



Northern Ireland  
Assembly

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COMMITTEE  
FOR EMPLOYMENT  
AND LEARNING

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**OFFICIAL REPORT**  
(Hansard)

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**Report on the Identification of Priority  
Skill Areas**

9 November 2011

**NORTHERN IRELAND ASSEMBLY**

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**COMMITTEE  
FOR EMPLOYMENT  
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**Report on the Identification of Priority Skill Areas**

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**Members present for all or part of the proceedings:**

Mr Basil McCrea (Chairperson)  
Mr Thomas Buchanan (Deputy Chairperson)  
Mr Sammy Douglas  
Ms Michelle Gildernew  
Mr Chris Lyttle  
Mr Barry McElduff  
Mr David McIlveen  
Mrs Sandra Overend  
Mr Alastair Ross

**Witnesses:**

Dr Bill McGinnis	)	Northern Ireland Adviser on Employment and Skills
Professor Richard Barnett	)	University of Ulster

**The Chairperson:**

We will now receive a briefing from the Northern Ireland Adviser on Employment and Skills. In your papers, you will find a briefing paper from the skills adviser and the report 'Identification of Priority Skill Areas for Northern Ireland'. It is a fairly impressive document, which I have had a chance only to skim through, but I read the briefing paper. No doubt Bill will tell us more about it. We welcome Mr Bill McGinnis, who is the Northern Ireland Adviser on Employment and Skills, and Professor Richard Barnett, who is vice chancellor of the University of Ulster and

chairs a task group within the Employment and Skills Advisory Group. Gentlemen, you are very welcome.

**Dr Bill McGinnis (Northern Ireland Adviser on Employment and Skills):**

Thank you very much. This is my first opportunity to come before the new Committee. I think you all know Professor Barnett quite well. He will talk to you about the priority skills report, and I will speak to you on the effectiveness report. I will give you a quick briefing on my role because the Committee is new and may not be up to speed on what exactly I do.

I am the Northern Ireland Adviser on Employment and Skills. My main function is to provide sound advice to the Minister for Employment and Learning on employment and skills issues. That includes championing the needs of employers, particularly small and medium-sized businesses. As the Northern Ireland Commissioner on the UK Commission for Employment and Skills (CES), my main role is to provide a voice for the Northern Ireland business community, raising issues with, effectively, the UK Government and giving advice on developing policies and measures. Also, I ensure that the commission takes full account of Northern Ireland's employment and skills issues and devolution considerations when making recommendations to the UK Government. One of my key responsibilities is to provide advice to government on the strategies and policies needed for Northern Ireland to develop the skills required to compete with its international competitors.

To support me in that role, I established the Employment and Skills Advisory Group to assist me in providing evidence-based employment and skills advice to the Minister for Employment and Learning. As part of its role, the group is charged with advising on action needed to address employment and skills issues more effectively, identifying international good practice and promoting the benefits of skills investments to employers and individuals. The group is made up of 18 members, who bring a range of experience and knowledge on employment and skills issues. It includes employers, international experts, academics, and employer and trade union representative bodies.

The strategic aim of the group and details of the group membership are included in my paper to the Committee. At its meeting in June 2010, the Employment and Skills Advisory Group agreed to establish two research task groups to provide advice on priority skill areas for Northern Ireland and improving the effectiveness of the employment and skills advisory infrastructure.

The first project was to advise on priority skill areas, and I asked Richard Barnett to chair the task group and produce a report on that issue. We both saw that as a natural follow on from his work on an independent review of economy policy. I will now ask Richard to update you on the work on his report.

**Professor Richard Barnett (University of Ulster):**

Good morning, members of the Committee. The university was asked to have a representative on the advisory group, so I decided to be on it, given the importance of this work to the university and my personal interest. Of course, having done that, I was then asked to chair the group on priority skills, which I was pleased to do.

You have the report, so I will not go through the overall detail. However, I think that it is important to put some of it into context. Throughout the world, Governments are looking at priority skills and at where they are going to spend their training budgets. It is important to outline what we mean by a priority skill, because that is where training budgets should be spent. A priority skill is one that is related to a sector of the economy that is thought to be significant and in which there is a skills deficit or there is likely to be one over the life of the plan. So, it is about those two things. You may look at the sectors listed and think to yourself, “Why is such and such not there? It should be, because it is obviously important to the economy.” The reason why a particular sector will not be there is that, at the current point in time, there is not a skills deficit in that area according to the skills survey, etc. To take an obvious example: the education sector is clearly highly significant for the future of the economy. However, it is not on our list of priority skills, because, at the moment, there are no significant skills deficits in that area. So, two important questions to put together are these: is there a skills deficit or is there likely to be one in the sector over the next 10 years, and is the sector significantly important?

We have set a framework for analysis for the Department using guidance from the Committee, the Minister, etc. However, how will you determine what is a significantly important sector? We think that are two important measures for doing just that. The first is total size in respect of a sector’s employment base. How many people does it employ, and how many is it likely to employ in the future? The other is, of course, the sector’s productivity or value-added. The independent review of economic policy and the need to rebalance the economy are important, but it is also important to shift employment to higher value-added sectors. The report is a means of showing how you can look at sectors and say, “Well, we will give those 50:50 weighting.”

Sectors are important if they have high value-added and make a significant contribution to developing the economy.

At this point in time, the Committee might say that that balance is wrong. That is why economics cannot give you the answer. The answer to the question of what an economically significant sector is will involve a political decision, not an economic one. You must decide, at a particular point in time, when does employment per se, irrespective of value-added, dominate value-added? That is a decision that you have to make.

You will find that the hotel and catering sector is not a priority area. That sector is clearly important for employment and the skills deficit in Northern Ireland, but, as it is currently constituted, it is a low value-added sector. The issue is this: are you going to invest in that sector as it is — high employment but low level skills and value-added — or do you wish to see that sector change in respect of the nature of the jobs that it has in order to move up the value chain?

That is just as important for you as the report itself. Ultimately, economics can provide you only with a framework for making political decisions. That having been said, some sectors come through very clearly no matter where you put the weight. We have found that there are vacancies in business services, the whole financial sector, the retail sector, the food and drink sector, and manufacturing.

**The Chairperson:**

What, exactly, do “business services” and “financial services” mean? What do they do?

**Professor Barnett:**

They are quite broad sectors. In looking at them, we have to use the standard industrial classifications that Governments use. However, the whole of the financial sector does not include only companies such as Citigroup and the new industries; it refers to accountancy, auditing and all those services that go into finance. There is the business insurance sector as well. So, it is the long-established industries, as well as the new industries. When people think about the financial sector, they always think of it as the new industries coming in, but it includes the long-established industries, and there are skills deficits there.

Looking to the future, we can predict skills deficits, because one of the main things that will

determine skills deficits over the next 10 years is the age profile of the industry. That is a well-established industry, and the age profile is such that a lot of retirements will be coming in that sector during that time.

Business services involves a range of things, from legal services and all the services that support business development.

**Mr McElduff:**

Estate agents?

**Professor Barnett:**

Yes, from the legal side, there are the estate agents, marketing —

**The Chairperson:**

We are not really saying that we have a shortage of estate agents, though, are we?

**Professor Barnett:**

No. This is overall.

**The Chairperson:**

I did not really want to interrupt your flow as you were taking us through, but you brought those issues up. If you want to go through your bit and we can come back to that.

**Professor Barnett:**

They are clearly broad sectors, and we looked at the key sectors. However, the other issue, looking forward, is what is likely to come on the agenda. Obviously, there will be green and renewables. However, a key issue there is that there are not many specific skills for that sector. Engineering and building will move into green and renewables, so that is not a sector where there are specific skills. There are skills there, but they can be developed in that context.

Health and life sciences is a key sector that is developing. It is not big at the moment, but it is important for value-added. We have those two measures: its current size with regard to employment is not big, but it is very important for value-added. Again, if you as a Committee look to the future, you should be putting more emphasis on value-added rather than on

employment. Therefore, that sector clearly shoots up the agenda.

Clearly this paper was written before last weekend, but we have big potential in the creative and digital media industry. Given the skills base we have there and the growth of that sector, that is a key area for investment.

That is the approach we took. However, it is more difficult to make predictions for a small economy than it is a large economy. One big investment would change the whole pattern of the employment base, so that is why, in a sense, you have to emphasise the broad sectors. That is why a lot of commonality permeates a lot of those sectors. ICT skills, in particular, are common and important, and we need more of them. A shortage is already showing up because of the growth in those sectors. The other issue is around the science, technology, engineering and mathematics (STEM) skills and high-level skills.

When you have the sectors, it also then broken down by level of skill in each sector, and that varies as well. In health and life sciences, therefore, the higher level of skills will be important. What also comes through is that the food industry is unique in that you do not have basic skills. There are a lot of lower-level skills involved in the food industry. You then get a matrix of where those vacancies are and where the investment is required.

That is our approach, but I will let Bill finish the presentation, and we will answer any questions. It is a technique of analysis, and it is for you to say what is important for the near future for the balance between employment and jobs, or perhaps not so many jobs but high value-added jobs.

**The Chairperson:**

Just before Bill comes in — and I do, of course, want to hear what he has to say — it is not necessarily clear to me what you mean when you talk about productivity. How do you assess productivity, gross added value or whatever for a public service worker?

**Professor Barnett:**

There are standard measures across the sector of how many public servants there are, given the size of the job to be done —

**The Chairperson:**

I would have thought that if your key measure is added value, which has a correlation with productivity, that is the challenge for us. How do you assess the added value of a public sector worker? We have many of them.

**Professor Barnett:**

We are not looking at that; we are looking at where you are putting the skills. There is not a skills shortage in that area, and it is not a sector into which you should be putting investment in order to rebalance and build the economy.

**The Chairperson:**

I do not want to labour the point, because I want to bring other people into the discussion, but the report 'Identification of Priority Skills Areas' includes a table about productivity on page 36. Productivity is the key challenge for Northern Ireland. Everybody is employed, or at least that was the case until recently. We had low unemployment, but people were doing jobs that either did not pay a great deal or did not add much value. The challenge was to put those people into other jobs that add value and increase productivity, which you might translate as a move from the public sector to the private sector. That is because the private sector is easier to add value to, and that is a driver. The argument of how we deal with that has not yet been made.

**Professor Barnett:**

There are two points to come back on. Although we had low levels of unemployment, we did not have high levels of employment. Relatively speaking, we have a lot of people who are not in the labour market, so there is and always has been a lot of disguised unemployment around. Our participation rate in the labour market is not particularly high, so that is one aspect.

The other issue is that we have underemployment. You can see in the detail of the report that people are in certain jobs even though they have the potential to do higher level and higher value-added jobs. There are those people who are not in the labour market, there are those who are unemployed and then there is underemployment. When you add those together, you see why overall productivity in Northern Ireland is not very high; it is because of those combinations as well as the nature of the jobs.



**The Chairperson:**

I am in danger of running out of time, and I want to hear what Bill has to say. Colleagues want to get in as well, so, we will move on.

**Dr B McGinnis:**

I will move on to the second report, which is entitled ‘Improving the Effectiveness of the Employment and Skills Advisory Infrastructure’. This report was produced by a group that was chaired by John D’Arcy, the director of the Open University. That task group was made up of key representatives from constituent parts of the employment and skills advisory infrastructure. The overall aim of the task group was to advise on actions that would improve the effectiveness of the employment and skills advisory structure in Northern Ireland to ensure that employers are effectively able to influence the employment and skills agenda.

It is essential that those doing business and working in Northern Ireland can feed their views into the system. That can be reflected in the policies and programmes designed to support our economy and its businesses. To that end, it is essential that the complexity and confusion that have been identified in the current system be removed, and, in the current economic climate, that government ensures it uses the most efficient method of capturing employers’ views.

As part of the project methodology, we looked at primary and secondary research. We tried to understand the employers’ voice and what barriers were preventing that voice having an impact on government policy. We undertook a literature review and examined why the employers’ voice is important in shaping the employment and skills landscape. Our primary research involved meeting policy officials to determine what government wanted from the employment and skills advisory system and how well their needs were being met.

In a series of in-depth stakeholder interviews, we issued a call for evidence to collect the views of the constituent parts of the employer engagement system on how well it was meeting government needs and influencing government policy.

**The Chairperson:**

Did the Department accept what you told it?

**Dr B McGinnis:**

Yes, I think it did, because ‘Success Through Skills: Transforming Futures’ is part of the Department’s implementation plan for its work on this.

**The Chairperson:**

The general thrust of what you are saying, Bill, is that the employers say that no one is listening to them. You tell the Department, because you are the champions, that it needs to listen up, because even though it thinks it is doing a lot of good work, the employers do not. Is that the substance of what you are saying?

**Dr B McGinnis:**

That is the gist of it. In many ways, employers feel that their voices are not being heard. There are so many groups at the moment. The two sectors that we particularly looked at in the report were ICT and agrifood, and there are a number of employer bodies that feed into the various organisations in those sectors. Some, when they are not being listened to, simply go away and get on with doing their own thing. However, we need to find out what employers need and improve the demand side, so that the people on the supply side can provide those on the demand side with what they want. That is basically the thrust of it.

**The Chairperson:**

Yes, I think that that is the point —

**Dr B McGinnis:**

I could go on, but that is basically the thrust of the report. We looked at a market-led approach, but that would not be suitable in the current economic climate. Employers would not take total responsibility for looking after skills, because the money is not available in the small and medium-sized enterprises (SMEs) to do so. Doing nothing, as is the case at the moment, is not working. We need some method of changing that, and that is what I have recommended.

**The Chairperson:**

Right, we will look at that. Bill, if you do not mind, we will now move to questions. I am sure that it will all come out in the wash.

**Mr Douglas:**

Thanks, Professor Barnett, for the presentation. I wish Bill every success in his role of providing sound advice to the Minister. I am sure that the Minister will appreciate it.

I am not sure whether you will be able to answer my question; it might be one for the next set of witnesses who will deal with essential skills and adult literacy and numeracy. The reports states:

“It has been widely documented that Northern Ireland has significant elements of the workforce who hold no qualifications with estimates suggesting that almost one in five working age adults have no qualifications which is over twice the UK average” .

That is a shocking figure. When you were carrying out the research for report, did you drill down to find out the reasons for that or whether specific areas, communities or ethnic minorities were particularly affected?

**Dr B McGinnis:**

Many in the workforce, and especially those who work in SMEs, left school with no real qualifications and joined the workforce and developed skills. Just because they have no qualifications does not mean that they do not have any skills. When you start drilling down into it, you see that the workforce is quite mature. A lot of that workforce will be around for the next 20 years, and we really need to find some way of moving up the value chain. As part of my role, I am trying to do that by meeting employer groups. I visit food factories or engineering plants and bring together employers of all types, shapes and sizes to talk about how we can move this forward and how important it is to invest in the skills of their workforce and to get the qualifications. That will, in turn, improve their productivity and hopefully help them to sell more goods abroad. That really is the message.

**Mr Ross:**

I have a couple of points. The Chair mentioned the table on page 36 of the report, which details where the skills shortages are at present. There seem to be two main areas. The first of those is hotels and catering, and we hope, particularly after the success of the MTV awards at the weekend, that tourism is going to be one of areas that we can really grow in Northern Ireland. We have an exciting couple of years ahead of us, but, in the longer term, we hope that that is an area that we can grow. Therefore, it is significant that that is an area in which we need to have greater skills.

More importantly, you said that there is a deficit in business services and financial services, which are significant industries. We can be positive and work on the assumption that we will get the reduction in corporation tax. A number of independent reports have pointed to the significant investment that will come to Northern Ireland as a result of that and the high-end job creation that there will be in business services and financial services. Is it your assessment that we will be in real difficulties because there will just not be the number of skilled people to fill those jobs if they do come? How will we address that? One of the criticisms is that too many people are going to university, leaving with degrees and are then unable to get a job. Are we saying that, if we do get the reduction in corporation tax and the jobs that we anticipate, we will not have enough graduates leaving university with the skills to fill those jobs in Northern Ireland?

I will ask another question now just to speed things up. Professor Barnett talked about the green sector, and he told us that the necessary skills should be there on the engineering side. We heard something interesting in the Science Park a couple of weeks ago. In the States, that assumption was also made, but the reskilling of individuals had not been done, so when it came to getting contracts for building wind turbines and the like, the engineers had not been reskilled in that area. That meant that the employment opportunities that should have been there were not. Are you content that there is enough reskilling going on?

**Professor Barnett:**

You are right about the green issue. In the main, you do not want a whole new degree programme in green engineering or something. It is about ensuring that sustainability issues are included in construction engineering and mechanical engineering. It is not a new technology that is associated with that, but they have to be aware of what society expects.

There are a lot of vacancies in the hotel and catering sector. In this analysis, we are saying that it does not come out as a priority. Every time that we present this, it is seen as a priority. We put in with all the others, but it is not a priority because its productivity and wages are low. The issue is whether something can be done with that sector to make it important in employment terms and so that the wages and the productivity match international best practice. That is the challenge in that industry. It is at the top of the table for skills deficiencies, and the trouble is that it has not moved up the value chain.

We look to the future based on projections from Oxford Economics. That is based on its

forecast of where the economy is going, but it does not take into account any change that would be brought about by a reduction in corporation tax. That would be another aspect of modelling it. Changing corporation tax will change the nature of foreign direct investment (FDI) for Northern Ireland.

**Dr B McGinnis:**

I do not think that enough people go to university to do those types of degrees. We may have to consider recommending bursaries to try to skew people in that direction. It is an area that we are starting to look at again. The Minister is thinking of chairing a working group to talk to all the ICT people. We hear different stories, and it depends on what sector we talk to. Some people are underemployed in some of those sectors. Richard mentioned it earlier; I call it skills utilisation. Those people could move up the value chain, and their jobs could be filled by people with fewer qualifications. Some people in some of those contact centres have degrees. In fact, people with vocational qualifications and level 3 apprenticeships could do some of those jobs. The wages are still relatively low and we need to get it increased. That is where the productivity comes from. Our wage level is particularly low compared with the rest of the UK or the Republic. It is at a very low level, and it has to move.

Richard produced the report on the independent review of economic policy (IREP) earlier in the year. I am involved in the economic advisory group as well, and that is what we are trying to do. I listened to Michelle asking questions earlier about vulnerable people in the labour market. We have to keep an eye on the rear mirror to ensure that we are doing something for them as well. It is a fairly major challenge at the moment.

**Mr Lyttle:**

Thank you for your comments, gentlemen. Two key challenges were to identify priority skill areas and to improve the employment and skills advisory infrastructure. What were the top priority areas in which we need skills development? It was identified that too many organisations operate in the employment and skills advisory landscape. You appear to recommend that that requires streamlining. Will you expand on exactly what that means?

We have touched on concerns that not enough people are completing certain courses in which there are skills deficits. Surely we have to look at our careers guidance infrastructure at secondary level education to ensure that people are being given full and robust careers advice. I

am keen to hear your thoughts on that because I am perennially concerned about the connection between the Department for Employment and Learning (DEL) and the Department of Education in that respect.

**Dr B McGinnis:**

I will address the issue about the areas in which it is quite complex. The sector skills councils are bodies that represent the certain sectors. There are licensed at CES level. I am involved in the licensing panel. We are moving from giving them automatic funding every year to contestable funding. In fact, an employment investment fund has been set up to which they can make applications. That will rationalise some of them, because some have not been making the employer engagement that we would like. We need to get that moving.

Future skills action groups were set up for various sectors. There is no need for those, and we will not continue with them in the future. The workforce development forums were also very patchy. Some areas performed well, and others did not. That work has been given back to the colleges, because the colleges also have the economic development role. There is a lot of duplication.

I had my office reviewed externally to see whether we are adding any value, and I am glad to say that the view that came back was that we are. It was reviewed by the statistical branch and validated by the skills branch. That is as much structure as we need.

People think that the Department and government can tailor things to meet the needs of every business, but that is not the case. You cannot arrive with a silver bullet. You can tell them general stuff that hopefully they can use to take their businesses forward. I get requests all the time when I am out and about; I must admit that it is a bit of a lobbying session. We take it back to the Department, get people to talk to those businesses about skills solutions and quite often get a result for them. However, I do it 70 days a year or something, so I cannot see every company in Northern Ireland.

**Professor Barnett:**

To go back to the first question: the key area is ICT skills. Where we compete in a lot of these sectors, such as business services and financial services, is by providing the ICT infrastructure; if you look at Citi, you will see that it involves ICT work. Employment there is catching up, and

there will be shortages.

There is a frustration from the universities' point of view. In universities, you get famines and feasts in respect of what people apply for. Very few people are graduating in computing and ICT from either university, because, a few years ago, the news was bad and people did not apply to do those courses. I was brought up in the country, and I was told that you do not chase the good market but that you need to go to market afterwards. Schoolkids are chasing good markets. Applications for construction are also way down. Those kids will not graduate for four years, and then we will have a shortage in that sector. You are right to ask how we can overcome that, Chris. You cannot fine-tune. There should be more general, broad-based degrees with the quick-to-market bit done at the end.

**The Chairperson:**

Can I just interrupt? Both of you and, indeed, Chris have made the point that the issue is getting people into long-term strategic skills sectors. ICT is probably the key one. Invest Northern Ireland produced a report that states that we overproduce graduates from a number of sectors but underproduce ICT graduates by — I think —1,000 a year.

We are in very difficult financial circumstances, and I take Bill's point that we may need to consider bursaries to encourage people to do these types of subjects. Would you go to the other side and say that we should increase fees in non-strategic areas so that we can fund any significant differentials in areas that the economy needs?

**Mr Lyttle:**

Can I ask a supplementary question?

**The Chairperson:**

Of course.

**Mr Lyttle:**

We can give bursaries. However, if people, at a young age, have not taken the subjects that give them the foundation to take those degrees, bursaries can do only so much. I am keen to hear what more needs to be done. You mentioned hotels, green renewables and ICT. What are we doing to inspire our young people to do the subjects that they need to be able avail themselves of bursaries

or to upskill and get into sectors in which there are employment opportunities?

**Dr B McGinnis:**

You cannot remove a young person's opportunity to make a choice, nor should you create hardship by increasing fees in those areas. You may have to help the areas that will help the economy. People talk about degrees being unacceptable at a certain level, but the young person has a right to choose they want to do. Would you have said a few years ago that the creative and digital media is important? You had only to look at Belfast last weekend to see the difference that that can make.

**The Chairperson:**

I will not let the question about the differential fees go; we will come back to it. I am a chemical engineer, I am a master of informatics, and I am now a politician. The key point is that you make career choices. The point that Chris made is that decisions that are made in third or fourth form about whether you do primary sciences or whatever fundamentally affect later decisions. Research from the engineering councils suggests that most people make decisions based on what they see on TV, what their mates are talking about or whatever. I think that some encouragement along the lines of what Chris said is needed. We must get away from the peaks and troughs that Richard talked about, such as happens when Nortel or whatever go down. There should be choice, because who knows where you will come to next in a chaotic society? However, we can be pretty sure that, over time, our ICT provision will not be adequate for our needs. Therefore, how do you manage the skills profile from schools into our universities? How would you deal with those issues?

**Dr B McGinnis:**

It is hard to get a handle on that. A lot of that stuff will come from FDI, and it is difficult to get predictions from Invest NI about where and what type of jobs it will create. Basically, it will create jobs where it can get the jobs, so it is hard to get a prediction. The industry will talk about shortages. However, I guarantee that, if all the ICT companies in Northern Ireland were around this table, you would not get forecasts from them on the number of people that they will employ in the next three or four years. That depends on the amount of business they get and the world economy. They will not commit themselves to numbers, but yet they expect government to have people ready when they want them, and that is hard.



**Professor Barnett:**

It is hard. It is also harder because we have a smaller economy. That is why first degrees are important. There are equally important issues for the foundation degrees for our partners in the further education sector. That is an important aspect of that level of skill as well. Some with a foundation degree can go on to an honours degree, if they wish. Just because I am here, I do not want to focus only on degrees; it is about foundation degrees as well.

What we have lost here is that, after doing a degree in any subject, people used to be able to convert to a one-year masters course, and there was funding for that. In tight financial times, that is difficult. In general, we should offer broad-based degrees and some specific short-term funding. That is what we are doing with Citigroup in the University of Ulster at the moment. We offer a course that lasts for a few weeks to give people the relevant skills. So, you can do those kinds of things.

I empathise with what you said, Chair; I find the issue of efficiency savings in universities frustrating. Where do I achieve such efficiency savings? Where do I put the resources? Where I would like to put them to support the development of the Northern Ireland economy is probably not where there is current student demand. I face that problem in the university context.

**The Chairperson:**

May I ask you the hard question directly? I apologise to Chris, because it was his question, and I have not forgotten that Michelle is following it up. However, the hard question is this: if we need more engineers, which the report states, and more STEM and ICT students, would we not be better to consider increasing the costs for non-essential, oversubscribed subjects to make students think about taking them, and use that money for the universities to encourage people to take up places for which there is economic demand and an industry shortage?

**Professor Barnett:**

You have got to encourage the students to apply. Sometimes —

**The Chairperson:**

If you look at all the other stuff that we talked about, you will see that the impact of tuition fees is quite profound, and, if you increase the fees to a high level, people will go elsewhere. I think that the same thing will happen with subjects.

**Professor Barnett:**

I have no problem with the notion of looking at the relative costs for different disciplines. I will leave it at that, because it is Bill's show, not mine.

**Dr B McGinnis:**

You asked earlier about secondary schools careers guidance and the Department of Education. Much more needs to be done at the level of primary education and for people who go to secondary school who have not made up their mind about what they want to do. I accept that we all change roles; nobody is in a job for life anymore. It does not matter what you are doing, you will change over a period. You could develop transferable skills as you go along. I think that the Department for Employment and Learning spends a lot of money on correcting things, and I think that it should not have to spend that money because it should be sorted out when people are younger.

**The Chairperson:**

Chris, I interrupted your line of questioning.

**Mr Lyttle:**

That broadly covered the issues. You also talked, Chair, about incentivising through a differentiation in fees. There is also a challenge in connecting what skills are needed for those jobs to subject level at secondary school. That would inspire young people, make it real to them and explain why studying a certain subject may get them a job in a certain field. It would also inform them a bit more about what is involved in certain sectors. We need to try to make that exciting to them so that they make proactive choices. I am still concerned that we have a long way to go in that respect.

**Dr B McGinnis:**

Employers do that. For example, they go to parent evenings. I have gone to parent evenings on behalf of our business, but the stand is never busy because we are involved in manufacturing. You will find that the stands for GPs, dentists or lawyers will be crowded with kids talking to them about jobs.

**Mr Lyttle:**

Why is that?

**Dr B McGinnis:**

People do not find it attractive, and the salary is probably an issue as well. People make choices based on money.

**The Chairperson:**

We need to look at that issue. When I read the report, I was surprised at how solidly the engineering issue came out because, if we were to talk to our colleagues in Invest Northern Ireland, they might consider that there is no general run-down in engineering. That is the impression that comes across, because they are looking at increased productivity and reducing labour demand. Anyway, Michelle has been sitting very patiently, which is most unlike her. The floor is now yours. *[Laughter.]*

**Ms Gildernew:**

Go raibh maith agat, a Chathaoirligh. You are very welcome; thanks for the presentation. I am very glad that food and drink and agrifood are in there because I represent a rural constituency, and the fact is that more ICT graduates work in the food sector than in the rest of the sectors put together. Chris made the point about careers advice. We did a piece of work previously to try to encourage students to think about the food sector as a career choice. It is not all white wellies and hairnets; there are very well-paid, high-quality jobs in the food industry for people of a mind to go down that route. To that end, it is disappointing that that is not represented more in the membership of some of the boards because, although DEL and the Department of Enterprise, Trade and Investment (DETI) have some representation, the Department of Agriculture and Rural Development (DARD) has none.

DARD provided training courses at the Loughry campus of the College of Agriculture, Food and Rural Enterprise (CAFRE) for some manufacturing companies around the area. So, for example, it would develop a course for Moy Park, deliver it in the evening or early morning at a time that suits, and do that in Portuguese. So, it was trying to find ways of working with the local manufacturers to provide training courses that were specifically designed for need in the area. I am not overly enamoured with what Invest is saying. I do not think that FDI is the future for a lot of our constituencies. We should support our local entrepreneurs and SMEs and ensure that they

have a skills base that they can move forward on.

Given the constituency that I come from, I want to talk about advanced manufacturing. Tyrone has sent a quarry plant around the world, but so many times I have been to SMEs that have invested in a big piece of kit that maybe costs £150,000. Out of curiosity, I did a wee vox pop, which showed that those machines generally came from Germany or the Netherlands. Very few of them were manufactured here, even though we have an engineering capacity that is sometimes the envy of the rest of the world. However, we do not seem to have tapped into that, and that is an area in which our colleges have been creative in working with the local engineering sector. The Dungannon campus of the South West College has worked very closely with Powerscreen and others to ensure that they develop courses that the local manufacturers need.

Basil said earlier that people said that they were not being listened to. I mean no disrespect to anybody on any of the boards, but we need to bring in more real people, more local entrepreneurs and the people with experience who have created employment in rural areas, such as those involved in Moy Park, to the boards so that we get those messages through. There is still much more room for growth in the agrifood sector.

I do not disagree with much of what is in the report, but I think that there are ways in which we could make the work that is being done more focused on where we have been successful and on where we can continue to be successful and continue to grow.

I am glad that the creative industries are getting a mention, because it is not about only last weekend; it is about the very real job opportunities. I am a bit noseey, and some people who were born, reared and educated here have worked on the Oscars, for example. Those people are doing very well in the creative industries in the States. I think that that is an area of growth, and I would like to see it. We need representation that reflects the broader base, where we are coming from and where we want to go to.

**Dr B McGinnis:**

That is true. Food and agrifood were part of the workforce development forums. The chairperson may not have come from that sector, but he was representing those from the six areas. I have spent a lot of time looking at the needs of the food sector in Tyrone. I have been to Dunbia, for instance, which created its own skills academy. That is marvellous. They were not

producing enough butchers, so they decided to do it themselves. Approximately 20 butchers graduated in the past year. Those people will earn about £20,000 within about two years; it is not a low-paid job for someone with that level of skill. There is a major change, and Moy Park has changed dramatically. There is a lot happening. I am meeting a group of people from smaller agrifood businesses within the next few weeks to try to find out what their skill needs are. They are in the supply chain of the larger companies. That sector has not deteriorated during the downturn. If you look at the numbers, you will see that there has been a slight increase. I am glad that it was a priority sector; it came out in employment and the GVA.

**Ms Gildernew:**

We could see significant increases if the right people are helping to provide that advice.

**The Chairperson:**

We take the point. Michelle is reinforcing what you were saying, Bill: there is, perhaps, a bit of an issue about getting the policymakers to listen to what the entrepreneurs are saying. I think that we will find a way of coming back to you on that. We will see whether the Department is taking that on.

**Dr B McGinnis:**

The advisory group is an unpaid group. I select people at various times to help us. We spoke to people in the agrifood sector when we were doing the report. I bring on people as I need them; there are no official appointments, as such. It is easy for me to bring in people whom you have recommended at any stage.

**The Chairperson:**

It is interesting; you need something that is dynamic. You need to bring people in and say, “We understand that; now we will move on to the other issues.”

**Mr D McIlveen:**

Thank you for your presentation. I want to add some meat to what Chris was talking about. We touched on aspiration. We are possibly going further down in age group from where your work concentrated. Had you gone, 20 years ago, to speak to someone in primary 5 or primary 6, you would have heard them say that they were immensely proud of their parent who worked in Mackies, Harland and Wolff or Shorts. Contrast that with now. To be frank: we have to face the

fact that construction and manufacturing — the areas in which, as adults, we see financial benefit — are not sexy any more. They are not inspiring young people towards the area. How do you see that being addressed? How can we make those subjects interesting again? How can we make our people proud of them? I feel that this is an area within business in which we have dropped the ball. We have to try to improve the image of those sectors, because, due to a better media presence, being a singer or an actor is proving to be one of our biggest obstacles. Do you see a role for your group in addressing that?

**Dr B McGinnis:**

The Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTA) addressed that quite well. It produced a video on the higher level skills in engineering for Queen's University. It is entitled something like, "It's not just a dirty rag". Engineering has changed quite a bit, and people have to get that into their mind. You touched on a good point about Shorts, Harland and Wolff and Mackies. A number of engineering companies told me that they used to get people who were trained in those places and that they did not have to spend money on them because they were fit for work. I think that there is a gap in the availability of apprenticeships.

We need to ask the big employers to train more people whom the SMEs can use. A small company with 15 to 30 employees is not good at dealing with apprentices. They lose their way, in many ways, whereas the big companies have the discipline and they can send their employees to college. Those employees know how to fill out time sheets or reports from the day that they arrive. Those skills are transferable to SMEs. The whole engineering sector is very busy at the moment; do not let anyone tell you that it is not. The supply chain for companies such as Bombardier is very busy; the whole engineering sector is busy. As Michelle said, the engineering sector in Tyrone is nearly back up to pre-recession levels again. Seventy per cent of the world's mobile screening plant is made in Tyrone, which is a significant number.

**The Chairperson:**

The trouble is that, when things were at their peak in these parts, you could not get a welder for love nor money. You could ask people whether they had their cards, throw them a bit of steel and ask them for a diagonal cut, but they could not do it. There is an issue about serving one's time and getting a skill.

**Dr B McGinnis:**

My background is in engineering. There are a number of types of engineering, and the branch of engineering that you latched on to is not particularly sexy; people do not want to do welding. That is why it is so successful in Tyrone. People are interested in making mobile plant; young people want to see things that can move when they have finished. Companies such as Powerscreen and SRS Finlay make things that move; there is a bit of welding in it, but that is only part of the process. People do not like basic fabrication; that is a difficulty. Companies involved in machine tooling, such as Moyola Precision Engineering, are all very busy and are spending a lot of money and investing their capital all the time.

**The Chairperson:**

Time is against us, and you have been very generous with your time. We would like to pick up on the general theme of getting people interested in these areas, whether it is to do with making it sexy or whatever. The sort of recommendation that we need to be looking for needs to be based on an all-age, all-Department approach. We often discuss the Education Maintenance Allowance (EMA), and we need to consider whether we should offer EMA-type funding to people who are doing STEM subjects. There is a bias in the media towards being in ‘Miami Vice’ or something like that. We have to encourage people back in, and it is about being creative.

I also think that the fundamental problem is that, when business studies are produced, they hide what you are talking about, which is ICT. It may be better that you call it what it is so that people understand.

We did not get a chance to talk about level 3 qualifications. We may do that another time, but you may want to make a closing remark about it. At the first conference that I went to at the beginning of the new mandate — I think it was one of yours, Bill — there was a discussion about the need for more of those qualifications. Our problem is at technician level. There is a report somewhere that says that, in the next 15 years, 20% of the population will be below that skill level. That appears to me to be an area of strategic importance.

I am also a very strong believer in research as a driver of the economy, Richard, but I do not think it is about people going to university to be academics. It is about getting technical skills, or, at least, transferable skills. That is where I would like to see you taking the lead.

Thank you both very much for your time. We will consider how we can tap into some more of your expertise and see whether we can help you in your discussions with the Department.