engineering technicians and laboratory technicians
- Corporate managers and directors (e.g. production managers in manufacturing, managers in warehousing, HR managers, financial managers, retail managers, purchasing managers).

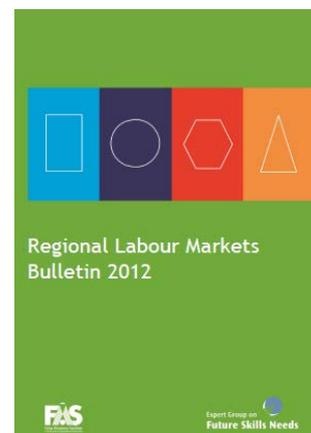
By highlighting areas where employment opportunities exist, the analysis of the *Vacancy Overview 2012* data assists with career guidance, and the alignment of labour market activation measures with labour market needs.

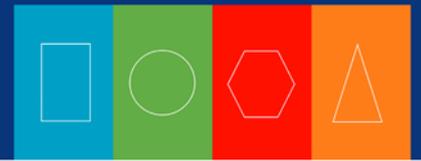
## Regional Labour Markets Bulletin 2012

Adopting a stronger, data-driven approach to decision making at regional level requires an understanding of both the labour market and the business composition of each region's employment to ensure that the skills supply is suited to the needs of the employer, as well to assist job seekers and school leavers identify current and future employment opportunities. This report, the *Regional Labour Markets Bulletin 2012*, was compiled in recognition of the fact that there are geographical and sectoral variations in employment opportunities and skills supply and that there is a demand for more regional market data to assist in the planning for education and training to support more targeted demand and supply matching. It is the first in an annual series of EGFSN publications examining regional labour markets in Ireland. It provides data on the labour market for each of Ireland's eight regions: Border, Dublin, Mid East, Midland, Mid West, South East, South West and West. It provides labour market indicators, a profile of key businesses and industries, potential job opportunities and current and potential skills supply.

- In each region, the wholesale and retail sector accounted for 15% of regional employment. Dublin has a high proportion of the ICT, professional and financial services sector. Almost one in five persons working in manufacturing in 2012 was employed in the South West region.
- In all regions, approximately 90% of enterprises are micro enterprises (employing < 10 persons).
- The share of white collar workers in regional employment was highest in Dublin (60%) and lowest in the Border, Midland and South East (less than 45%).
- The distribution of Public Employment Service vacancies did not vary significantly across regions, with most vacancies advertised for associate professionals (mostly sales), labourers and service workers.
- Between 2008-2012, employment declined in each region. In absolute terms, the greatest decline was in construction (decline was greater than the gain during the preceding four years).
- Employment continued to decline (albeit at a lower rate than previously) in Dublin, the Border, Mid West and South East and remain stable in the Midlands, South West and West, while it increased in the Mid East and South West.
- In each region, Live Register levels have stabilised. The age and gender distributions of persons on the Live Register do not vary significantly across regions (less than 20% are aged under 25 and over 60% are male).
- The share of skilled tradespersons amongst the unemployed was highest in the South East and South West (27%) and lowest in the Mid West (18%) and Dublin (19%).
- In each region, the highest share of job seekers registered on Public Employment Services had previously worked as skilled tradespersons or labourers (between 20% and 25% each).

The *Regional Labour Markets Bulletin*, through provision of on the demand and supply of skills for the Irish regions, supports decision making at regional and national level in the areas of education and training provision, labour market policies, immigration and career guidance.



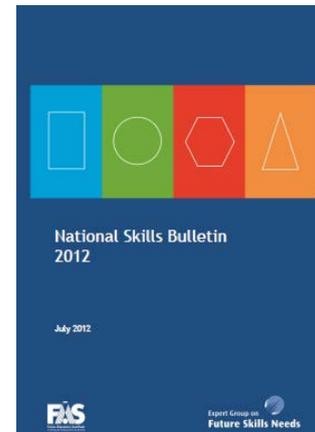


## National Skills Bulletin 2012

The *National Skills Bulletin 2012*, published in July 2012, is the eighth in a series of reports produced annually by the Skills and Labour Market Research Unit in FÁS on behalf of the EGFSN. The report provides an overview of the Irish labour market at occupational level.

### Labour Force

Over the period 2010 to 2011, the labour force and number of persons in employment contracted, although at a slower rate than a year ago, unemployment increased, and long term unemployment persisted at an elevated level.



### Skills Shortages

There are job opportunities in certain sectors and for specific skills such as information and communications technologies, high-tech manufacturing particularly biopharma, the financial services sector, the health sector and for those with languages and sales skills.

Job vacancies were most frequent for sales and related occupations, including marketing (especially digital marketing) and customer services roles. Vacancies also arose for IT professionals, science and engineering professionals, business professionals, administrative occupations, IT associate professionals, and personal care occupations.

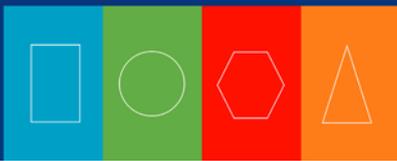
### Employment Permits

While employers continued to source skills from outside the EEA in 2011, the trend is towards a reduction in the overall number in relation to the previous year. ICT skills continued to account for the largest share of skills sourced abroad.

### Cohorts at Greatest Risk of Unemployment

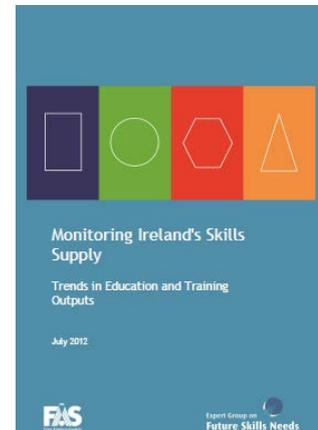
Being male, non-Irish national, younger than 25, holding lower secondary and below as the highest level of education attained and having worked in construction (in elementary or skilled trade occupations) continued to be characteristics associated with a relatively higher risk of unemployment.

The *National Skills Bulletin*, through providing a statistical record of the labour market situation at occupational level and by identifying occupations where shortages exist, assists policy formulation in the areas of employment, education/training, immigration and career guidance.



## Monitoring Ireland's Skills Supply - Trends in Education and Training Outputs 2012

This report, published in July 2012, is the seventh in a series of annual reports produced by the Skills and Labour Market Research Unit of FÁS on behalf of the Expert Group on Future Skills Needs. The report provides an indication of the supply of skills to the Irish labour market from the formal education and training system by examining outflows from the education system across levels 1-10 of the National Framework of Qualifications (NFQ).



### Demographic Profile

Inflows to the education and training system continues to grow across almost all sectors of the education and training system (except further education and training). In September 2011, at almost 61,000 enrolments, the number of Junior Cycle entrants reached its highest point since 2000.

There was a decline in the inflows to selected further education and training pathways (PLC courses, FÁS Community Training courses and FÁS apprenticeship training) in 2011.

Between 2009 and 2010, the number of new entrants to higher education remained stable at approximately 41,000; while the vast majority (71%) were aged 19 or less, the numbers of mature students (i.e. those aged 23 or more) grew by 10% year-on-year.

### Education and Training

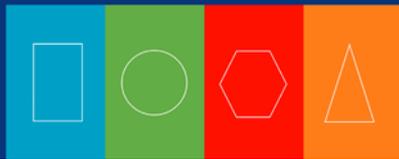
There are more people than ever before engaging in education and training across almost all levels of the National Framework of Qualifications, in 2011 there were in excess of 210,000 awards made, a 5% increase on the previous year. The field of social science, business and law had the largest number of awards with almost 25,000, spanning all levels of the NFQ.

The EGFSN has specifically highlighted the need for the development of further high-level ICT skills and there are promising signs with higher level computing programmes seeing a 27% increase in the number of graduates at level 8 and a 37% increase at level 9 since 2009.

### Lifelong Learning

Approximately 107,000 persons aged 25+ participated in lifelong learning (LLL) in quarter 4 2011, representing 4.4% of the adult population. Over the period quarter 4 2006 to quarter 4 2011, the number of LLL participants increased by 35% (or almost 28,000 learners)

*Monitoring Ireland's Skills Supply* serves as a valuable tool in the EGFSN's role in advising the Irish Government on the current and future skills needs of the economy and on other labour market issues that impact on Ireland's enterprise and employment growth.



## Key Skills for Enterprise to Trade Internationally

The report *Key Skills for Enterprise to Trade Internationally*, published in June 2012 by the EGFSN and Forfás, sets out the skills and talent needed to drive Ireland's trade and export performance in overseas markets, and enhance Ireland's proposition for attracting global business inward investment. The study provides a blueprint for adjustments to our education, training and professional development to align skills with the needs of exporters.

The nine specific sectors examined in the report are ICT, Life Science, Engineering, Cleantech and Sustainable Building, International Business Services, Food & Drink, International Education Services, Tourism and the Cultural Sector.

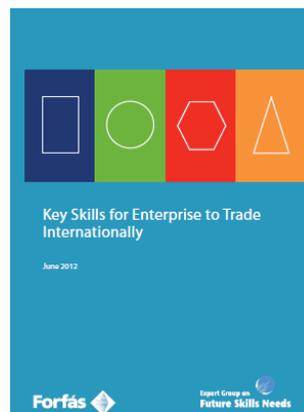
Sales, marketing, foreign language, cultural awareness and soft skills are the main skills identified as needed to drive trading and export market performance in the years ahead. These are complementary to other skills such as business, science, engineering and technology. Jobseekers with these combined skills are increasing in demand by employers.

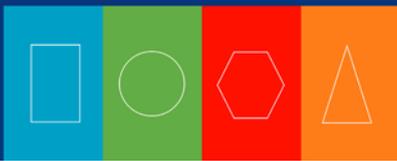
The research findings pointed to the importance of developing a cadre of International sales professionals with foreign language proficiency and pointed to a lack of formal international sales education and training. Recommendations focused on the inclusion of an international sales module on 3rd level general business/marketing courses; the introduction of a post graduate diploma courses in international sales with foreign languages (e.g. German, French, Spanish); the development, in conjunction with industry, of an International Sales Degree and the inclusion of Business to Business, Business to Government and Technical Sales content within sales programmes.

Improved foreign language capability would boost enterprises' ability to export. The development of a Foreign Language Education Policy with a 5-10 year horizon vision across primary, secondary and third level education to meet language proficiency needs of enterprise is recommended as critical. It should include measures to boost the uptake of modern foreign languages at 3rd level, align the assessment of foreign language proficiency to the Common European Framework of Reference for Languages and focus on Erasmus student placements in study/work in non-English speaking markets. Companies have a role to play in communicating the value of foreign languages for future job opportunities to students, parents and teachers.

The study identified 2,200 potential job opportunities arising within exporting companies which could be filled through tailored skills conversion programmes, developed in partnership with industry, in the following areas:

- Customer Sales/Service Support with Foreign Languages (NFQ Levels 6/7) - 800 places. (Specifically German, French, Spanish, Italian and Dutch).
- Engineers (mechanical, automation, development & design) (NFQ level 8+) - 250 places.
- International Sales Professionals - with foreign languages (NFQ Levels 6/7/8) - 250 places. (Specifically German, French, Polish and Russian).
- International Project Management (NFQ Levels 7/8) - 100 places.





## Other Activities & Policy Inputs by the EGFSN in 2012

### Guidelines for the Alignment of Further Education Programmes with Skills Needs of Enterprise

The Further Education Section (FE) in the Department of Education and Skills commissioned Forfás to undertake this piece of work, in the context of improving how the Further Education sector can better respond to current and future skills needs. This encompasses:

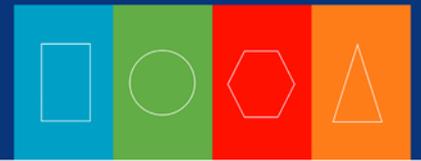
- Ensuring information on current and future skills and labour market needs is disseminated effectively throughout the Further Education sector.
- Meeting the needs of learners and endeavouring to provide education, training and career paths that will lead to successful labour market outcomes for them.
- Promoting increased flexibility within the Further Education sector to respond to changing skills and labour market needs.
- Enhancing interactions between enterprise and the Further Education sector with an emphasis on the employability of Further Education learners.

Based on the work of the EGFSN, the report identifies the skills requirements of enterprise relevant to the Further Education sector across NFQ levels 1-6. This includes sectoral and occupational skills needs, in addition to generic skills requirements for those sectors/occupations and highlights recommendations (e.g. new/improved programmes; programmes designed directly with enterprises; wider availability of work placements; skills for employability) made to address these gaps.

The following key points emerged from the available survey data from the various FE programmes and through observations provided through stakeholder consultations:

- The profile of participation on Further Education programmes generally relates well to the target candidates. However, some concern has been raised regarding mission drift by some providers towards higher NFQ levels with reports that some traditional target candidates may be 'squeezed out' by more highly educated candidates that have recently become unemployed.
- The lack of achievement of major awards relative to minor awards, particularly within full-time programmes, has been highlighted by some stakeholders as a significant area of concern, raising issues around returns to the State as well as questions over whether or not the intensity of education and training received is appropriately equipping participants to return to the labour market.
- There is a need for better information regarding the socio-economic and education profile of those that attain awards and the level at which they are attained. Longitudinal data that allows tracking of participation and awarding patterns would be most useful in this context.
- The quality of information regarding retention and completion rates varies between Further Education programmes. This information is highly important for assessing the capacity of programmes to bring learners through the assessment and certification process.
- Survey data across programmes in relation to progression from FE programmes to the labour market and/or other education and training is weak, making it difficult to analyse outcomes.

These guidelines were issued by the Department of Education and Skills to the VECs during 2012.



## Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise - Springboard 2012 Call

Springboard is a multi-annual fund which provides free part-time higher education courses, to assist the unemployed and previously self-employed to upskill or reskill in areas of current and future skills need. The first phase of Springboard was launched in May 2011 by the Minister for Education and Skills and offered 5,875 free, part-time places in higher education in areas of identified skills need in Ireland.

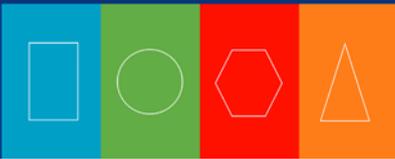
In 2012, a second Springboard call allocated a further €24.4m for an additional 6,000 part-time higher education places. At the request of the Department of Education and Skills, Forfás produced a document entitled *Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise* which accompanied the call for proposals issued by the HEA on 20 February 2012. The guidelines, which were based on skills shortages identified by the EGFSN, provided detailed information on current and future enterprise skills opportunities in order to enable providers to ensure that programmes were aligned with the needs of enterprise.

## National Skills Database

The National Skills Database (NSD), developed and maintained by the Skills and Labour Market Research Unit (SLMRU) of FÁS, collates all available information on the supply and demand of skills in Ireland. It represents an effective tool for timely analysis and forecasting of the labour market at sectoral and occupational level. Potential imbalances between the demand and supply of skills can be assessed using the wide range of indicators gathered in the NSD.

During 2012 the NSD was updated to include the latest statistics and information on the following:

- Employment
- Education and training output
- Immigrant labour force
- Notified job vacancies (for example: The Irish Times, Irish Jobs.ie, FÁS)
- Labour force forecasting model
- Occupational employment forecasting models
- Recruitment agency survey (SLMRU).



## Implementation of Recommendations in EGFSN Reports

Ongoing monitoring of progress on implementation of recommendations, including a review of sectoral studies after completion, is undertaken by the EGFSN. Sectoral reports are widely disseminated to stakeholders. Those identified with the responsibility of implementing the recommendations are formally notified and invited to inform the EGFSN six months after publication of the report of progress on implementation.

A commentary on implementation is also included in the EGFSN's Annual Activity Statement which is provided to both the Minister for Education and Skills and the Minister for Jobs, Enterprise and Innovation.

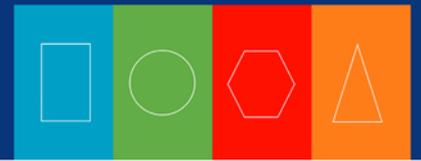
### Green Economy Skills

Following on from the publication of the EGFSN/Forfás report *Future Skills Needs of Enterprise within the Green Economy in Ireland* in November 2010, the EGFSN consulted with key education providers to establish progress on implementation of recommendations in the report.

Several institutions have introduced new course material or modified existing relevant course content. There is increasing provision of a common integrated engineering first year structure, with add-on specialisms modules in the third and fourth year as recommended by the EGFSN. Masters programmes are also evident which offer students the opportunity to study engineering and electronic engineering disciplines together with business related disciplines. There are examples of the professional development of teaching staff through post graduate and MSc offerings. Some colleges provided examples of the development of a broader electrical engineering programme at Level 7 that will allow progression to existing and proposed, related Level 8 programmes.

Architecture related programmes, which include building conservation, energy; environment and urban design and a holistic approach to design in a green context are cited. There are examples of the utilisation of relevant expertise and modules developed in overseas institutions, such as Stanford University and the use of student exchange programmes with other academic institutions at home and abroad. There is evidence of enhanced relationships with industry, such as for advising institutions on emerging skills needs and inviting industry specialists as guest lecturers to provide practical exposure for students to real-world problems. Formal internship/work placements with academic accreditation, within companies based in Ireland and abroad, have been established by some institutes.

A broad range of training courses as recommended in the Report have been made available to skilled workers across a number of sectors, including by FÁS, Skillnets and VECs. In 2011, 725 places on 'green skill' part time education courses were provided under the Springboard programme, and a further 672 places provided under Springboard 2012.



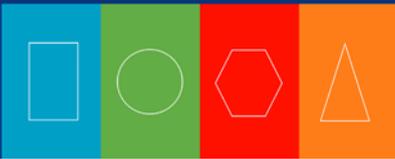
## Food and Beverage Sector

The EGFSN/Forfás report *Future Skills Requirements of the Food and Beverage Sector* was published in November 2010. The main skills gaps identified in the report were for operative upskilling, specialised craft training, supply chain management, graduate in-house marketing/ management development, middle and senior management development programmes on leadership, management and commercial acumen.

De-boners and trimmers were identified as a skills shortage in the EGFSN 2012 National Skills Bulletin, and FAS established a National Butchery Academy in conjunction with major meat processing manufacturers to address this.

The *Action Plan for Jobs 2012*, published in February 2012, called for the provision of funding from the Workplace Basic Education Fund for up-skilling workers in sectors including the Food and Beverage Sector.

Higher Education Courses in the Food and Beverage field have been provided to jobseekers under the Springboard programme for the past two years. In 2011, 266 places were allocated in the Food and Beverage Category and in 2012, this increased to 322 places.



## Addressing ICT Skills Recruitment Difficulties of Foreign Owned and Indigenous Companies

During 2011, the EGFSN/Forfás was requested to undertake research on recruitment difficulties relating to high-level ICT skills, within both the ICT sector and from other sectors such as international financial services, banking and business services. The findings of the research were compiled in a paper entitled *Addressing High-Level ICT Skills Recruitment Needs*, published in January 2012.

In response to these findings, in January 2012 the *Action Plan to Address ICT Skills Needs* was published by the Department of Education and Skills (in conjunction with the HEA, Forfás and the EGFSN), which outlines a range of initiatives to meet these skills needs. Implementation of the *ICT Action Plan* is underway.

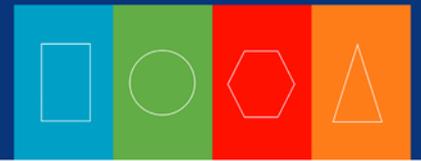
One of the key measures in the Plan was the provision, from March 2012, of more than 800 places on intensive NFQ level 8 higher diploma ICT skills conversion programmes by higher education providers in partnership with industry. A second phase of the programme is currently being rolled out on 15 courses offering 769 places countrywide.

More than 1,300 people are now due to graduate from ICT courses provided under the first phase of Springboard 2011. A further 2,200 places on ICT programmes from certificate to masters degree level were made available under Springboard 2012.

The high level Academic Industry Foresight Group, chaired by John Hennessy, Chair of the Higher Education Authority, and with strong high level industry membership, has been established to ensure that higher education programmes are continuously aligned and adapted to the changing needs of enterprise, to advise on programme development, enhancing graduate quality and improving retention rates on ICT courses.

Measures to improve the mathematical proficiency of second level students are progressing and Project Maths continues to be implemented. The first mainstream examinations were for 2012's Leaving Certificate students, and the first group of students presenting for the Junior Certificate will be in 2013. The introduction of Project Maths has been accompanied by a dedicated national programme of professional development for all maths teachers.

The EGFSN recommended bonus points (amongst other things) for higher level leaving Cert Maths in its report on the subject in 2008. To encourage more students to take Higher Level mathematics for their Leaving Certificate, 25 bonus CAO points are available for all candidates who score Grade D3 or above from the academic year 2011/2012 on for a four-year trial period from 2012 to 2015 inclusive. There was a dramatic increase in the number of candidates taking Higher level Maths - up from 15.8% in 2011 to 22.1% in 2012.

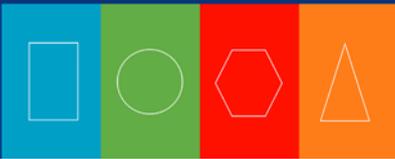


## Dissemination of Future Skills Needs of Enterprise and Other Labour Market Information

During 2012, the EGFSN continued to engage with stakeholders to ensure that key labour market information was disseminated to all relevant parties. The Group provided presentations on a wide range of labour market issues and participated at conferences and fora throughout the year, including: OECD LEED Local Job Creation Roundtable, Newbridge Chamber of Commerce career seminar, Tolka Area Partnership employment guidance workers event, Pobal conference on addressing unemployment, Irish Primary Principals' Network education policy symposium.

In addition, the Group's output continues to be disseminated to guidance counsellors, students (secondary level, further education and training, and higher education), parents and teachers, through the targeted websites such as CareersPortal, Qualifax and Career Directions to inform their target audiences.

Published reports by the EGFSN are sent to over 1,300 stakeholders. An e-alerts system is also in place to electronically distribute the group's reports to over 2,000 subscribers. Briefing presentations on reports are made available on the EGFSN website.



## Progress on the National Skills Strategy 2020 targets

The EGFSN is mandated, by the Department of Education and Skills, to report annually on progress made on reaching the targets set out in the National Skills Strategy for 2020.

The key proposals in the National Skills Strategy for 2020 are that:

- **48 per cent** of the labour force should have qualifications at National Framework of Qualifications (NFQ) levels 6-10 - i.e. from higher/advanced certificate to PhD level;
- **45 per cent should have qualifications at NFQ levels 4 and 5<sup>1</sup>** - Awards equivalent to higher secondary level education; and
- The remaining **7 per cent** are likely to have qualifications at **NFQ levels 1 to 3** (equivalent or below Junior Certificate) while aiming to make the transition to higher levels of educational attainment.

In order to achieve these objectives, action is required at a number of levels:

- An additional 500,000 individuals within the workforce will need to progress by at least one level on the National Framework of Qualifications. More specifically, the targets will entail up-skilling 70,000 from NFQ levels 1 & 2 to level 3; 260,000 up to levels 4 & 5; and 170,000 to levels 6 to 10.
- The proportion of the population aged 20-24 with NFQ level 4 or 5 awards should be increased to 94 per cent, either through completion of the Leaving Certificate or through equivalent, more vocationally oriented programmes. The retention rate at Leaving Certificate should reach 90 per cent by 2020.
- The progression rate to third level education will have to increase from 55 to 72 per cent.

### Progress on headline targets

Ireland continues to make progress towards achieving the National Skills Strategy (NSS) targets, further improvements regarding the educational profile have been made during 2011. It is estimated that 42% hold third level qualifications, 40% have obtained higher secondary/FET qualifications, while the proportion of those holding lower secondary or below has dropped to just under one fifth for the first time since tracking of the progress towards the NSS targets began.

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<sup>1</sup> It should be noted that the CSO education data for post Leaving Certificate (PLC) education level also includes some qualifications placed at NFQ Level 6.

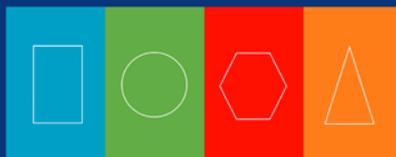
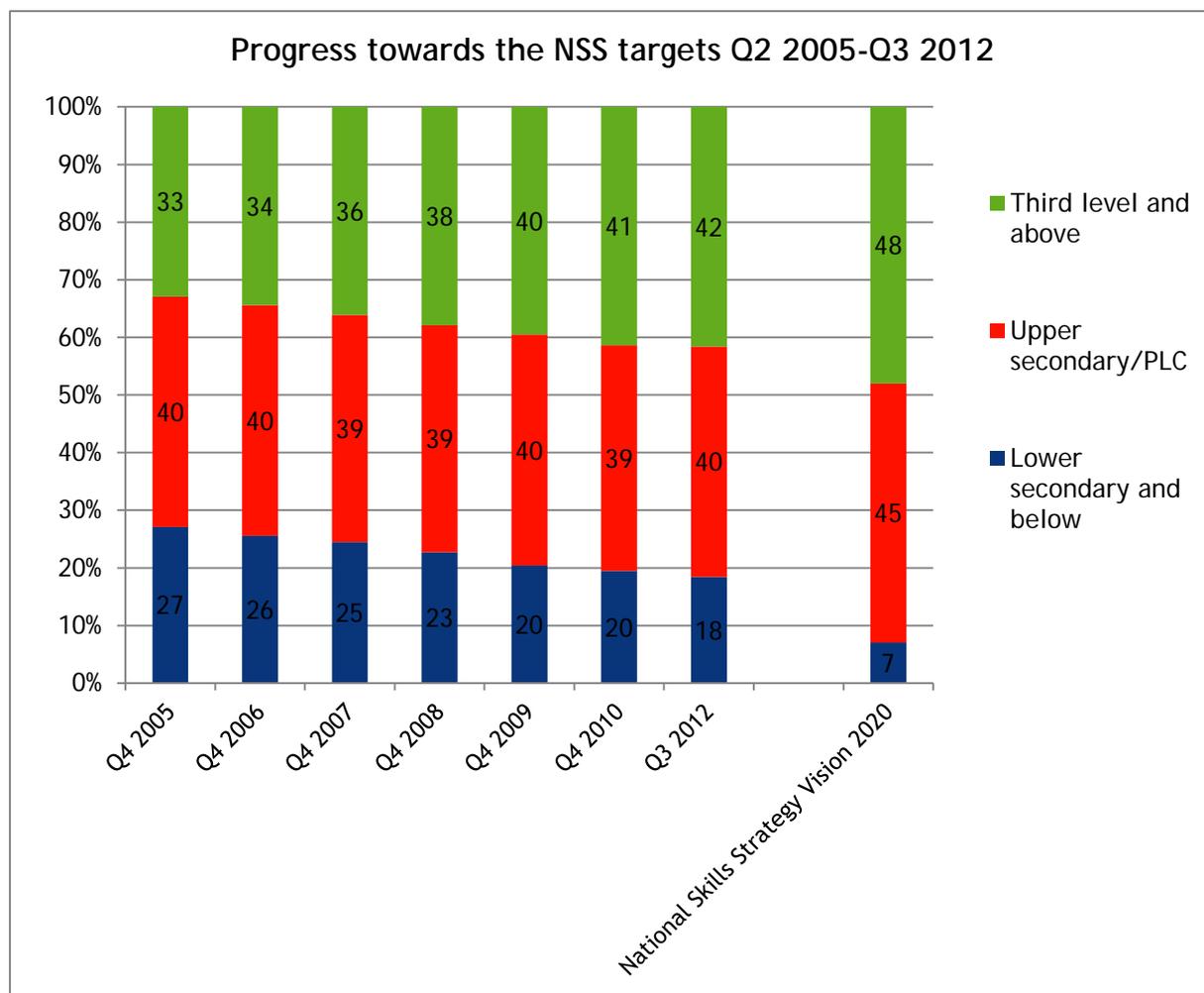


Figure 1 Labour Force by Educational Attainment and NSS Target

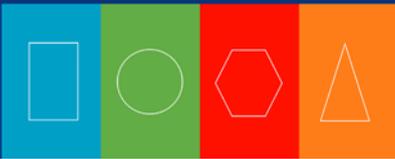


Source: CSO Quarterly National Household Survey

The percentage of those in the labour force with Higher Education qualifications (NFQ Levels 6-10) has increased from 33% in Q2 2005 to 42% in Q3 2012<sup>2</sup>. Specifically, there are approximately 245,000 more people in the labour force in Q3 2012 with Higher Education Level qualifications than there were in Q2 2005. The prospects for meeting the target of 48% of the labour force possessing a Higher Education Level qualification by 2020 set out in the National Skills Strategy would appear to be good based on current trends.

In relation to Levels 4 & 5 (Higher Secondary including Leaving Certificate), the percentage rate in Q3 2012 remains at 40%, the same level as in Q2 2005, there remains a challenge in closing the gap with the National Skills Strategy target at these levels. In absolute terms, the number of those within the labour force with Higher Secondary education has increased by around 48,000 since Q2 2005.

<sup>2</sup> CSO QNHS Q3 2012.



This is the net effect of:

- improvements in progression and retention rates:
  - the percentage rate for early school leavers has declined from 13% in 2006 to 9% in 2011<sup>3</sup>.
  - the percentage of the population aged 20-24 with at least Higher Secondary or equivalent level education increased from 86% in 2005 to 89% by 2011<sup>4</sup>, compared to the 2020 target of 94%.
  - retention at Leaving Cert for the latest available cohort of entrants (2005-2006 entry cohort<sup>5</sup>) has also risen from 81.3% (in 1996) to 90% in 2012, compared to a 2020 target of 90%.

There has been some progress at Levels 1-3 (Junior Certificate and below) with the percentage of the labour force at these levels falling from 27% in Q2 2005 to 18% in Q3 2012. Specifically, there are 168,000 less people in the Labour Force with only a Junior Cert qualification or below compared with 2005. Some of this decline is due to people moving up to higher levels in the National Framework of Qualifications, however, some is also due to older cohorts with a lower qualifications profile retiring from the labour force in addition to declining participation rates<sup>6</sup> amongst those at these lower qualification levels in the past few years.

The following table summarises progress in each of the headline National Skills Strategy targets.

Progress towards achieving the National Skills Strategy targets				
NSS Target	National Skills Strategy Baseline <sup>7</sup>	Current Position	Progress	Data source
▪ 48 % of Labour Force at levels 6-10	33 %	42 %	+9 %	CSO QNHS Q3 2012
▪ 45 % of Labour Force at levels 4-5	40 %	40 %	0%	CSO QNHS Q3 2012
▪ 7 % will be at levels 1-3	27 %	18%	+9 %	CSO QNHS Q3 2012
▪ 94% of 20-24 population should have at least NFQ Levels 4/5	86%	89%	+3%	CSO Q2 2011, Module on Educational Attainment
▪ The retention rate at Leaving Certificate should reach 90 % by 2020.	81.3%	90 %	+8.7 %	Department of Education
▪ The progression rate to Third Level should increase to 72%	55%	69%	+14%	Higher Education Authority (HEA) <sup>8</sup>

<sup>3</sup> CSO, QNHS, Educational Attainment Thematic Report, Q2 2011, Table 10a

<sup>4</sup> CSO, QNHS, Educational Attainment Thematic Report, Q2 2011, Table 11a

<sup>5</sup> Department of Education and Skills report Retention Rates of Pupils in Second Level Schools (2005 and 2006 Entry Cohort), published November 2012

<sup>6</sup> The participation rate for those with Lower Secondary level has decreased from 58.5% in Q2 2005 to 50.4% in Q3 2012. Source: CSO, QNHS, Q3 2012

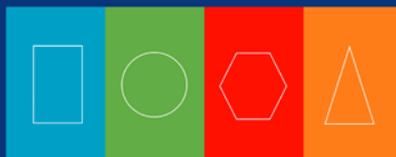
<sup>7</sup> NFQ Profile of the Labour Force Targets are measured from a baseline year of Q2 2005.

The 94 per cent target for 20-24 year olds is from a baseline year of 2005

The retention rate target is from a baseline year of 1996

The progression rate target is from a baseline year of 2004

<sup>8</sup> Excludes international students, encompasses new entrants of all ages (i.e. includes mature students).



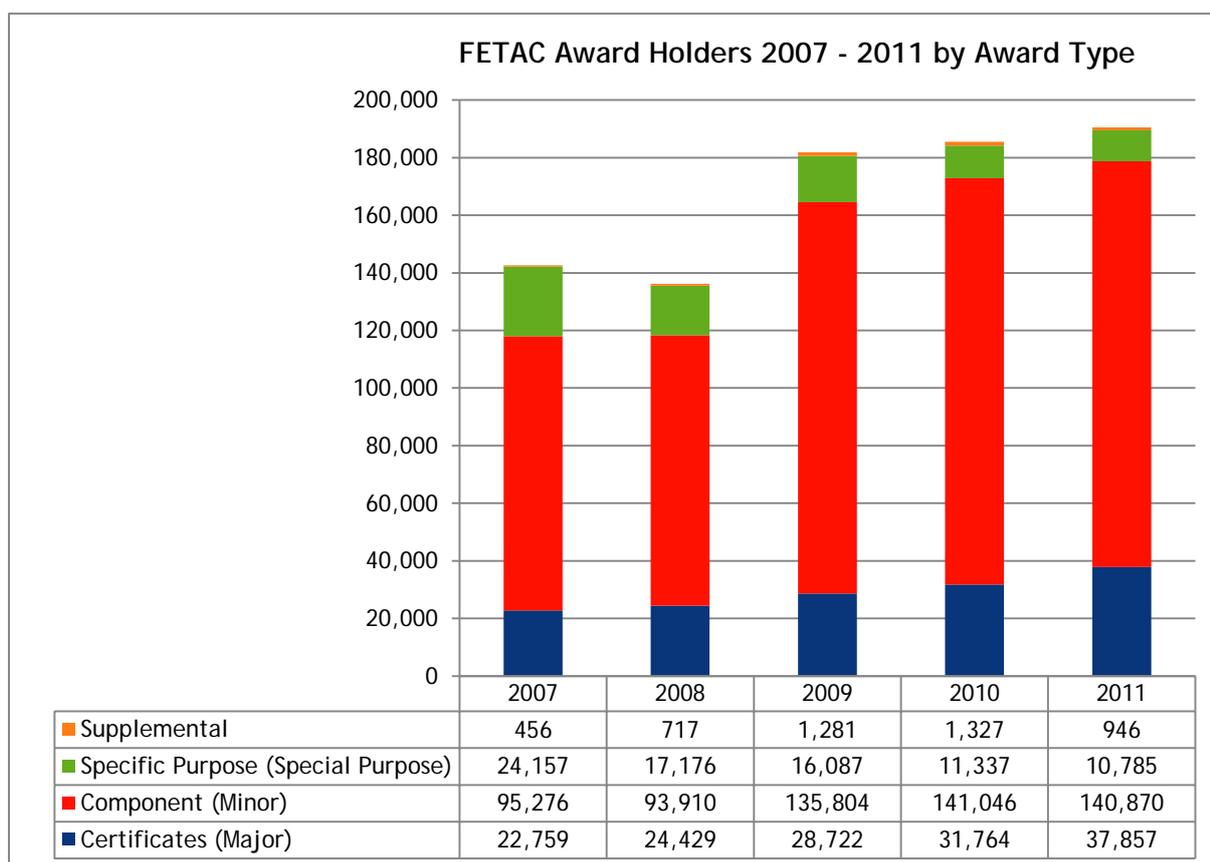
## Upskilling 500,000 people within the Labour Force

At present, there is no data available which shows whether a person has moved up the National Framework of Qualifications in a given year. The most appropriate measurement of progress towards the National Skills Strategy is by the CSO Quarterly National Household Survey data on educational attainment presented previously, which reflects the output of education and training activity in the State.

## Further Education and Training

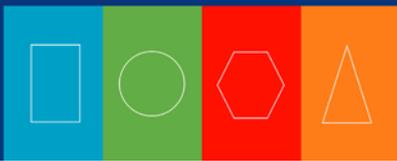
Within Further Education and Training, there has been a substantial increase recently in the number of award holders. At almost 181,000<sup>9</sup>, the number of FETAC award holders reached their highest number to date in 2011; this represents a 2% rise on the numbers in 2010 and a 40% rise on 2007.

Figure 2 FETAC Award Holders by Type of Award 2007-2011



Source: FETAC Statistics

<sup>9</sup> Note, the total award holders figure for 2011 is not the sum of the four award types holders shown above as some people achieve awards of more than one award type, e.g. a major award and a minor award.



Over the five-year period 2007-2011, the total number of FETAC awards grew by almost a half (or 110,000 additional awards), with increases for each award type except specific purpose awards: major awards rose by more than 15,000 (+66%); minor awards by 108,000 (+61%), and supplemental by almost 500 (+107%). In contrast, the number of specific purpose awards declined by 55% (or more than 13,000).

#### Further Education and Training Major Awards 2007-2011, NQF Levels

	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Total
2007	-	-	1,051	1,675	13,481	6,552	22,759
2008	12	53	1,417	1,777	14,196	6,974	24,429
2009	72	194	2,499	1,674	17,438	6,895	28,772
2010	170	281	2,602	1,373	20,504	6,834	31,764
2011	264	539	3,428	1,180	23,485	8,961	37,857

Source: FETAC statistics

More than three quarters of all FETAC awards were in one of four fields of learning; the number of awards was highest for:

- Core skills, languages and general studies: at approximately 83,000 awards in 2011, one quarter of all FETAC awards were in this category (e.g. computer literacy, communications, work experience etc.).
- Services: there were over 67,000 awards in this field (e.g. occupational first aid), making up a fifth to the total.
- Education, health and welfare: with almost 58,000 awards, education, health and welfare (e.g. train the trainer, childcare, etc.) accounted for 17%.
- Business and administration: at more than 51,000, these awards accounted for 15% of the total.

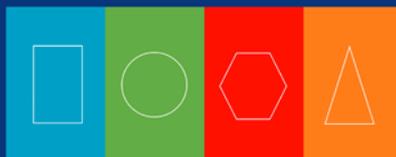
#### Higher Education

Overall graduate output in 2010 was 58,222<sup>10</sup>, overall graduation numbers have risen by 5.4% since 2006/2007.

There were 40,100 graduates at levels 6-8 in 2010, an overall increase of 4% on the previous year. The breakdown by level remained unchanged on 2009, with 67% of graduates at level 8, 23% at level 7 and 10% at level 6.

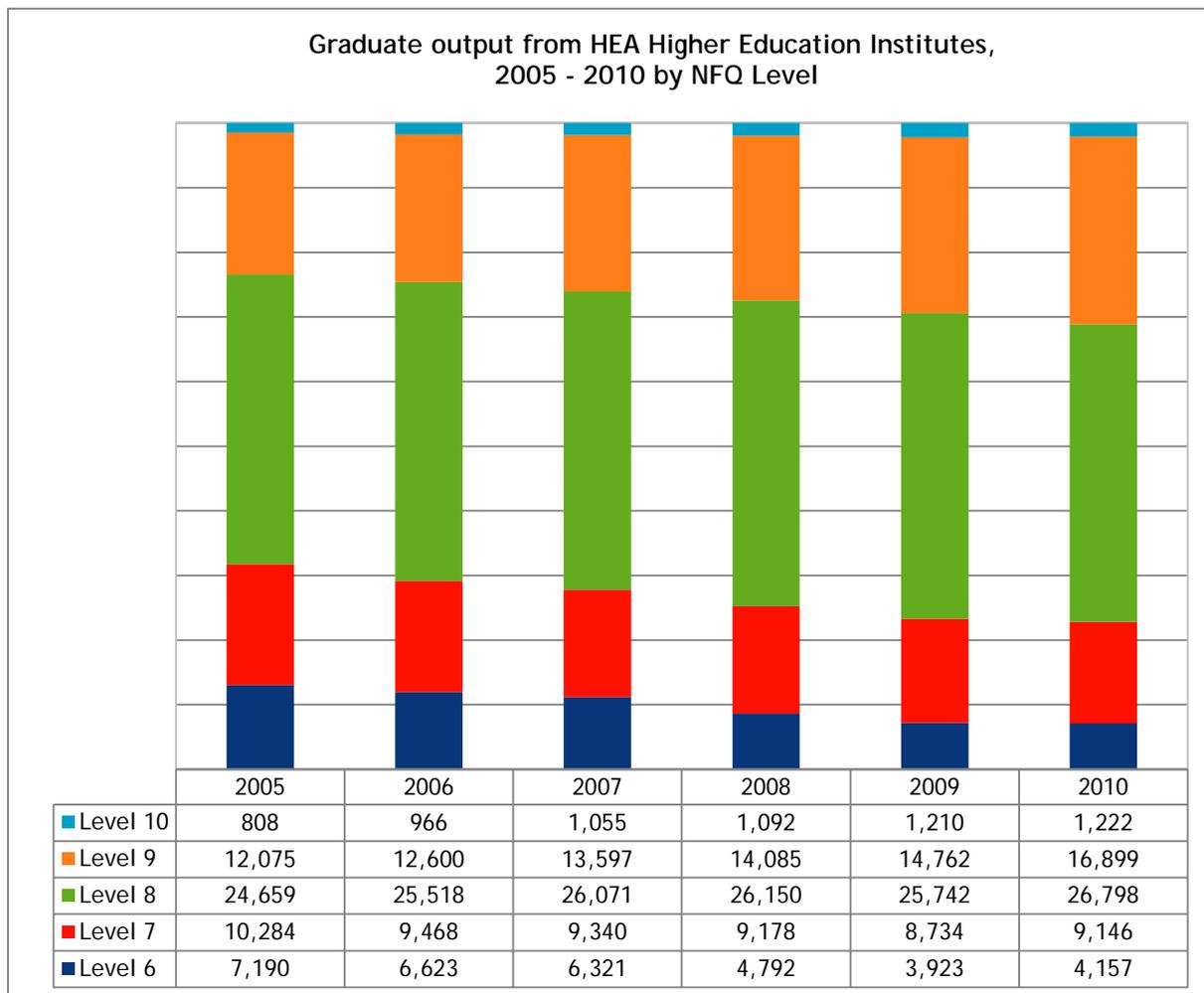
Over the five year period from 2005 - 2010 a significant drop in numbers graduating at level 6 has occurred. Level 7 graduate numbers also declined, albeit at a smaller rate (5%), while graduate numbers at level 8 increased by 5%.

<sup>10</sup> Includes distance and e-learning.



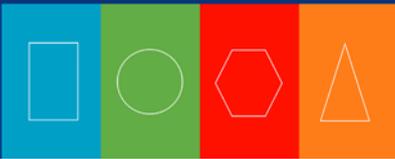
Level 9/10 Graduates - A total of 18,121 students graduated with a postgraduate qualification in 2010, a 34% increase since 2006 and 13% on 2009 (the largest year-on-year percentage increase in the period 2006-2010).

Figure 3 Graduate output from Higher Education 2007-2010, NFQ Levels



Source: HEA

In addition, data does not include approximately 4,500 awards made at independent, private third level colleges in Ireland in 2010; of these, 3,000 were major awards, with the remainder made up of special purpose awards and minor awards.

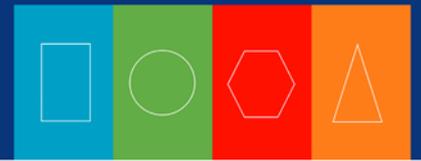


## Summary

- The progress made on reaching the National Skills Strategy targets indicates that the most significant challenge for the period to 2020 is upskilling those at Levels 1-3 to Levels 4 & 5.
- An increasing number of people are gaining awards across almost all levels of the National Framework of Qualifications, in 2011 there were in excess of 210,000 awards made, a 5% increase on the previous year.
- Between 2011 and 2014, the Department of Education and Skills expects that the total number of full-time students enrolled in higher education (at undergraduate or postgraduate level) will continue to grow due to increased numbers in the relevant age cohort as well as increases in the progression rates to higher education.<sup>11</sup>
- The main challenge for the education and training system is to ensure that providers can respond flexibly to skills needs of enterprise, particularly given high structural unemployment and the need to re-skill and upskill people to key growth sectors.

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<sup>11</sup> These projections are based on the assumption that there will be sufficient capacity within the higher education and training system to accommodate this level of increased demand for places.



## Forthcoming EGFSN Publications

### Addressing the Future Demand for High-Level ICT Skills in Ireland

The primary objective of the Study is to assess the demand over the period 2013 - 2018, for high-level ICT skills (specifically for computer engineers, electronic engineers and those with a combination of high-level ICT and business / analytic / foreign language skills) across the whole economy. There will be a specific focus on the ICT sector - given that it is the major employer of such skills (employing on average 65 % of such high-level ICT skills).

A related objective is how Ireland can retain and attract high-level ICT skills to address immediate high-level ICT skills recruitment needs, especially for ICT professionals with several years' experience (against the background of a global shortage of such skills).

It is anticipated that this report will be completed in mid-2013.

### The National Skills Bulletin 2013

Produced annually by the Skills and Labour Market Research Unit in FÁS, the National Skills Bulletin provides an overview of employment trends and demand for skills in Ireland. The Bulletin draws on data on employment, vacancies, job announcements and immigration and other qualitative information held in the National Skills Database, to identify imbalances in the Irish labour market at occupational level.

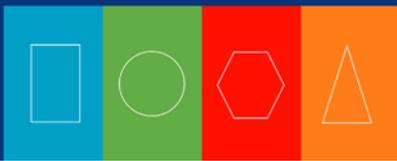
The next edition of the National Skills Bulletin is scheduled for publication in mid-2013.

### Monitoring Ireland's Skill Supply: Trends in Education and Training Output 2013

Undertaken annually by the Skills and Labour Market Research Unit of FÁS on behalf of the EGFSN, this report examines the numbers of students entering and leaving the education/training system in Ireland and reports on:

- The demographic profile of the school age population
- Junior and leaving cert trends
- Further education and training awards
- Higher education trends
- Where graduates go
- Adult lifelong learning participants

It is envisaged that the next edition of the report will be published in mid-2013.



## Appendix 1: Recent Publications by the Expert Group on Future Skills Needs

Report	Date of Publication
Vacancy Overview 2012	February 2013
Regional Labour Markets Bulletin 2012	January 2013
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2012	July 2012
National Skills Bulletin 2012	July 2012
Key Skills for Enterprise to Trade Internationally	June 2012
EGFSN Statement of Activity 2011	April 2012
Vacancy Overview 2011	February 2012
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise <i>(Forfás report based on EGFSN identified future skills needs)</i>	February 2012
Addressing High-Level ICT Skills Recruitment Needs: Research Findings	January 2012
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs	July 2011
National Skills Bulletin 2011	July 2011
EGFSN Statement of Activity 2010	May 2011
Developing Recognition of Prior Learning: The Role of RPL In the Context of the National Skills Strategy Upskilling Objectives	April 2011
Vacancy Overview 2010	March 2011
Future Skills Needs of Enterprise within the Green Economy in Ireland	November 2010
Future Skills Requirements of the Biopharma-Pharmachem Sector	November 2010
Monitoring Ireland's Skills Supply - Trends in Education and Training Outputs 2010	July 2010
National Skills Bulletin 2010	July 2010
Future Skills Needs of the Wholesale and Retail Sector	May 2010
EGFSN Statement of Activity 2009	April 2010
Future Skills Requirements of the Food and Beverage Sector	November 2009
Skills in Creativity, Design and Innovation	November 2009
Monitoring Ireland's Skill Supply - Trends in Education and Training Outputs 2009	November 2009
National Skills Bulletin 2009	July 2009
A Quantitative Tool for Workforce Planning in Healthcare: Example	June 2009



Simulations	
EGFSN Statement of Activity 2008	June 2009
A Review of the Employment and Skills Needs of the Construction Industry in Ireland	December 2008
Statement on Raising National Mathematical Achievement	December 2008
National Skills Bulletin 2008	November 2008
All-Island Skills Study	October 2008
Monitoring Ireland's Skills Supply: Trends in Education/Training Outputs 2008	July 2008
The Expert Group on Future Skills Needs Statement of Activity 2007	June 2008
Future Requirement for High-Level ICT Skills in the ICT Sector	June 2008
Future Skills Needs of the Irish Medical Devices Sector	February 2008
Survey of Selected Multi-National Employers' Perceptions of Certain Graduates from Irish Higher Education	December 2007
The Future Skills and Research Needs of the International Financial Services Industry	December 2007
National Skills Bulletin 2007	November 2007
Monitoring Ireland's Skills Supply: Trends in Educational/Training Outputs	June 2007
Tomorrow's Skills: Towards a National Skills Strategy	March 2007

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