

SIPTU Submission to the Joint Committee on Gender Equality

2nd June 2022

Chairperson and members of the committee, thank you for inviting SIPTU to discuss the recommendations of the Citizens Assembly.

My name is Darragh O'Connor, Head of Strategic Organising and Campaigning with SIPTU.

SIPTU is the union for Early Years Professionals and represents approximately 6,000 Educators, Lead Educators and Managers working in community and private services throughout Ireland.

Firstly, I would like to welcome the Citizens Assembly's recommendations in relation to Early Childhood Education and Care (ECEC). Specifically increasing state spending to 1% in order to "move to a publicly funded, accessible and regulated model of quality" with professional pay and conditions for workers.

Currently, Ireland's ECEC system is marked by high fees for parents and low pay for workers. This is due to (1) low level of state funding, and (2) a market-based approach of delivery.

The key challenge for the state is to reform the ECEC funding model so that increased government funding can achieve the policy objectives of quality (better pay), affordability, and accessibility.

The introduction of Core Funding from September 2022 is a significant development. It will address key structural issues and lay the foundation for further investment and reform.

Quality Jobs, Quality Care

High quality ECEC can have a positive impact on children's educational, cognitive, behavioural, and social outcomes. However, high staff turnover undermines these benefits and is associated with lower quality service and poorer child outcomes¹.

High staff turnover is driven by low pay in Ireland².

A qualified Early Years Educator (QQI Level 5) earns just €11.57 per hour on average. A graduate Lead Educator (QQI Level 8) earns just €13.21 per hour on average³.

Research shows that 45% of Early Years Professionals are actively seeking work in another employment, with low pay identified as by far the biggest push factor⁴.

¹ OECD Encouraging Quality in Early Childhood Education and Care (ECEC)

² Staff turnover is 19% on average per year across the sector but climbs to 40% on average in full day services

³ POBAL (2022) Annual EARLY YEARS SECTOR PROFILE Report 2020/2021

⁴ SIPTU Annual Early Years Professionals Survey 2021/2022

Low pay has also resulted in a staffing crisis for service providers, 91% of whom indicating that they were concerned that problems with recruiting and retaining staff will negatively impact the viability of their service⁵.

Simply put, low pay is undermining quality for children, the sustainability of services and leaving thousands, of mostly women workers, in poverty.

Affordability

Parents in Ireland pay some of the highest fees in the European Union.

Not only do high fees block women's participation in all sectors of society, but they also undermine children's rights to access ECEC.

A report by Frontier Economics⁶ found that free ECEC has a positive, sometimes substantial, impact on women's labour force participation, employment, and increased hours. This is consistent with findings by other bodies, including the EU Commission and OECD.

According to the EU Commission "average monthly fees are the highest in the countries which rely on market mechanisms to supply ECEC"⁷.

A Failed Market System

Ireland relies on market mechanisms to supply ECEC. Each provider must raise enough revenue, primarily from parents, to at cover expenditure and profit / surplus. This pits the goals of affordability and quality (professionalised wages) against each other.

- If a provider wishes to attract qualified staff, and pay professional salaries, they will need to raise fees – undermining affordability
- If a provider wishes to reduce fees to enhance affordability, they will need to reduce expenditure. As wages make up 70% of expenditure, this means constraining or reducing wages and working conditions – undermining professionalisation

The current market model of funding puts providers in an impossible situation as they cannot provide both affordability and professional salaries. This impacts negatively on the quality of care for children.

⁵ Early Childhood Ireland (2021) Staffing Survey

⁶ Frontier Economics (2020) Early Learning and Care and School-Age Childcare Towards a New Funding Model Working Paper 2

⁷ EU Commission (2019) Key Data on Early Childhood 2019 Edition, Eurydice Report

Core Funding & The Future

In September 2022, a new supply-side 'Core Funding' scheme will be introduced with €172 million of new state investment.

Core Funding will allow government to effectively target state spending on quality and affordability.

For example, a pay agreement is currently being negotiated at the Early Years Joint Labour Committee which will set legally binding rates of pay. This process will ensure that increased funding for pay will end up in workers' pockets, addressing the issue of high staff turnover. Access to Core Funding is also dependent on providers agreeing to a fee freeze.

SIPTU welcomes the Government's acceptance that it must play a role in the promotion of professional level pay in ECEC. Indeed, SIPTU advocates that government take an additional step by assuming full responsibility for employee compensation. This would allow for an approximate 70% reduction in parental fees while ensuring the professionalisation of the sector.

In conclusion a public service model of ECEC should place the rights of children and the needs of families at its heart. We must also recognise the essential contribution of all Early Years Professionals and providers to the provision of high-quality services that are accessible and affordable.