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**An Comhchoiste um Leanaí, Comhionannas, Míchumas,
Lánpháirtíocht agus Óige**
Tuarascáil ar na dúshláin atá roimh Earnáil Chúram agus
Oideachas na Luath-Óige
Márta 2024

**Joint Committee on Children, Equality, Disability,
Integration and Youth**
Report on challenges facing the Early Childhood Care and
Education Sector
March 2024

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MEMBERSHIP

- John Brady T.D., SF
- Holly Cairns T.D., SD
- Patrick Costello T.D., GP Leas-Chathaoirleach
- Michael Creed T.D., FG
- Alan Dillon T.D., FG
- Kathleen Funchion T.D., SF, Cathaoirleach
- Brendan Griffin T.D., FG
- Jennifer Murnane O'Connor T.D., FF
- Seán Sherlock T.D., LAB
- Senator Tom Clonan, IND
- Senator Erin McGreehan, FF
- Senator Ned O'Sullivan, FF
- Senator Lynn Ruane, IND
- Senator Mary Seery Kearney, FG

Joint Committee on Children, Equality, Disability, Integration and Youth			
			
Kathleen Funchion TD <i>Sinn Féin (Cathaoirleach)</i>	Patrick Costello TD <i>Green Party</i>	Alan Dillon TD <i>Fine Gael</i>	Jennifer Murnane O'Connor TD <i>Fianna Fáil</i>
			
Brendan Griffin TD <i>Fine Gael</i>	Seán Sherlock TD <i>Labour</i>	John Brady TD <i>Sinn Féin</i>	Holly Cairns TD <i>Social Democrats</i>
			
Michael Creed TD <i>Fine Gael</i>	Senator Tom Clonan <i>Independent</i>	Senator Erin McGreehan <i>Fianna Fáil</i>	Senator Lynn Ruane <i>Independent</i>
			
Senator Mary Seery Kearney <i>Fine Gael</i>	Senator Ned O'Sullivan <i>Fianna Fáil</i>		

Foreword

On behalf of the Committee, I want to pay homage to those working in the ECCE sector, whether they are running an after-school service, working in a baby room or advocating for further reform of the sector. The admiration for all those involved in minding, educating and championing of young people is always tangible in the Committee room when we get the opportunity to look at issues affecting the sector.

Secondly, I want to commend the Minister and the staff in his Department for their unwavering hard work in trying to support the sector during what is acknowledged as a period of intense change.

Given the amount of change the sector is undergoing, it is no surprise that there have been challenges and, at times, disagreements on the best way forward. This underlines some of the Committee's main recommendations around the need for workable structures for collaboration and problem solving which make the most of the expertise of all involved.

Thankfully, we are now at a point in time when there is unanimous acknowledgement of the value of positive early interventions in children's lives. Investment in children's early years is the greatest leveller in terms of delivering positive outcomes. Furthermore, the starting point for addressing these issues is now children's rights, which is a marked improvement on former attitudes towards ECCE as a 'women's issue' or a labour activation tool.

This progress is happening against a backdrop of slower change than we would wish when it comes to the demographics in the Houses of the Oireachtas. There is no doubt that the historic underinvestment in ECCE would have been further up the agenda had more women been elected to public office. That is not to forget our male colleagues who have become fierce allies in advocating for gender equality and improvements in care, in all its forms.

Welcome pressure to sustain this progress also comes from international sources. For example, as outlined by the Children's Rights Alliance:

“Ireland was examined by the UN Committee on the Rights of the Child earlier this year, which had two key recommendations in the area of early years... The first is increased access to affordable childcare, especially for children who are living in poverty or disadvantage. The second is that the Government should increase the level of funding allocation to childcare and move towards a more publicly funded model of childcare.”

There is still a way to go, in establishing ECCE as an inalienable right, akin to primary and secondary education. Stakeholders flagged insufficient investment, fee freezes, low wages, recruitment and retention issues and poor long-term planning as among the challenges currently facing the sector. As such, some of the Committee’s main recommendations include that:

- The Government should publish a five-year plan for implementing additional investment in early years and school age care to reach €4 billion, which is approximately 1% of GDP, by early 2029, and for implementing the Partnership for the Public Good report’s better data recommendations.
- The trend whereby ECCE rooms and staff are being diverted to primary schools should be investigated, mitigated and planned for.
- The administrative burden and duplicity of reporting requirements for operators must be addressed, inspections streamlined and made consistent, and an effective appeals mechanism made available where this does not occur.
- The transition to a single agency for early years and school age children should be progressed as a priority.
- An improved employment regulation order should be delivered urgently to address low pay and additional funding should be invested to help providers who need assistance to meet it.
- A response team should be established to forecast potential closures of ECCE settings, prevent them where possible, and manage setting closures, when they are unavoidable, in line with children’s best interests.
- The Department should carry out or commission research on the impacts, benefits and disadvantages of Government paying ECCE staff, as is the case with primary and secondary education. This research should examine how

moving towards actual public provision of ECCE, as opposed to public funding and management of a mainly commercial system, might work to the benefit and/or detriment of children, parents, workers and the economy.



Kathleen Funchion T.D.

Cathaoirleach

5 March 2024

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RECCOMENDATIONS

The Committee recommends that:

1. The United Nations Convention on the Rights of the Child (UNCRC) should be incorporated into domestic legislation.
2. Further targeted investment and supports should be available to operators who are struggling, including those who are significantly affected by recent enhancements in employee leave entitlements.
3. Issues identified by witnesses with the sustainability fund must be addressed.
4. Consideration should be given to moving away from the fee freeze and amending the fee management process, through an efficient and inclusive

discussion platform that involves providers in evaluating costs, before year three of core funding, i.e. before, not during, the period of September 2024 to 31 August 2025.

5. Given the diversity of models of provision, funding models should be adjusted and made flexible enough to acknowledge and accommodate the diverse range of provision types, in order to ensure the viability and success of small and medium providers and those facing unique challenges due to issues like demographics and geography.
6. Rigid attendance requirements should be avoided where possible.
7. Consideration should be given to a unification of the existing funding programmes: the national childcare scheme, the early childhood care and education scheme and the core funding, to allow settings to use capacity, not children's attendance, as a funding requirement.
8. The learnings coming from recent developments in centre-based provision, particularly around the need for flexibility and measures that account for the bespoke needs of unique models of provision, should be acted on and taken forward into the developments for childminders.
9. Providers designated as relevant bodies must be supported and resourced in order to meet any new roles and responsibilities they have arising out of the new provisions and regulations.
10. The regulations that are developed for childminders should be proportionate, appropriate, and specific to the setting of childminding. The childminding sector should continue to be involved in their development.
11. The Department's early learning and childcare stakeholder forum should be revisited to ensure it is effective for planning for the sector and for solving problems collaboratively, whereby the Department, providers, parents and workers can really get into the detail of what is and isn't working and develop solutions.
12. The Government should publish a five-year plan for implementing additional investment in early years and school age care to reach €4 billion, which is

approximately 1% of GDP, by early 2029, and for implementing the Partnership for the Public Good report's better data recommendations.

13. A system of national and local two-year and five-year planning cycles to ensure there are enough early years and school age care places in communities for children.
14. Census data should be used to a better degree for forecasting demand for early years and care.
15. An examination into the rule requiring developers to build crèches in new developments under certain circumstances should be conducted to address the following issues:
 - Developers excluding one and two bedroom apartments
 - Situations where the provision of a crèche is never made or made too late
 - Cases whereby the location and cost to purchase or lease that building is prohibitive, so providers cannot get finance
 - Whether entrusting the building of crèches to developers, in a housing sector already experiencing market failure is wise; and
 - The potential need for local authorities to play a role in acquiring or building such premises instead.
16. The trend whereby ECCE rooms and staff are being diverted to primary schools should be investigated, mitigated and planned for.
17. The administrative burden and duplicity of reporting requirements for operators must be addressed, inspections streamlined and made consistent, and an effective appeals mechanism made available where this does not occur.
18. The transition to a single agency for early years and school age children should be progressed as a priority.
19. Inspections and inspectorate reporting must be transparent, measured and the criteria consistently applied, non-compliance should be foreseeable in all instances. The manner in which non-compliance is reported needs to be graded so that the seriousness or triviality of the non-compliance is clearly

evident, e.g., non-compliance grade 1: *trivial and immediately rectified/rectifiable* through to grade 5: *serious breach*.

20. An improved Employment Regulation Order should be delivered urgently to address low pay and additional funding should be invested to help providers who need assistance to meet it.
21. Further increased capitation rates should be considered.
22. A response team should be established to forecast potential closures of ECCE settings, prevent them where possible, and manage setting closures, when they are unavoidable, in line with children's best interests.
23. The issues raised by stakeholders in relation to the sustainability fund should be addressed and more accessible supports made available through it, free from reputational damage with financial institutions.
24. The planned new equal-participation model that will be rolled out to maximise participation and inclusion of disadvantaged children in ECCE settings should be designed with careful consideration of the challenges faced by target groups and should include engagement with those groups.
25. Substantial further investment, that is not delayed, but immediately available, should be made in the equal participation model in next year's budget.
26. Further roll out of and investment in wraparound services, including supports for parents, should be a key part of the new equal-participation model.
27. Geography alone should not determine investment through the equal participation model.
28. AIM should be extended for all ages and all hours of care, and not just 38 weeks of the year.
29. The lack of professional supports, and personnel needed to make the expansion of AIM a reality must be addressed.
30. Those working in the ECCE sector should be listened to as experts and educators and their experience and input should feed into making measures affecting settings workable.
31. The staff working in ECCE should have the word 'educator' returned to their title to reflect the important educational aspect of their roles.

32. Consideration should be given to making ECCE settings exempt from paying rates.
33. The Department should carry out or commission research on the impacts, benefits and disadvantages of Government paying ECCE staff, as is the case with primary and secondary education. This research should examine how moving towards actual public provision of ECCE, as opposed to public funding and management of a mainly commercial system, might work to the benefit and/or detriment of children, parents, workers and the economy.

Introduction

Over recent years, a suite of reforms and initiatives to improve the quality, affordability and availability of early childhood care and education have been introduced. This has included measures such as changes to funding streams, safeguarding, reporting and inspections, as well as targeted initiatives aimed at supporting children with disabilities or those experiencing marginalisation or disadvantage.

Partnership for the Public Good: A New Funding Model for Early Learning and Care and School-Age Childcare was a report produced by the Expert Group established to develop a new funding model for Early Learning. It offers in-depth insights into the Early Childhood Care and Education (ECCE) sector and makes some clear and constructive recommendations which inform [Together for Better](#), the new funding model for the ECCE and School Age Children sector. The [First5 Implementation Plan 2023-2025](#) also offers some detail and rationale on the steps Government intends to take to support babies and children, including around ECCE.

This Committee report does not attempt to duplicate that work. Instead, it offers a snapshot of some current challenges facing the sector and raises some unresolved issues as identified by those who came before the Committee.

The ten key issues discussed in this report include:

1. Insufficient overall investment

2. Core funding and fee freezes
3. Diverse provision types require flexibility
4. Better data and planning
5. Multiple agencies, inspections and reporting requirements
6. Recruitment and retention
7. Closures and the sustainability fund
8. Supports for marginalised/disadvantaged children
9. ECCE staff as experts and educators
10. Public Provision of ECCE

Meetings and witnesses

Tuesday, 7 November 2023

Association of Childhood Professionals

- Ms Marian Quinn, Chairperson
- Ms Anne Clarke, Owner and Manager of the Playaway Crèche

SIPTU

- Mr Darragh O'Connor, Head of strategic organising
- Ms Avril Green, Chairperson, Early years national committee

Federation of Early Childhood Providers

- Ms Elaine Dunne, Chairperson
- Ms Sonya Duggan, Member, Sub-advisory committee

Early Childhood Ireland

- Ms Teresa Heeney, Chief Executive Officer
- Ms Frances Byrne, Director of Policy

Children's Rights Alliance

- Ms Julie Ahern, Legal, Policy and Services Director, and
- Dr Naomi Feely, Senior Researcher and Policy Manager

Tuesday, 14 November 2023

Department of Children, Equality, Disability, Integration and Youth

- Dr Anne-Marie Brooks, Assistant Secretary
- Mr Toby Wolfe, Principal Officer
- Mr Mark Considine, Principal Officer
- Mr Mark Doheny, Principal Officer
- Ms Oonagh Fleming, Acting Principal Officer

1. Insufficient overall investment

Members and Stakeholders unanimously acknowledged and commended the recent significant State investment in the sector, but many said that Ireland was starting from a low base in this regard. SIPTU told the Committee:

“An OECD comparison of early childhood education expenditure per child shows that Ireland spent \$4,790 per child in 2022, compared with an average of \$11,827 for our EU peer group, which includes other high-income countries. We would need to increase expenditure by 2.5 times to reach our peer group average. This historic investment gap has been bridged by high fees and low pay. This is why SIPTU is calling for continued year on year increases in State investment, with funding for pay ring-fenced.”¹

The Association of Childhood Professionals explained the low base in GDP terms, stating:

“It must be acknowledged that this is still only an investment of 0.3% of GDP in our early years sector as opposed to the average investment of 0.8% across Europe and the 1% recommended by UNICEF. This, combined with significant inflation, means that, despite increased investment, the core issues of the staffing crisis, financial instability and variable quality remain.”²

Expert opinion and best practice have now established ECCE as a right and common good, as opposed to simply a labour activation tool, or a step towards gender equality.

¹Mr Darragh O'Connor, SIPTU, 7 November 2023.

² Ms Marian Quinn, The Association of Childhood Professionals, 7 November 2023.

Some time was spent during the Committee's deliberations reflecting on that good progress. The volume of investment in the sector should reflect that role of ECCE as a right and a public good with wide-reaching societal benefits, the same way primary and secondary education are seen as rights delivered by the State. The United Nations Convention on the Rights of the Child (UNCRC) was flagged as a good mandate for taking a rights-based approach to ECCE. It contains relevant articles dealing with rights to non-discrimination and access the vital services, among others. The Committee reiterates in its longstanding recommendation that the UNCRC should be incorporated into domestic legislation.

Whether Ireland's commercially based model is the best fit for delivering ECCE, in a rights-based framework, is discussed further in section ten. Regardless, increasing spending on the sector and allocating that investment wisely were reoccurring asks of the experts before the Committee.

Targeting further investment towards the operators that are struggling, many of whom are struggling due to fee freezes, could alleviate the stagnation in pay talks, the Committee heard. As discussed throughout this report, fixing the pay issues will likely help to address many other challenges in the sector. SIPTU summarised this well as follows:

“For this coming year, a part of the challenge we have is around the fee freeze we have been talking about because some services are at a disadvantage compared with others. We know some services are doing pretty well. There are a limited number, we can see their accounts and can see that they are profitable. We also know they are paying quite high rates of €14 or €15 an hour for an early years educator, so above the living wage. However, we also know that some services are really struggling and that is a drag on what we are able to do with the pay talks. What the State needs to do is understand which

services are which, who is struggling and who is not, and give money to the people who are struggling.”³

The new employment rights introduced in 2023, such as increased sick pay and access to domestic violence leave, were frequently referenced as examples of increasing expenses for employers. When Members questioned what supports have been put in place for those expenses, the Department said that the core funding allocation employers received would have been in excess of the amount needed for basic wages, so could be used for those expenses. The Department said it is satisfied that there is sufficient funding within core funding to meet those costs and that services that are struggling have a safety net through the sustainability fund.

Clearly, some operators need further targeted investment and support, separate to core funding allocations, and getting that support to them has the potential to alleviate challenges around pay. This could be made available through the sustainability fund, but, currently, various issues are preventing that mechanism from being used. The problems associated with the sustainability fund discussed in section seven must be addressed if that is to be the vehicle for this additional investment and support.

The Committee recommends that:

1. The United Nations Convention on the Rights of the Child (UNCRC) should be incorporated into domestic legislation.
2. Further targeted investment and supports should be available to operators who are struggling, including those who are significantly affected by recent enhancements in employee leave entitlements.
3. Issues identified by witnesses with the sustainability fund must be addressed.

2. Core funding and fee freezes

The two initiatives that required fee freezes included:

³ Mr Darragh O'Connor, SIPTU, 7 November 2023.

1. Signing up to core funding.
2. Availing of the employment wage subsidy scheme (EWSS) during the pandemic.

On the interaction between increased operating costs, core funding and fee freezes, the Department said:

“We are aware there is a disparity in fees charged right across the country and sometimes in some counties. What is on offer through core funding does offset the increased cost and ensures the core funding keeps apace of any increased costs providers are facing. We are looking to evolve that through year three core funding and the additional money the Minister secured in the budget.”⁴

Stakeholders highlighted that, while core funding was based on findings from the [Crowe report](#), published in 2020, the data in the report was collected in 2017. Witnesses also highlighted that blocking reconciliation for those whose fee structures predated the initial core funding target year of 2021 means providers will have to make tough decisions regarding the operational model they offer, as while the Department has made additional investments through budget 2024, that funding will not be available until September. In contrast to those whose fees are frozen and bound to initial core funding, stakeholders stressed that new services are able to introduce realistic fee structures, resulting in an extremely unequal playing field.

Given that the issue of fee freezes was cited as a major threat to the viability of some services, stakeholders requested a commitment to rectify the imbalances caused by the fee freeze, through a process that involves them in evaluating costs and establishing a more efficient and inclusive discussion platform for resolving such issues. This seems wise, particularly given that fee freezes and core funding are inextricably linked to the recruitment and retention problems in the sector, which is discussed further in section six. The Department indicated that a move from a fee freeze to evolving the fee management process would happen in year three of core funding, i.e. September 2024 to 31 August 2025.

⁴ Dr Anne-Marie Brooks, DCEDIY, 14 November 2023.

Capitation rate increases were also identified as historically inadequate and in need of an increase, with witnesses telling the Committee that such grants should have been index linked and increased for some time. For example, the Federation of Early Childhood Providers told the Committee:

“For us to meet our current statistics, we would need to be where we would have been if this grant had been index-linked all along for the past 13 years, rather than there having been a decrease to €62.50 during the recession and then a return to €64.50, with a further increase from there on. This is not, therefore, really what we need. We need to reach the level of €100 to €115 weekly, and without even core funding. We would not have any of these issues if we had been adequately funded. It must be remembered we have had decades where we had no funding in the early years sector.”⁵

Concerns were raised about how higher capitation rates could be applied, so that smaller services are not at a disadvantage to larger ones. Another challenge highlighted was the tendency for graduate higher capitation rates to disincentivise graduates from working in non-ECCE areas or not with babies and toddlers. In summary, while higher capitation rates are needed, these should be matched with measures to counteract smaller operators from being adversely affected and measures to spread graduates and those pursuing higher professional qualifications across the diverse range of ECCE settings.

The Committee recommends that:

4. Consideration should be given to moving away from the fee freeze and amending the fee management process, through an efficient and inclusive discussion platform that involves providers in evaluating costs, before year three of core funding, i.e. before, not during, the period of September 2024 to 31 August 2025.

⁵ Ms Sonya Duggan, Federation of Early Childhood Providers, 7 November 2024.

3. Diverse provision types require flexibility

While the majority of early years settings are commercial, many are community organisations. The services offered vary greatly from setting to setting. In addition, the geography and demographics across regions contributes to the variety of challenges faced. In light of this, stakeholders were keen to stress the importance of addressing the failure of the current funding models to meet the unique challenges faced by individual services, which may hinder a provider's ability to operate at full capacity to maximise benefits of core funding. Given the diversity of models of provision, funding models should be adjusted and made flexible enough to acknowledge and accommodate the diverse range of provision types, in order to ensure the viability and success of small and medium providers.

Attendance requirements which are applied to some streams of funding were cited as another example of inflexibility in funding schemes that must be addressed. In addition to causing challenges for providers and parents, there was a general consensus that rigid attendance requirements are not child-centred or focused on the lives and needs of children. Early Childhood Ireland advocated for a unification of the existing funding programmes: the national childcare scheme, the early childhood care and education scheme and the core funding, to allow settings to use capacity, not children's attendance, as a funding requirement, as is the case with one of the programmes now. This could offer improved flexibility with no financial consequences for providers or parents. The Department said there is some misunderstanding surrounding the rules around attendance, saying it does strive for flexibility and does not adjust an allocation unless there is sustained variances in attendances over a period of time.

The Committee recommends that:

5. Given the diversity of models of provision, funding models should be adjusted and made flexible enough to acknowledge and accommodate the diverse range of provision types, in order to ensure the viability and success of small and medium providers and those facing unique challenges due to issues like demographics and geography.

6. Rigid attendance requirements should be avoided where possible.
7. Consideration should be given to a unification of the existing funding programmes: the national childcare scheme, the early childhood care and education scheme and the core funding, to allow settings to use capacity, not children's attendance, as a funding requirement.

The Department gave an update on the development of regulations for non-relative childminders and the creation of a pathway for parents who use those services to avail of subsidies under the national childcare scheme. The Committee welcomes that a three-year opt in period is still envisaged and appreciates assurances that such regulations will be tailored to the unique realities of childminding. It was noted that, if that plan goes well, and childminders benefit and feel supported, some may choose to expand into providing other services too, which could be positive.

However, witnesses sounded a note of caution, in that the experiences of childminders' colleagues in centre-based provision may make them cautious about engaging with Government schemes and the associated administration. This underlines the need to address the challenges centre-based providers are communicating and to take those learnings and flexibility forward into the developments for childminders. The Committee also reiterates its recommendations made in relation to childminders in section six of its [Report on pre-legislative scrutiny of the General Scheme of a Child Care \(Amendment\) Bill 2023](#), which discusses childminding at greater length.

The Committee recommends that:

8. The learnings coming from recent developments in centre-based provision, particularly around the need for flexibility and measures that account for the bespoke needs of unique models of provision, should be acted on and taken forward into the developments for childminders.

9. Providers designated as relevant bodies must be supported and resourced in order to meet any new roles and responsibilities they have arising out of the new provisions and regulations.
10. The regulations that are developed for childminders should be proportionate, appropriate, and specific to the setting of childminding. The childminding sector should continue to be involved in their development.

4. Better data and planning

Stakeholders requested better planning and use of data for the sector. Elements of the Partnership for the Public Good report were praised as positive in that regard. The need for a good forum for planning for the sector and for solving problems collaboratively, whereby the Department, providers, parents and workers can really get into the detail of what is and isn't working was discussed frequently. The Committee is aware that the Department has an early learning and childcare stakeholder forum in operation. Revisiting it to ensure it is the kind of forum stakeholders need would be worthwhile. Case management, and to a certain extent ratios, were mentioned as elements of the current system that some stakeholders feel are not working. Such a forum could help tease out solutions for those kinds of issues.

Taking the right steps in the right order was also flagged as critical to the sustainable improvement of the sector. While acknowledging the significant investment by Government, witnesses flagged that announcing funding schemes or initiatives when the resources needed to deliver them such as sites or personnel are not in place can actually lead to false hope, frustration and disillusionment. Working from budget to budget without a long-term plan was identified as a challenge and something in need of reform. The Association of Childhood Professionals explained this as follows:

“If we were to build a model whereby we will need more spaces because the national childcare scheme is being increased or because the access and inclusion model is being widened and more children are going to be able to access it, we need it to be built on the ability to staff the service. If we cannot

staff it, there is a problem of sequencing. It is great to announce such a scheme but it is problematic if the scheme is not going to be actualised.”⁶

In terms of solutions, Early Childhood Ireland proposed that the Government publishes a five-year plan for implementing additional investment in early years and school age care to reach €4 billion, which is approximately 1% of GDP, by early 2029, along with the implementation of the Partnership for the Public Good report’s better data recommendations and the initiation of a system of national and local two-year and five-year planning cycles to ensure there are enough early years and school age care places in communities for children. The Committee heard Census data could also be used to a better degree for forecasting. The Committee supports these recommendations.

Another element of poor planning discussed was the requirement that for every 75 units of housing built, developers must provide crèche facilities with at least 20 places for children. The Committee heard that this mechanism is not working effectively, with reported opportunities for developers to exclude one and two bedroom apartments. Exemptions for apartments no longer reflect the reality of modern family life, whereby many of those in need of childcare are also apartment dwellers. In addition, the Committee heard of cases where that provision is never made or made too late and cases whereby the location and cost to purchase or lease that building is prohibitive, so providers cannot get finance. An examination into how the rule around crèches in new developments is functioning should be carried out to address these issues. It should also consider establishing a role for the local authority in acquiring those premises and then engaging with stakeholders and the existing community and private providers locally who may be able to extend their existing offering to roll out those services. The sense in entrusting the building of crèches to developers, who may or may not then build them, in a housing sector already experiencing market failure, was raised. Several stakeholders recommended the purchasing of buildings or premises by the State which can then be leased to providers instead.

⁶ Ms Marian Quinn, the Association of Childhood Professionals, 7 November 2023.

The Committee heard from witnesses that the ECCE sector loses both buildings or rooms and trained staff to the primary school sector, via staff undertaking training in ECCE then becoming SNAs or by schools requiring more capacity for primary students having to close rooms previously operating as ECCE due to demographics and housing development. The flow of these resources from ECCE to primary education must be addressed.

The Committee recommends that:

11. The Department's early learning and childcare stakeholder forum should be revisited to ensure it is effective for planning for the sector and for solving problems collaboratively, whereby the Department, providers, parents and workers can really get into the detail of what is and isn't working and develop solutions.
12. The Government should publish a five-year plan for implementing additional investment in early years and school age care to reach €4 billion, which is approximately 1% of GDP, by early 2029, and for implementing the Partnership for the Public Good report's better data recommendations.
13. A system of national and local two-year and five-year planning cycles to ensure there are enough early years and school age care places in communities for children.
14. Census data should be used to a better degree for forecasting demand for early years and care.
15. An examination into the rule requiring developers to build crèches in new developments under certain circumstances should be conducted to address the following issues:
 - Developers excluding one and two bedroom apartments
 - Situations where the provision of a crèche is never made or made too late
 - Cases whereby the location and cost to purchase or lease that building is prohibitive, so providers cannot get finance
 - Whether entrusting the building of crèches to developers, in a housing sector already experiencing market failure is wise; and

- The potential need for local authorities to play a role in acquiring or building such premises instead.
16. The trend whereby ECCE rooms and staff are being diverted to primary schools should be investigated, mitigated and planned for.

5. Multiple agencies, inspections and reporting requirements

With increased public investment in ECCE there is a need for increased transparency in how public funding is allocated and utilised. An impasse of sorts between some stakeholders, who say there has been a lack of communication on these issues, and the Department, which says there has been clarity, was evident during the Committee's deliberations. While the importance of inspections is not disputed, many services find it difficult to work with multiple agencies as is required, some of which they say have conflicting requirements and findings. This 'administrative burden' was identified as another key driver of the exodus from the profession, albeit to a lesser degree than low wages.

The view was expressed that inspections can be administered inconsistently and matters that have passed in previous inspections can be found to be non-compliant in a subsequent inspection without any reasoning behind the changes. The marking of non-compliance can be harshly administered with trivial matters that are rectified before the inspector even leaves the premises being reported as non-compliant in the same way as a serious matter can be reported.

Witnesses called for streamlined inspection processes and a significant reduction in paperwork requirements, to enable providers to dedicate more time and energy to their primary role of nurturing and educating young children and to safeguard the viability of services along with the mental health of staff. As the Federation of Early Childhood Providers explained:

“The administrative burden placed upon providers has reached a breaking point, diverting their focus away from the children in their care. Excessive

paperwork and administrative pressures have left providers drowning in a sea of red tape...The constant scrutiny, financial uncertainty and administrative workload have left providers overwhelmed, stressed, and financially struggling.”⁷

In 2023 the Department introduced a core funding chart of accounts, as a trial balance mechanism and a way of meeting its requirements arising from the increased funding going to ECCE. Providers argued that this is adding to an already top-heavy administrative burden. The timing and requirements of that measure have led to concerns regarding the duplication and misalignment of financial accounts and the expense involved in providing them. The Department did ultimately engage with the existing stakeholder forum and make some concessions in terms of the specifics of that requirement, following a seeming initial impasse. A transitional arrangement for financial reporting was agreed. The aim of the trial chart of accounts is to understand the cost drivers in each of the different sizes and styles of service.

While the Committee empathises greatly with the sector in terms of its administrative burden, it respects that increased public funding requires transparency and accountability and that the data gathered will enable funding to be targeted more effectively, ultimately benefiting providers. One in three ECCE services are now fully funded by the State, with most others funded partially. The stakeholder advisory forum should be harnessed to create mutual understanding and agreed upon expectations, and to prevent impasses like those seen recently from occurring in the future. In addition, the Department informed the Committee that an advisory group is being established to work on an action plan for administrative and regulatory simplification.

The idea of a single agency for early years and school age children is supported by several key stakeholders in the sector. Such an agency could centralise data, planning and inspections, which would alleviate some of the issues around reporting and

⁷ Ms Elaine Dunne, the Federation of Early Childhood Providers, 7 November 2023.

inspection requirements discussed here. Furthermore, a single agency could reduce safeguarding risks, as compared to the current fragmented system of oversight.

Regardless of how the single agency concept develops over the near future, the administrative burden and duplicity of reporting requirements for operators must be addressed, inspections streamlined and made consistent, and an effective appeals mechanism made available where this does not occur.

The Committee was heartened to hear that an action plan for administrative and regulatory simplification was announced recently by the Minister to ease the administrative workload of providers. It will include a single parental contract and a universal fees list and will be informed by a new stakeholder advisory group and a number of regional consultations.

Inspections and inspectorate reporting must be transparent, measured and the criteria consistently applied, non-compliance should be foreseeable in all instances. The manner in which non-compliance is reported needs to be graded so that the seriousness or triviality of the non-compliance is clearly evident, e.g., non-compliance grade 1: *trivial and immediately rectified/rectifiable* through to grade 5: *serious breach*.

The Committee recommends that:

17. The administrative burden and duplicity of reporting requirements for operators must be addressed, inspections streamlined and made consistent, and an effective appeals mechanism made available where this does not occur.
18. The transition to a single agency for early years and school age children should be progressed as a priority.
19. Inspections and inspectorate reporting must be transparent, measured and the criteria consistently applied, non-compliance should be foreseeable in all instances. The manner in which non-compliance is reported needs to be graded so that the seriousness or triviality of the non-compliance is clearly

evident, e.g., non-compliance grade 1: *trivial and immediately rectified/rectifiable* through to grade 5: *serious breach*.

6. Recruitment and retention

The recruitment and retention of staff was identified by many as the number one challenge facing early years and school age care settings at present and low pay identified as the biggest contributing factor. This aligns with data provided by SIPTU as follows:

“The SIPTU early years staffing survey in 2022 showed that 88% of managers and owner managers reported that low pay was the biggest or a significant obstacle to recruiting new staff. Among non-managerial staff, 49% are looking for another job, with low pay being by far the biggest push factor. This has led to unacceptable levels of staff turnover, reaching an average of 38% per year in private full day services. While the first early years pay agreement saw significant pay increases for many employees, the current proposed minimum rate of pay for a qualified early years educator is €13.65 per hour, which is €1.15 below the living wage of €14.80 per hour. Simply put, educators cannot afford to stay in their profession. Without continued improvements in pay, that recognise qualifications and experience, the staffing crisis will continue.”⁸

A contributing factor is the tendency for graduates to use the sector as a steppingstone to other career paths. This leaves providers in a constant state of flux, the Committee heard, struggling to attract and retain qualified staff. Wages must rise to combat this, but work on a new employment regulation order (ERO) is moving at far too slow a pace. In addition to poor wages, lack of paid non-contact time, increased paperwork,

⁸ Mr Darragh O'Connor, SIPTU, 7 November 2023.

increased parental expectations, and increased numbers of children with complex needs were identified as challenges to recruitment and retention.

The effectiveness of other measures to increase provision of ECCE can be seriously impeded by recruitment and retention challenges, the Committee heard. Capital grants, for instance, often cannot be utilised for new buildings if there are no personnel to staff them or if expanding means losing staff from existing services.

Moving towards a full public model of ECCE provision was cited as one way to resolve issues around pay, recruitment and retention. This is discussed further in section ten on Public Provision of ECCE. In the meantime, operating within the current landscape of mixed models, policymakers must ask, given record investment in the sector, why do wages, recruitment and retention not seem to be significantly improving?

The Department informed the Committee that the agreement of ERO resulted in improved pay for an estimated 73% of those working in the sector. The Committee commends all those involved in that progress. However, many had hoped that an improved ERO would be delivered this year and that additional funding would be invested to meet it. However, this has not happened and while the educators need this pay increase, the Committee heard that many employers are dreading it, as it will further challenge their viability.

On the other hand, the Committee heard compelling evidence of the impact low wages have on workers in the sector, including preventing them from seeking mortgages and car loans or planning their own families and, in some cases, experiencing homelessness. These are significant push factors in an industry already severely affected by recruitment and retention issues, so low pay must be urgently addressed. One witness, who had upskilled specifically to work in the sector, told the Committee:

“Many early years educators are living pay cheque to pay cheque and this is having a very negative impact on their lives and mental health... Most cannot get a mortgage or car loan. They have difficulty paying bills, including the cost of childcare for their own children... Any unexpected expense is a big issue. If your car breaks down or you need a new washing machine, there can be

massive problems and you worry about where the money is going to come from. This is why educators are having to make very hard decisions about the future and whether they can afford to stay working in the sector. So many skilled and experienced educators are voting with their feet and leaving for better paid jobs. We love our work, but love does not pay the bills. Things need to change. We need recognition, respect and better pay.”⁹

On why retention is important along with recruitment, Early Childhood Ireland added:

“I also want to remind us why we need to retain staff. The central characteristic of good early years practice is the relationship between the educator and the children in a setting. A high turnover, as described ... does not deliver good quality for children. A good model, such as the Nordic model spoken about ... guarantees access, the quality is consistent and the staff’s terms and conditions of employment are similar across the entire education spectrum.”¹⁰

Despite the acknowledged importance of continuity of care for children, and the detrimental effect of high staff turnover, current frameworks within the sector can actually impede recruitment and retention, the Committee heard. The Federation of Early Childhood Providers explained some of the ways in which the rates and requirements associated with funding schemes, combined with the many other factors involved in the operation of a service, affect staff turnover. Factors such as the amount of income received under ECCE schemes, the failure of this to keep pace with costs and inflation, whether a service signs up to the higher capitation programme support payment or not, the variation in cost bases geographically and the challenges involved when a particular service has more diverse children in its care were discussed. Some stakeholders see increased capitation of ECCE, as key to addressing these issues, in addition to core funding.

⁹ Ms Avril Green, SIPTU, 7 November 2023.

¹⁰ Ms Teresa Heeney, Early Childhood Ireland, 7 November 2023.

The Committee recommends that:

20. An improved employment regulation order should be delivered urgently to address low pay and additional funding should be invested to help providers who need assistance to meet it.
21. Further increased capitation rates should be considered.

7. Closures and the sustainability fund

The Department informed the Committee that the latest data from Tusla's register shows closures of early learning and care services nationally is at a five-year low, and the overall number of early learning and care and stand-alone school-age childcare services is now increasing, with 113 more new services, net, to date this year. Other stakeholders said many operators are on the cusp of closures and said not enough is being done to prevent or analyse them. Given the anecdotal evidence of imminent closures, along with the complex mix of funding and models of provision at play, studying closures on a case-by-case basis and taking all steps necessary to prevent further providers from leaving seems advisable. Early Childhood Ireland proposed the establishment of a response team to undertake that work and have provided a [submission on that proposal](#). The Committee supports this recommendation.

The sustainability fund is a fund designed to assist providers with viability concerns. Just two services had received funding from it for the year to November 2023. Stakeholders attributed the low take up of that support mechanism to practical and reputational damage from applying, with operators saying that availing of it could seriously hamper their ability to get a loan or mortgage. The paperwork involved was cited as another barrier to applying, as well as the case management process associated with the fund which was described as inappropriate. Stakeholders told the Committee they have relayed these issues to the Minister and are hoping the fund can be rebranded and made much more accessible.

The Committee recommends that:

22. A response team should be established to forecast potential closures of ECCE settings, prevent them where possible, and manage setting closures, when they are unavoidable, in line with children's best interests.
23. The issues raised by stakeholders in relation to the sustainability fund should be addressed and more accessible supports made available through it, free from reputational damage with financial institutions.

8. Supports for marginalised/disadvantaged children

Given that addressing marginalisation and disadvantage is a priority area for the Department, it is worth exploring some of the key challenges involved, as described by witnesses:

“Funding constraints, staffing issues, and long waiting times for assessments hinder our ability to provide inclusive and comprehensive care to all children. It is imperative that we allocate the necessary resources to ensure that every child, regardless of their needs, receives the support and care they deserve.”¹¹

“In my service 25 years ago, we had a lot more interaction with our early intervention services. I could make a phone call and have support for that child in a matter of weeks. We now have no liaison at all with the early intervention teams. Our staff may be level 5, supporting our children on AIM, and some do not have the experience or expertise to support some of these children who are very high on the spectrum. We are doing the best we can.”¹²

“The delay in implementing required supports for children from disadvantaged and marginalised families and communities is disturbing. The €4.5 million

¹¹ Ms Elaine Dunne, the Federation of Early Childhood Providers, 7 November 2023.

¹² Ms Sonya Duggan, the Federation of Early Childhood Providers, 7 November 2023.

announced for September 24 is insufficient to even make a dent in terms of the supports required... There is concern about services risk rating families and prioritising safe families who are likely to comply with the rules and are able pay increased fees where funding is reduced or removed due to rule requirements.”¹³

There is a consensus that real strides can be made in combatting disadvantage and marginalisation by investing in early years, and while universal schemes are essential, targeted measures, and the design of those measures, are also important. Traveller and Roma families and one-parent families were cited as some examples of where measures need to be carefully designed to be truly accessible for those families. Barriers around IT literacy and getting online to access information about where a childcare place is, as well as the actual experience in or sense of belonging in an ECCE setting is for those families, need to be considered as part of the planned new equal-participation model that will be rolled out to maximise participation and inclusion of disadvantaged children.

The importance of increasing the availability of wraparound services for families facing challenges was emphasised, such as additional supports for parents. This form of integrated care and education is something the Committee has been consistently advocating for and something that international best practice has shown works in combatting disadvantage and marginalisation. On this, the Children's Rights Alliance commented:

“It is about supporting those parents through challenging circumstances, such as poor parental mental health, addiction issues and so on, and recognising not just this support for the individual child participating in the service but also what the family needs. I was struck by something one of the participants at our End

¹³ Ms Marian Quinn, the Association of Childhood Professionals, 7 November 2023.

Child Poverty week, which is one of our events, said. You do not age out of poverty but the early years are the time to start trying to break that cycle.”¹⁴

The Children’s Rights Alliance also flagged that while the Pobal deprivation map is a good tool for understanding where the pockets of disadvantage are, there is considerable disadvantage in non-DEIS schools as well, so it is critical that geography alone does not determine investment through the equal participation model.

While the progress made through the access and inclusion model, [AIM](#), in supporting children with a disability to participate in ECCE is positive, stakeholders asked that it be extended for all ages and all hours of care, and not just 38 weeks of the year. However, they also highlighted that supports offered under some levels of the AIM model will not be achievable, despite investment in the AIM in budget 2024, as it falls short in terms of availability and access to professional supports and personnel. So, addressing that will be key to actualising AIM. This mirrors testimony the Committee has heard over the last number of years about the failure to staff Children’s Disability Network Teams having severe impacts on children across a range of settings. The Department told the Committee that €14 million was secured in budget 2024 for AIM, with options for funding to be used both in term time and outside it for some cohorts.

The Committee recommends that:

24. The planned new equal-participation model that will be rolled out to maximise participation and inclusion of disadvantaged children in ECCE settings should be designed with careful consideration of the challenges faced by target groups and should include engagement with those groups.
25. Substantial further investment, that is not delayed, but immediately available, should be made in the equal participation model in next year’s budget.
26. Further roll out of and investment in wraparound services, including supports for parents, should be a key part of the new equal-participation model.

¹⁴ Dr Naomi Feely, Children’s Rights Alliance, 7 November 2023.

27. Geography alone should not determine investment through the equal participation model.
28. AIM should be extended for all ages and all hours of care, and not just 38 weeks of the year.
29. The lack of professional supports, and personnel needed to make the expansion of AIM a reality must be addressed.

9. ECCE staff as experts and educators

The Committee heard multiple examples of situations whereby some in the ECCE sector felt they were being ignored and others felt where engagement did happen, it was not done in a meaningful manner. This culminated in large scale protests in September 2023.¹⁵ Witnesses said that valuable feedback from those operating services and working in the sector, who should be considered experts and educators, about the design and workability of measures is being disregarded.

Witnesses also highlighted that early years services are subject to Department of Education inspections, yet had the word “education” removed from their titles, which they said was done with zero consultation, with some speculating that such a move was intended to ‘keep the bar low’ with regard to funding. Furthermore, it was flagged that they are required to pay rates, despite being defined in law as educational facilities, which should be exempt from rates. This is a good illustration of the way piecemeal public investment in the sector has led to a complex hybrid or mixed model of provision, and by the same token creates confusion of who is what, where, within the system.

The Committee recommends that:

¹⁵ <https://www.irishtimes.com/ireland/social-affairs/2023/09/25/oireachtas-creche-among-those-to-close-on-tuesday-in-protest-over-funding/>

30. Those working in the ECCE sector should be listened to as experts and educators and their experience and input should feed into making measures affecting settings workable.
31. The staff working in ECCE should have the word 'educator' returned to their title to reflect the important educational aspect of their roles.
32. Consideration should be given to making ECCE settings exempt from paying rates.

10. Public Provision of ECCE

The terms of reference of [Partnership for the Public Good: A New Funding Model for Early Learning and Care and School-Age Childcare](#) asked it to “seek to further achieve policy objectives of quality, affordability, accessibility and contributing to addressing disadvantage in a privately-operated market through increased public funding and public management”, leaving no scope for questions to be asked about whether actual direct public provision of ECCE could better achieve the stated policy objectives. Despite that, its authors included a section on actual public provision, observed that many consider its exclusion from the discussion a ‘fundamental flaw’, and highlighted the importance of ECCE being delivered as a public good, stating “in many countries, this involves the use of public provision; this is not the case in Ireland, and our Terms of Reference rule out our recommending a wholesale change in the Irish system.”

Government has strived to improve ECCE by increasing public funding and public management of the existing marketised system rather than through public provision. Ireland is very unusual, and certainly an outlier in a European context, in that there is essentially no direct public provision of ECCE.

Both public and expert opinion have, in recent years, shown a preference for public provision of ECCE, over and above private provision. One recent illustration of this came via the [Citizens' Assembly on Gender Equality](#), which made the following recommendations in relation to childcare:

- Move to a publicly funded, accessible and regulated model of childcare over the next decade.
- Increase the State share of GDP spent on childcare, from the current 0.37% of GDP to at least 1% by no later than 2030.
- Paid leave for parents should cover the first year of a child's life, be non-transferable, provide lone parents with the same total leave period as a couple and be incentivised by increasing payment levels to encourage increased take up.

The privatisation or commercialisation of care, versus its status as a right and a public good, has been a prominent feature of public policy debate across jurisdictions and in relation to various groups requiring care, such as children, the elderly, those with disabilities, or those seeking asylum. There has been an acknowledgement that leaving the provision of care to the market has risks that can compromise rights and the public good. On the other hand, where the State intervenes in the lives of children or other groups in need of care, there is a recognition that clear standards and objectives must be met.

In the Irish context, discussions on public versus private provision are complicated by the wide range of models in Ireland, by historical underinvestment, and by the piecemeal nature of investment in the sector. The system is currently a hybrid, with public management and funding a feature, but the majority of operators being private commercial enterprises. Transitioning towards the much-lauded concept of public provision, as opposed to solely increasing public funding and management, against this backdrop is a challenge. Several witnesses acknowledged this, with some examples as follows:

“One of the key challenges is that we are coming from a base of a marketised mixed model approach to delivering childcare.”¹⁶

¹⁶ Dr Naomi Feely, the Children's Rights Alliance, 7 November 2023.

“If we were setting up early years care and education tomorrow, we would not end up with the system we have now.”¹⁷

Recognising ECCE as a right and a public good and enforcing the accountability measures that requires, while bringing along private operators and recognising their expertise and their rights is a huge policy challenge. Understandably, witnesses diverged on the best way forward, with those concerned primarily with parents and children’s rights and best interests eager to deepen the public elements of the system, and those with a business focus making the case that the commercial elements of the system are fine, but that it should still receive more public investment.

Nationalising the workforce is one potentially transformative lever within a transition towards a more public model. Doing so may offer a way to address pay issues and move away from the complex, mainly market driven ECCE landscape we have today towards a fuller system of public provision. SIPTU said that it has previously advocated for something in this vein. Looking to other areas of education could be instructive. On this, the Association of Childhood Professionals told the Committee:

“On model provision, we said for years that we need to consider what is happening in the other areas of education. If you want to have core staff, you need to be considering the possibility of the Government paying the staff, as is the case for primary schools. That would guarantee, tie in and ring-fence finance. We would be able to tie it in with a pay scale, maternity leave, sick pay and all of that sort of stuff. The staff, the educators, would then feel valued.”¹⁸

The Committee recommends that:

33. The Department should carry out or commission research on the impacts, benefits and disadvantages of Government paying ECCE staff, as is the case with primary and secondary education. This research should examine how

¹⁷ Ms Frances Byrne, Early Childhood Ireland, 7 November 2023.

¹⁸ Ms Marian Quinn, The Association of Childhood Professionals, 7 November 2023.

moving towards actual public provision of ECCE, as opposed to public funding and management of a mainly commercial system, might work to the benefit and/or detriment of children, parents, workers and the economy.

APPENDIX 1 - Transcripts

[7 November 2023](#)

[14 November 2023](#)

APPENDIX 2 - Submissions

[Early Childhood Ireland](#)

[Association of Childhood Professionals – submission 1](#)

[Association of Childhood Professionals – submission 2](#)

[Association of Childhood Professionals – submission 3](#)

[Association of Childhood Professionals – submission 4](#)

[Federation of Early Childhood Providers – submission 1](#)

[Federation of Early Childhood Providers – submission 2](#)

[SIPTU – submission 1](#)

[SIPTU – submission 2](#)

[National Childhood Network](#)

APPENDIX 3 - Terms of Reference for Committees

This report is produced by the Joint Committee Children, Equality, Disability, Integration and Youth under its Terms of Reference ([available here](#)) as agreed by Dáil and Seanad Éireann. Any Conclusions or Recommendations arrived at have been agreed by the Committee. They do not represent the views of either House of the Oireachtas unless these have formally endorsed the report. It is important to note that the report is the agreed collective view of members of the Committee. However, individual members may not agree with all Conclusions or Recommendations arrived at.

Houses of the Oireachtas

Leinster House

Kildare Street

Dublin 2

D02 XR20

www.oireachtas.ie

Tel: +353 (0)1 6183000

Twitter: @OireachtasNews

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