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An Overview of the Current Skills Landscape in the Republic of Ireland

RaISe

This Briefing Paper presents an overview of the current skills landscape in the Republic of Ireland.

This information is provided to Members of the Legislative Assembly (MLAs) in support of their duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

Key Points

The Department of Further and Higher Education, Research, Innovation and Science (DFHERIS) has overall responsibility for the formulation of skills policy in the Republic of Ireland.

A variety of government agencies contribute to the delivery of skills policy, such as: the Further Education and Training Authority (SOLAS); Education and Training Boards (ETBs); Regional Skills Fora; the National Skills Council, and the national qualifications awarding body, Quality and Qualifications Ireland.

[National Skills Strategy: Ireland's Future](#), published in 2016, created two new skills bodies: a [National Skills Council](#), to advise Government on skills needs; and, nine [Regional Skills Fora](#), to act as single contact points in each region connecting employers with skills services and support.

In 2023, the Organisation for Economic Co-operation and Development (OECD) published a review of the Republic of Ireland's skills landscape, noting critical skills challenges such as: labour shortages; regional inequalities; rising housing prices and the coronavirus (COVID-19) pandemic.

Key issues, relevant to the Republic of Ireland skills landscape, that merit consideration include: employer engagement; skills funding; regional balance; and, future skills needs.

Employer Engagement:

- [Skills to Advance](#) is a national initiative in which employers develop courses in collaboration with ETBs to provide upskilling and reskilling opportunities for their employees.
- Currently, [Skillnet Ireland](#) provides 70 business networks across regions, connecting employers with external training providers.

Skills Funding:

- A National Training Fund (NTF) was established by the [National Training Fund Act, 2000](#) as a dedicated fund to support the training of individuals

in employment and research and data-gathering on future skills and workforce requirements.

- The NTF is financed by a levy on employers (currently set at 1% of reckonable pay), collected through the PAYE/PRSI system¹ and transferred monthly to the DFHERIS by the Department of Social Protection (DSP).
- As part of Budget 2025, the Republic of Ireland Government agreed a total NTF funding package of €1.485bn over a 6-year period (2025-2030).

Regional Balance:

- Nine Regional Skills Fora across the Republic of Ireland were set up following [Ireland's National Skills Strategy 2025](#). The aim is to connect people in their regions to meet their skills needs.
- The regional fora bring together: employers, education and training providers, enterprise agencies, local authorities and government bodies.

Future Skills Needs:

- The Expert Group on Future Skills Needs (EGFSN) is an independent body that advises government on future skills needs of the economy.
- Members of the EGFSN include key skills policy stakeholders in the public sector, and representation from business and trade unions.
- The Skills and Labour Market Research Unit (SLMRU) gather, collect and analyse a range of datasets on skills demand and supply in the Republic of Ireland.

¹ Pay As You Earn and Social Insurance Contributions system.

Introduction

This Briefing Paper provides an overview of the current skills landscape in the Republic of Ireland. It is prepared at the request of the Public Accounts Committee (the PAC), as part of an ongoing review of the skills system in Northern Ireland. It is the second of such briefings prepared by RaISe. The previous paper, NIAR 249-24 [Addressing Public Sector Skills Gaps](#), was published in November 2024.

By way of context setting, Section 1 of the Paper presents a brief overview of the roles and responsibilities of government departments and agencies with a skills remit in the Republic of Ireland. Section 2 provides further contextual information outlining key skills strategies including the National Skills Strategy 2025 and the National Further Education and Training Strategy. Moreover, it includes a summary of a major review of the Irish skills system conducted by the Organisation for Economic Co-operation and Development (OECD) in 2023. Section 3 presents issues, relevant to the Republic of Ireland skills system, that may merit consideration, namely: employer engagement, skills funding, regional balance and future skills needs. The Paper then concludes outlining key take-aways, for the PAC's further consideration.

1 Skills in the Republic of Ireland: Key actors

This section presents a summary of the roles and responsibilities of key actors in the formulation and delivery of skills policy in the Republic of Ireland.

1.1 Government Departments

Table 1 below provides an overview of Government Departments with responsibilities for skills.

Table 1: Government Departments with Responsibilities for Skills Development

Department	Roles and responsibilities
Department of Enterprise, Trade and Employment (DETE)	DETE designs and implements policies for stimulating foreign direct investment (FDI) and enterprise innovation. It oversees Enterprise Ireland, IDA Ireland, Local Enterprise Offices, and provides secretariat support to the Expert Group of Future Skills Needs (see Table 2 below).
Department of Further and Higher Education, Research, Innovation and Science (DFHERIS)	DFHERIS designs and implements higher and further education and research policy in the Republic of Ireland. It has overall responsibility for: <ul style="list-style-type: none"> • Higher Education Authority • National Training Fund (NTF) • Quality and Qualifications Ireland (QQI) • Science Foundation Ireland (SFI) • Skillnet Ireland • SOLAS. Additionally, it provides secretariat support to the National Skills Council (NSC) (see Table 2 below).
Department of Social Protection (DSP)	DSP operates the public employment service (Intreo) and funds a range of employment programmes and job seeker guidance services.

Sources: DETE, DFHERIS and DSP

1.2 Government Agencies

Table 2: Government Agencies with Responsibilities for Skills Development

Government Agency	Roles and Responsibilities
<u>Education and Training Boards (ETBs)</u>	ETBs are responsible for the delivery of publicly-funded Further Education and Training (FET) programmes. They decide on the level and nature of provision based on local demand and in consultation with SOLAS (see below).
<u>Expert Group on Future Skills Needs (EGFSN)</u>	EGFSN is an independent, non-statutory body, which includes members from education and training providers, trade union and business sectors, and Government Departments and agencies. It advises on the economy's current and future skills needs that impact employment growth.
<u>QQI (Quality and Qualifications Ireland)</u>	QQI is the national awarding body for FET. It is responsible for validating education and training programmes and maintaining the National Framework of Qualifications (NFQ). Additionally, QQI is responsible for reviewing the effectiveness of quality assurance in further and higher education providers in the Republic of Ireland including universities, institutes of technology, ETBs and providers in the private, further and higher education and training sectors (availing of QQI awards).
An tSeirbhís Oideachais Leanúnaigh Agus Scileanna (SOLAS)	<p>SOLAS is the Further Education and Training Authority, an agency within the DFHERIS responsible for funding, planning and co-ordinating FET programmes. Under the <u>Further Education and Training Act 2013</u> (the FET Act 2013), its key functions include:</p> <ul style="list-style-type: none"> • preparing a FET strategy • promoting the value of FET • facilitating funding for ETBs and other bodies engaged in the provision of FET programmes; • assessing value for money of FET programmes

	<ul style="list-style-type: none"> • promoting cooperation between ETBs and other bodies providing FET programmes • promoting equality of opportunity in relation to the provision of FET • developing and facilitating new and existing FET programmes. <p>In addition to its core functions as defined under the FET Act 2013, SOLAS also retains legislative responsibility for apprenticeship and construction-related programmes such as, Safepass, Construction Skills Certification Scheme (CSCS) and the Quarrying Skills Certification Scheme (QSCS).²</p>
<u>Regional Skills Fora</u>	Nine Regional Skills Fora across the Republic of Ireland act as regional one-stop-shops for supporting employers with reskilling/upskilling. They help employers identify their skills needs, collect data on employers' skills needs, refer employers to education and training providers and help design tailor-made reskilling/upskilling programmes reflecting employers' needs. ³
<u>National Skills Council (NSC)</u>	The NSC provides advice on priority skills needs for the economy to DFHERIS to inform decisions on the allocation of funding across FET. It oversees research and approves reports and publications by EGFSN and Skills and Labour Market Research Unit (SLMRU).
<u>National Tertiary Office (NTO)</u>	Formed in 2023, NTO is responsible for coordinating and supporting the development of policy in relation to further and higher education progression pathways for students. It works with universities and ETBs to enhance pathways between the FET and Higher Education sectors in a number of specific programme areas. Students begin in further education colleges and complete their studies in a NTO partner higher education institution. The NTO is jointly managed by the HEA and SOLAS.

² SOLAS (2024) Annual Report and Accounts 2023: available at: <https://www.solas.ie/>

³ OECD SKILLS STRATEGY IRELAND © OECD 2023

<u>Skillnet Ireland</u>	Skillnet Ireland supports businesses with identifying their skills needs and developing and delivering tailored learning opportunities. It runs sectoral and regional enterprise learning networks to increase education and training participation within businesses. It operates under a joint investment model, where government funding of on-the-job training is matched by contributions from employers.
<u>Skills Labour Market Research Unit (SLMRU)</u>	SLMRU carry out analysis of key skills gaps and labour market trends to inform the work of the NSC. The use of this data has been formally embedded within SOLAS/ETB strategic performance agreements and underpins the identification of the critical skills areas on which SOLAS requires ETBs to focus. ⁴ It also supports the development and review of policies and practices by the Regional Skills Fora, the EGFSN and other government bodies, including SOLAS and ETBs.

Sources: Refer to hyperlinks embedded in column one of Table 2.

2 Skills Strategies

This section provides further contextual information outlining key skills strategies, including the National Skills Strategy 2025, the 2023 OECD Skills Strategy Ireland and SOLAS' Future FET strategy.

2.1 National Skills Strategy 2025

In January 2016, the then Department of Education and Skills, launched [Ireland's National Skills Strategy 2025](#). That Strategy was underpinned by the following six key objectives:⁵

1. Education and training providers will place a stronger focus on providing skills development opportunities that are relevant to the needs of learners, society and the economy.

⁴ Future FET Strategy: <https://www.solas.ie/news-media/new-strategy-aims-to-expand-role-of-further-education-and-training/>

⁵ Department of Education and Skills (2016) [Ireland's National Skills Strategy 2025](#)

2. Employers will participate actively in the development of skills and make effective use of skills in their organisations to improve productivity and competitiveness.
3. The quality of teaching and learning at all stages of education will be continually enhanced and evaluated.
4. People across Ireland will engage more in lifelong learning.
5. There will be a specific focus on active inclusion to support participation in education and training and the labour market.
6. An increase in the supply of skills to the labour market will be supported.

The 2025 Strategy created two new bodies; a [National Skills Council](#) to oversee research and advise Government on prioritisation of identified skills needs and nine [Regional Skills Fora](#), to examine regional employment trends and act as single contact points in each region which guide employers to find and connect with, skills services and support, available across the education and training system.⁶ More detail on both bodies is presented below at Section 3 of this Paper.

2.2 OECD Skills Strategy Ireland

In 2021, the OECD was contracted by the DFHERIS to carry out a review of the Republic of Ireland's skills landscape. The subsequent report, [OECD Skills Strategy Ireland](#), published in 2023, recognised the skills of the Irish people as an important contribution to the Republic of Ireland's well-being and strong economic performance. It also stated that the establishment of the National Skills Council and the nine Regional Skills Fora made the Republic of Ireland a leader in developing advanced skills governance arrangements. However, the report noted the following critical skills challenges:⁷

Significant labour shortages are apparent in Ireland; regional inequalities have been rising; rising housing prices create

⁶ OECD (2023) *Skills Strategy Ireland*: https://www.oecd.org/en/publications/oecd-skills-strategy-ireland_d7b8b40b-en.html

⁷ As cited immediately above.

affordability concerns; and several sectors have not experienced growth in labour productivity in recent years.

And:

The coronavirus (COVID-19) crisis has accelerated the digitalisation of learning and work, making digital skills increasingly a prerequisite to actively participate in a more complex, interconnected world. At the same time, new skills are needed to adapt to climate change and to limit global warming, loss of biodiversity and pollution.

The report highlighted four priority areas the Republic of Ireland skills system needed to focus on to address these challenges. Table 3 below presents these priority areas with noted findings, recommendations and specific actions arising from the OECD report.

Table 3: OECD Skills Strategy 2023: Priority Areas, Key Findings and Specific Actions⁸

Priority Area	Key Findings	Key Recommendations	Specific Actions
Securing a balance in skills through a responsive and diversified supply of skills	<i>In the context of rapidly changing skills needs, it will be essential for Ireland to develop a skills system that helps to secure a balance between skills demand and supply. Ireland needs to ensure that its skills system is flexible and responsive to address skills shortages and mismatches as they emerge and plan for future skills needs. A diversified supply of skills is also needed to build adaptability and resilience in the face of societal and economic change.</i>	<p><i>To better secure a balance in skills, Ireland should:</i></p> <ul style="list-style-type: none"> <i>• improve information and guidance for individuals on learning and career pathways</i> <i>• strengthen learning and career pathways over the life course</i> <i>• make education and training provision more responsive to changing skills needs.</i> 	<p><i>Develop a centralised online portal for all information on learning opportunities and careers by better co-ordinating and consolidating information.</i></p> <p><i>Strengthen the quality of guidance counselling services in schools by giving guidance counsellors appropriate time and resources and involving employers further in the provision of guidance services</i></p> <p><i>Establish a vision for long-term strategic skills needs in Ireland to inform and strengthen further education and training and higher education performance frameworks and funding models.</i></p>

⁸ OECD (2023) *Skills Strategy Ireland*: https://www.oecd.org/en/publications/oecd-skills-strategy-ireland_d7b8b40b-en.html

Priority Area	Key Findings	Key Recommendations	Specific Actions
Fostering greater participation in lifelong learning in and outside the workplace	<i>Encouraging a culture of lifelong learning is crucial to ensuring that individuals actively engage in adult learning after leaving the compulsory education system. In turn, participation in different forms of adult learning results in a wide range of benefits, including higher wages for individuals, higher productivity for firms and higher levels of social trust. Across countries, there is a growing need to upskill and reskill regularly over the life course to adapt to labour market and societal developments.</i>	<p><i>To foster greater participation in lifelong learning in and outside the workplace, Ireland should:</i></p> <ul style="list-style-type: none"> <i>• strengthen incentives to participate in lifelong learning for individuals</i> <i>• strengthen incentives to participate in lifelong learning for employers</i> <i>• make lifelong learning more flexible and accessible.</i> 	<p><i>Implement a public awareness campaign to raise awareness about the importance and benefits of lifelong learning for all.</i></p> <p><i>Design an online portal tailored to employer needs and integrate this portal into a potential broader lifelong learning guidance system for employers.</i></p> <p><i>Encourage lifelong learning providers to offer more flexible learning opportunities (e.g. online, modular, “bite-size” microcredentials).</i></p>
Leveraging skills to drive innovation and strengthen firm performance	<i>Optimally using people’s skills is associated with higher wages and job satisfaction for employees, high rates of productivity and innovation within firms, and stronger growth of the economy. Better leveraging skills will therefore be central to supporting</i>	<p><i>To better leverage skills to drive innovation and strengthen firm performance, Ireland should:</i></p> <ul style="list-style-type: none"> <i>• better utilise Ireland’s research talent and public research and innovation system to drive innovation within firms</i> 	<p><i>Strengthen the strategic positioning of skills for innovation and improve connectivity with wider policy domains</i></p> <p><i>Introduce a new management standard and associated quality</i></p>

	<i>economic growth, promoting resilience to global megatrends, and ensuring Ireland can achieve its aims of digital leadership and a just transition.</i>	<ul style="list-style-type: none"> • <i>promote the continuous improvement of leadership and management skills within enterprises</i> • <i>incentivise and enable enterprises to make better use of the skills of their workers through innovative workplace solutions.</i> 	<p><i>marks to professionalise management in Ireland.</i></p> <p><i>Develop new programmes to promote innovation diffusion between multinational and smaller enterprises in their supply chains.</i></p>
Strengthening skills governance to build a joined-up skills ecosystem	<i>Well-functioning skills governance arrangements are the bedrock of a “joined-up” skills ecosystem, where skills policy design, implementation, monitoring and evaluation are impactful, mutually reinforcing and rooted in an extensive and robust evidence base. The complexity associated with skills policies, compounded by the uncertain and rapidly changing environment in which skills policy decisions are made, makes strong skills governance essential.</i>	<p><i>To strengthen skills governance for a more joined-up skills ecosystem, Ireland should:</i></p> <ul style="list-style-type: none"> • <i>promote a whole-of-government and strategic approach to skills policy</i> • <i>support effective engagement with stakeholders throughout the skills policy cycle</i> • <i>strengthen the collection, exchange and use of skills information.</i> 	<p><i>Prepare a follow-up to the National Skills Strategy 2025 to help place skills at the top of Ireland’s policy-making agenda, and enable effective implementation.</i></p> <p><i>Strengthen the National Skills Council and other stakeholder bodies to enable stakeholders to more effectively shape Ireland’s skills policy priorities.</i></p>

Source: OECD (2023)

2.3 Future FET: Transforming Learning Strategy

The [Further Education and Training Act 2013](#) requires SOLAS to prepare and submit a strategy in respect of FET every five years to the relevant Minister. The current strategy, [Future FET: Transforming Learning](#), was launched in July 2020. According to SOLAS, that strategy aims to reposition FET as an attractive, in-demand and quality choice for those engaging in upskilling and lifelong learning, as well as for school-leavers.⁹ The Future FET strategy lists: building skills; fostering inclusion and creating pathways, as its three strategic priorities. The following core areas are included under the building skills priority:

- A New Vocational Proposition
- Up-skilling the Workforce
- Delivering on Apprenticeships
- Meeting Critical Skills Needs.

A summary of these core areas and the relevant proposed recommended actions, is presented at Table 4 below.

⁹ [Solas | Learning Works | New strategy aims to expand role of Further Education and Training](#)

Table 4: Building Skills: A Summary of the Future FET Strategy Actions¹⁰

Core Area	Proposed Recommended Actions
A New Vocational Proposition	FET providers should keep their skills and learning content up to date to reflect industry requirements. At least 30% of the Level 5 and 6 FET course offerings will be work-based or practice-based. Work placements should be structured and internship models should be explored. Additionally, mechanisms like Erasmus should be used to facilitate an international dimension to the placement approach. Learners should be able to avail of these types of vocational offerings in new integrated colleges of FET, with existing facilities consolidated to achieve this.
Up-skilling the Workforce	FET offerings should be delivered in flexible formats such as micro credentialing and digital badging that can fit with the demands of employers. ¹¹ These learning outcomes should be recognised for all workforce development in FET by a single point of ETB contact and a co-ordinated approach to employer engagement. This will ensure that “FET graduates have the key skills and competencies required to help enterprises operate and flourish”. There will also be opportunities to engage in a range of FET support activities, including work placement, programme development and quality assurance, to ensure alignment between provision and employer needs.
Delivering on Apprenticeships	Priorities to support apprenticeships should include: increased employer engagement; an appropriate funding model; supervision of off-the-job costs; and governance and quality assurance resources across multiple providers.
Meeting Critical Skills Needs	Climate change and sustainable development must be a critical focus. There should be a national roll-out of Nearly Zero Energy Buildings (NZEB) construction skills centres.

¹⁰ [Solas | Learning Works | New strategy aims to expand role of Further Education and Training](#)

¹¹ Micro credentialing and digital badging include: web badges, nanodegrees, mini-degrees and microcertifications.

	Programme development across all green skills areas should be increased, and curricula should be updated to embed a sustainable development focus.
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Source: SOLAS (2020)

3 Issues for Consideration

This section presents key issues, relevant to the Republic of Ireland skills landscape, that merit consideration by the PAC, namely:

- employer engagement
- skills funding
- regional balance
- future skills needs.

3.1 Employer Engagement

3.1.1 Skills to Advance Initiative

[Skills to Advance](#) is a national initiative that provides upskilling and reskilling opportunities to employees (particularly those aged 50 or over) in jobs undergoing change and to those currently employed in vulnerable sectors.¹² It aims to equip employees with the skills they need to progress in their current role or to adapt to the changing job market. Working closely employers is a central tenant of the initiative.

Under Skills to Advance, employers are engaged in developing courses in collaboration with ETBs. This has resulted in the introduction of micro-qualifications offering bite size chunks of QQI accredited learning across a range of sectors. SOLAS describe these as follows:¹³

FET micro-qualifications are a new FET offering to future-proof businesses, with programmes comprising of short, stackable accredited qualifications tailored to fit employees' work

¹² <https://www.solas.ie/programmes/skills-to-advance/>

¹³ SOLAS: <https://www.solas.ie/microqualifications/>

*schedules and provided at little or no cost to employers.
Created in partnership with industry, FET micro-qualifications
are provided at local level by the Education and Training
Boards network under the Skills to Advance initiative.*

Currently, a range of micro-qualifications for [Green Skills](#) and [Digital Skills](#) is on offer under the Skills to Advance Initiative.

3.1.2 National Skills Council (NSC)

As mentioned earlier, the NSC was set up as part of the [National Skills Strategy 2025](#). Its first iteration was established in April 2017 by the then Department of Education and Skills as an advisory, non-statutory body made up of high-level officials from public and private organisations. The NSC was intended to be a key mechanism for employer engagement in skills. However, the OECD 2023 skills review stated:

*...project participants highlighted that governmental actors
rather than non-governmental stakeholders still dominate most
NSC discussions.*

And:

*...the legitimacy of the NSC among stakeholders in Ireland is
negatively impacted by the lack of representativeness and
diversity in the NSC's membership base.*

Furthermore, that report concluded:¹⁴

*DFHERIS should consider revising the NSC's terms of
reference (ToRs) to primarily position the NSC as a
stakeholder advisory body to the government on skills policy
issues [...] instead of as a discussion forum for governmental
officials.*

¹⁴ OECD (2023) *Skills Strategy Ireland*: https://www.oecd.org/en/publications/oecd-skills-strategy-ireland_d7b8b40b-en.html

New National Skills Council ¹⁵

Largely in response to criticisms contained in the OECD report, on 10 July 2024, the Republic of Ireland Government, launched a new NSC.¹⁶ Membership of the new NSC now contains representatives from multinationals, social enterprises, as well as local, family-owned enterprises. Furthermore, it is supported by a new High-Level Skills Implementation Group (HLSIG) that provides policy expertise and operational support as needed. HLSIG is composed of representatives from Government Departments and Agencies and is chaired by the DFHERIS. The first meeting of the new NSC was held in November 2024 and a further meeting is scheduled for late January 2025. At the time of writing, it is too early to comment on the level of employer engagement and overall effectiveness of the new NSC.

3.1.3 Skillnet Ireland

[Skillnet Ireland](#) engage directly with employers to identify their skills needs and develop customised training across sectors. The 2023 OECD Skills Ireland Report describe Skillnet Ireland as: ¹⁷

...an international best practice example of involving employers in designing employee education and training. Skillnet Ireland's more than 70 Business Networks work with external providers (universities, training providers, etc.) to deliver upskilling and workforce development courses to employers and employees through their network, including facilitating the design of courses where there are gaps in the existing provision.

A Skillnet Business Network is:

.. a cluster of private sector businesses that collaborate based on their sector or region to address skills needs and provide

¹⁵ <https://www.cedefop.europa.eu/en/news/ireland-establishment-new-national-skills-council>

¹⁶ The terms of reference for the new NSC are set out at Annex 1 of this paper.

¹⁷ OECD (2023) *Skills Strategy Ireland* (Page 110).

upskilling and reskilling programmes and supports to companies that are part of the Network.

In addition to the Business Networks, Skillnet Ireland also provide the following initiatives:

- [MentorsWork](#): a business mentoring and learning initiative for SME owner-managers and leadership teams.
- [Skills Innovation exchange](#): an initiative which introduces large companies with business innovation challenges to SMEs that have skilled workforces to provide a service solution.
- [Skillnet Climate Ready Academy](#): supporting businesses to develop the talent required to deal with and manage the effects and the business requirements of a changing climate.

3.2 Skills Funding

The National Training Fund (NTF) was established by the [National Training Fund Act, 2000](#), as a dedicated fund to support the training of those in employment, and those seeking employment. The Act also provides for the funding of research to provide information on existing and likely future skills requirements of the economy.¹⁸

The NTF is financed by a levy on employers and collected through the PAYE/PRSI system and transferred monthly to the DFHERIS by the Department of Social Protection (DSP). Currently, the NTF levy is set at 1% on reckonable earnings, following annual increases of 0.1% during Budgets 2018, 2019 and 2020.¹⁹ The Republic of Ireland Parliamentary Budget Office (PBO) report that since the NTF's inception it has accumulated a surplus. However, there are challenges with using the NTF surplus, as highlighted by the PBO, stating:²⁰

¹⁸ National Training Fund 2020 and 2021 Report

¹⁹ Parliamentary Budget Office (2023) An Overview of the National Training Fund

²⁰ Parliamentary Budget Office (2023) An Overview of the National Training Fund

The fund has specific spending rules and is factored into the DFHERIS departmental expenditure ceiling. This means spending from the fund reduces other Exchequer supports allocated to the Department.

The OECD Skills Ireland Strategy also noted the following challenges to the NTF:

...the fund is currently not being used as effectively as it could be for a number of reasons. First, there are surplus funds in the NTF not being used towards education and training, as fiscal rules limit the use of such funds. Second, many employers are not aware of the NTF and do not take advantage of the education and training it funds. Third, employers sometimes need trainings that are not offered by NTF-funded programmes and end up paying out of pocket. Finally, the needs of SMEs are insufficiently met under the current NTF funding.

As part of Budget 2025, the Republic of Ireland Government announced in October 2024, a total NTF funding package of €1.485bn over a 6-year period (2025-2030). This will include:²¹

- €650m core funding package for Higher Education, addressing Funding the Future by increasing core funding by a further €150m by 2030
- €600m capital uplift including €150m to provide key training facilities in the areas of Veterinary, Medicine, Nursing, Pharmacy and Dentistry
- €150m for the decarbonisation of the tertiary estate
- €150m for the Further Education and Training sector and €150 million for the Research sector
- €235m for the tertiary sector as one-off current funding including skills.

²¹ <https://www.gov.ie/en/press-release/bbe9f-ministers-odonovan-and-collins-announce-major-capital-and-funding-package-for-the-tertiary-sector/>

3.3 Regional Balance

The nine Regional Skills Fora set up by the Skills Strategy 2025 may be seen as an attempt to create regional balance in skills provision across Ireland. The aim of the nine Regional Skills Fora is to connect people in their regions to meet their skills needs and ensure employers and enterprise get the education and training responses they need.²²

Each forum has a voluntary chair and a full-time manager, responsible for managing the skills agenda in their region and identifying and responding to businesses' skills needs. The regional fora bring together:

- employers
- education and training providers
- enterprise agencies
- local authorities
- government bodies

3.4 Future Skills Needs

3.4.1 [Expert Group on Future Skills Needs](#)

The Expert Group on Future Skills Needs (EGFSN) is an independent body that advises government on current and future skills needs of its economy. Members of the EGFSN include key skills policy stakeholders in the public sector, representation from business and trade unions. It produces research studies of skills needs, by sector or occupation, involving:²³

- reviews of international and domestic trends and data
- engagement with stakeholders from across Government, industry and the education and training system
- identifying the nature and likely scale of skills needs over a 5 to 10-year time period, using skills demand forecasting.

²² <https://www.neh.gov.ie/business-supports/regional-skills-fora>

²³ <https://www.gov.ie/en/policy-information/23192-how-ireland-measures-and-predicts-what-skills-it-needs/>

EGFSN submit the findings of the research and the agreed Action Plans to the NSC prior to their publication. Once the reports are published, their findings are disseminated to the Regional Skills Fora and other key stakeholders across the skills landscape.²⁴

3.4.2 The Skills and Labour Market Research Unit

Located in SOLAS, SLMRU gather, collect and analyse a range of datasets on skills demand and supply in the Republic of Ireland. Datasets include:²⁵

- demand indicators (such as employment, job vacancies, employment permits)
- supply indicators (such as education and training awards, unemployment)

Since 2005, SLMRU has produced an annual series of reports known as the [National Skills Bulletin](#). That report summarises the SLMRU's data on skills demand and supply and identifies skills shortages and vacancies. SOLAS describe the 2024 National Skills Bulletin as follows:²⁶

It presents an overview of the Irish labour market at occupational level. The Bulletin aims to assist policy formulation in the areas of employment, education/training, and immigration (particularly the sourcing of skills which are in short supply in the Irish and EU labour market from the EEA); it also aims to inform career guidance advisors, students and other individuals making career and educational choices.

²⁴ [Home - Future Skills Ireland](#)

²⁵ <https://www.gov.ie/en/policy-information/23192-how-ireland-measures-and-predicts-what-skills-it-needs/>

²⁶ SOLAS (2024) National Skills Bulletin 2024: <https://www.solas.ie/research-lp/skills-labour-market-research-slmru/research/>

4 Key Takeaways

DFHERIS has overall responsibility for the formulation of skills policy in the Republic of Ireland. However, a variety of government agencies also contribute to the delivery of skills. Perhaps most prominent in this regard is SOLAS, the Further Education and Training Board. SOLAS provide a funding, planning and co-ordinating role for skills development. Furthermore, in addition to its core functions, SOLAS also retains legislative responsibility for apprenticeships and construction-related programmes.

The 2023 OECD review described Ireland as a leader in developing advanced skills governance arrangements, largely due to the establishment of the NSC and the regional skills fora. However, that review was also highly critical of the NSC with regard to a lack of diversity among its membership.

Following a review of strategies outlined in section 2 of this Paper, key issues have emerged with relevance to the current skills landscape in the Republic of Ireland. Four distinct elements - increasing employer engagement, improving funding, achieving a regional balance; and, assessing future skills needs - all appear crucial to the Government's policy approach .

With regard to employer engagement, the Skills to Advance initiative aims to support employers to develop training courses in collaboration with ETBs. Moreover, the 70 business networks provided by Skillnet Ireland across regions connect employers with external training providers. In terms of funding, the NTF, established by the [National Training Fund Act, 2000](#), provides a dedicated fund to support the skills development and training of individuals in, and out of, employment.

The nine Regional Skills Fora connects people in their regions to meet existing skills needs in those regions; bringing together employers, education and training providers, enterprise agencies, local authorities and government bodies. Advice on the future skills needs of the economy is co-ordinated and presented to government by the EGFSN, while relying on labour market data gathered, collected and analysed by the SLMRU.

Annex1: Terms of Reference for the new NSC²⁷

Purpose	<i>The National Skills Council provides expertise from across society and the economy in order to advise Government on the direction and high level objectives for skills policy formation in Ireland.</i>
Mandate	<p><i>a. Provide strategic advice to the Minister and his Department on skills policy;</i></p> <p><i>b. In conjunction with the High Level Skills Implementation Group (HLSIG), assist in the development and implementation of skills priorities on foot of the OECD Skills Strategy Review 2023 and other sources, including by means of advising on priorities, generating support for implementation and assessing progress;</i></p> <p><i>c. Assess critical strategic risks and opportunities in the areas of skills and talent which may have significant consequences for Ireland's economic and social progress and advantages;</i></p> <p><i>d. Provide a forum for the optimisation of enterprise engagement with the maximal effectiveness of National Training Fund Expenditures.</i></p>
Outputs	<p><i>a. Deliver, in close collaboration with the HLSIG, an Annual Statement on Skills in Ireland, which will be brought by the Minister for FHERIS to Government;</i></p> <p><i>b. Facilitate inputs from Enterprise and Social Partners in the context of the annual estimates cycle.</i></p>
Chair	<i>The Chairperson of the Council is a key role working closely with Council Members, DFHERIS and the High Level Skills Implementation Group, to drive ambition for Ireland on upskilling and reskilling,</i>

²⁷ <https://www.gov.ie/en/organisation-information/7637e6-national-skills-council/>

	<i>embedding lifelong learning in economic and social life, and securing investment in people and their capabilities, central to Ireland's economic model.</i>
Terms of Office	<p><i>Members of the Council will be appointed by the Minister for Further and Higher Education, Research, Innovation and Science for a three-year term, which may be extended for one further three-year term at the discretion of the Minister.</i></p> <p><i>Should the Chairperson or ordinary Member wish to discontinue in the role they should advise the Minister in writing at least a month before the effective date of the resignation.</i></p> <p><i>Ordinarily, no member shall serve on the Council for longer than 6 years in total, including any periods for which they were re-appointed as members. A member who has served on the Council for 6 years shall be required to step down on the 31 December of the year in which he/she completes 6 years' membership of the Council.</i></p> <p><i>An exception shall be made for ex officio members, who may serve on the Council for the duration of their term of office.</i></p>
Membership	<p><i>In addition to the Chairperson, membership of the Council will consist of:</i></p> <ul style="list-style-type: none"> <i>• A representative from IBEC</i> <i>• A representative from ISME</i> <i>• A representative from ICTU</i> <i>• A representative from the Community and Voluntary Pillar</i> <i>• Eight representatives from enterprise</i> <i>• Up to two academic/skills experts</i>

	<i>Membership of the Council is unremunerated. Appointments will be made by the Minister for Further and Higher Education, Research, Innovation and Science.</i>
Meetings	<i>It is envisaged that the Council would meet a minimum of 2-3 times annually. A Skills Summit in November/December will bring public profile to the voice of the Council and facilitate engagement with wider stakeholders across the economy and the skills ecosystem. A meeting in March/April will give an opportunity to finalise joint advice via a Statement to Government. A third meeting will be considered as needed.</i>
Secretariat	<i>The Secretariat function, provided by the Department, will support the work of the National Skills Council. The Secretariat will work closely with the Chairperson of the Council in relation to meetings and advice to Government and will engage bilaterally with its Members to support its work.</i>

Source: NSC (2024)