

VOTE 26. OFFICE OF THE MINISTER FOR EDUCATION AND SCIENCE

25. The Scientific and Technological Education (Investment) Fund

The Scientific and Technological Education (Investment) Fund Act, 1997, established the Scientific and Technological Education (Investment) Fund for the purpose of developing scientific and technological education at all levels, from primary schools to advanced research in third level institutions. The Fund is administered by the Department of Education and Science, with the sanction of the Department of Finance and is intended to operate in addition to, rather than in replacement of existing investment. The Fund has three major objectives:

- To renew and modernise the infrastructure of third level institutions, particularly in the technological sector
- To develop new areas of activities where emerging skills needs have been identified
- To invest in promoting innovation to maintain and further economic growth.

The Fund came into existence in December 1997 and commenced operation in 1998. The 1997 Act, as amended, provided for the payment of an Oireachtas grant of £130m into the Fund in 1998. Further payments of £150m are due, giving a total of £280m in State support by the end of the year 2000. During 1998, £30.5m was expended on approved projects by the Department of Education and Science, as follows:

	£	£	£
Third Level Capital Provision			
• Higher Education Authority Institutions		552,596	
• Institutes of Technology		14,993,530	
Schools IT 2000 Project Capital Provision			
• Primary Schools	9,342,941		
• Special Schools	491,520		
• Second Level Schools	3,207,860		
• Individual Special Needs Pupils	255,382		
• Education Centres	60,000		
• Support Service by the Inspectorate of the Department of Education and Science	108,496		
• Maynooth College	<u>20,000</u>	13,486,199	
Second Level Schools Capital Provision			
• Post-Leaving Certificate courses		<u>1,475,720</u>	
Total			<u>30,508,045</u>

The Act envisages contributions to the Fund from both the public and private sectors. The Private Donations Investment Account at the Central Bank was established under the Act to facilitate private contributions into the Fund and this money, together with the income arising from its investment, was to be used to supplement the funding provided by the State. However, by June 1999, no contributions had been received into the Private Donations Investment Account. I was informed that:

- There were no targets set for the private contributions. However, with the introduction of the tax incentive schemes under the 1997 Taxes Consolidation Acts, funds in the order of £50m have been attracted into the third level system either through projects already sanctioned or currently being processed. At present this appears to be the preferred method of channelling funds to the third level projects by donors to the sector. The Department is satisfied that very significant additional private money is being added to the State's investment and that this will significantly increase the core allocation for the institutions.
- It is expected that following the success in attracting the £50m from the private sector further significant funds will follow through the tax incentive route.
- The Private Donations Investment Account continues to offer an investment route to potential donors for whom the tax incentive schemes under the 1997 Taxes Consolidation Acts are not the preferred option.
- The Government is at present considering proposals for extending the concept of Public Private Partnerships and the Department of Education and Science is represented on an inter departmental working group on this matter.