



Budget 2018
Pre-Budget Submission

August 2017

Introduction and overview

EarlyImpact welcomes the opportunity to make a Pre-Budget Submission to the government in relation to Budget 2018.

IMPACT Trade Union has established a branch for early education professionals and their campaign for professionalisation; EarlyImpact.

Our goal is to see increased public investment in early education, together with the professionalisation of the early education workforce in Ireland. Our advocacy in this area is grounded in children's rights, and our policy approach is from the perspective of improving quality and ultimately outcomes for children.

We would welcome the opportunity to meet with Minister for Children and Youth Affairs, the Minister for Finance, Public Expenditure and Reform and other members of Government to discuss Budget 2018.

Summary of Recommendations

Increased investment

Increase investment in early care and education to OECD average levels within 5 years, meeting the UNICEF 1% target within 10 years.

Valuing our young children

Implement the Programme for Government commitment to review and reform the inspection regime and withdraw funding from providers that do not meet quality standards.

Implement the Budget 2016 commitment to a quality audit of early years education services.

Develop and implement agreed pay scales for early years teachers.

Allowing parents to care for their babies

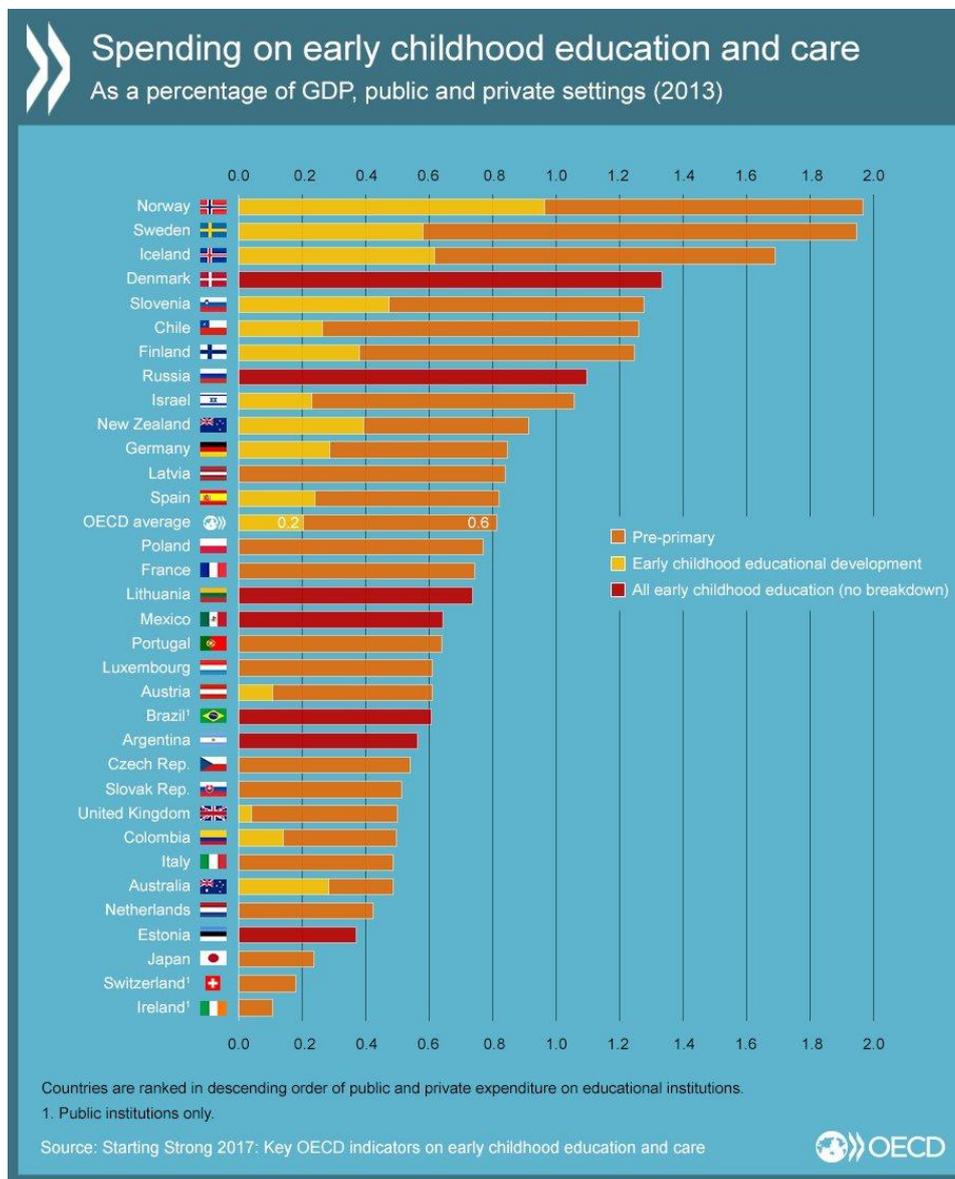
Introduce 2 months paid parental leave.

Additional full year costs would amount to **€209m** in 2018.

- Investment in early education services €125m;
- Paid parental leave €84m.

Significantly increased investment in early years needed

Ireland invests scandalously little in early care and education. A recently released report from the OECD illustrates that Ireland is at the very bottom of the scale, spending about 0.1% on early care and education.



This lack of significant investment has resulted in high costs to parents and low wages for workers. Irish parents pay some of the highest childcare costs in the world while most of those working within early education don't even earn a living wage, with many forced to sign-on for the summer. In that context the recent increases in investment, particularly those announced in Budgets 2017 and 2016, are welcome. Nonetheless, it is clear we need to invest a lot more.

Recommendation 1:

Increase investment in early care and education to OECD average levels within 5 years, and meeting the UNICEF 1% target within 10 years.

This would entail an increase of approximately €125m each year, over the next 5 years (if GDP increases over the next 5 years, the net amount will increase).

Full year cost 2018: **c. €125m**

Full year cost 2022 (at current GDP level): **c. €625m**

However, it is important that we don't just pour money in – we need to spend the money well, and wisely.

Quality Early Years education

“Affordability is one step. Of course we must also continue to focus on quality. In order to ensure quality child care, we must ensure that it is a sector where dedication, qualifications and skills are recognised and rewarded.”

Minister for Children and Youth Affairs, Dáil Debates, 05/07/2017 (Emphasis added)

Valuing our children

While it is clear quality early years education benefits children and society; it is also clear that poor quality early years education can harm children (OECD, 2012, Start Strong, 2014 and many others).

Unlike other countries (Netherlands, for example) we do not yet have a national audit of the quality of services. Budget 2016 contained a commitment to do so, but it has yet to happen.

The quality of early education in Ireland is very variable, and may be quite poor. The best way to assess quality of early education services is for a qualified and experienced early education expert to observe practice within services. A recent research study in 26 settings found worrying results. Across the 4 dimensions of curriculum quality in the ECERS/E rating scale practice in relation to literacy and maths was found to be “minimal”, and inadequate in relation to science, environment and diversity (Neylon, 2014). Other worrying results were found in the Tusla commissioned analysis of all inspection reports between 2012 and mid-2013 when less than ¼ of services were compliant with all the regulations assessed (Hanafin, 2014).

The Programme for Government gave a commitment to “Review and reform the inspection regime, and withdraw funding from providers that do not meet quality standards” (Government of Ireland, 2015: 76). Yet, we still retain split inspection systems, without a mechanism to automatically withdraw public funding from services that do not meet minimum quality standards.

Recommendation 2:

Implement the Programme for Government commitment to review and reform the inspection regime and withdraw funding from providers that do not meet quality standards.

Additional costs: **€1m** (estimate)

This cost would be included in the additional increased investment, outlined in Recommendation 1.

Estimate based on the Inter-Departmental Group report costing of enhancing the existing inspection processes at €750k.

EarlyImpact very much welcome the recent announcement that the Review of the Cost of Providing Quality Childcare is to commence shortly and to be completed within 10 months (DCYA, Press Release 04/08/2017). We particularly welcome that the review is to explore “*the potential impact of increased professionalisation*” (ibid). We also particularly welcome the statement that the review will “*...help address the genuine concerns over pay and conditions in the sector*” (ibid).

It is critical that the cost of professionalisation is incorporated into the review. Professionalisation is not simply increasing the level and extent of qualifications, it is also looking at ensuring professional salaries are paid relative to the qualifications, experience and responsibilities of early years teachers.

It is also important that the review of costs is conducted in tandem with a quality audit, as a quality audit would provide a baseline assessment of the quality of early years education in Ireland.

Recommendation 3:

Immediately implement the Budget 2016 commitment to a quality audit of early years education services.

Initial cost: **€50,000** development of audit tool.

Cost every 3 years: **€400,000**

Source: Report of Interdepartmental Working Group: Future Investment in Childcare in Ireland.

However, as this commitment was made in Budget 2016, it should not entail any ‘new’ expenditure.

Move towards a graduate led workforce...

The OECD has stated that “*It is now widely accepted that within ECEC settings, teachers- and pedagogies are the most important factors that influence child well-being, development and learning*” and that “*Evidence from the literature shows staff initial training level and duration are positively associated with the overall quality of ECEC*” (OECD, 2017: 88).

The simplest way to examine the level and duration of training within early years in Ireland, is to look at the number of graduates working in early years services. The most recent figures available show that 18% of early years staff are qualified to degree level or above – while this is a welcome increase on previous years, it is significantly less than the 60% recommended in the EU commissioned CoRe report. Worryingly, there are still 12% of the early years workforce with no qualification in early education (Pobal, 2016)

...with agreed salary scales for early years teachers

Hand in hand with the low qualifications, are low pay levels. Research by Early Childhood Ireland showed that average staff pay amounted to €10.27 an hour, with a €1 premium for graduates (Early Childhood Ireland, 2016).

Ireland's workforce, as it currently stands, is poorly qualified, poorly paid, with poor working conditions. It is inevitable poor quality early education is provided to some children. Budget 2018 can change that.

The OECD, in their recent report outlined that the quality of early education can be improved by, amongst other things competitive wages and other benefits (OECD, 2017: 89).

If the government is serious about providing quality early years education, the level of graduates needs to significantly increase and the pay and working conditions, across all levels of qualifications, need to improve.

It's very simple, if we value our young children, we need to value those who teach and care for our young children.

A new approach is needed.

"In terms of pay and conditions, new approaches need to be explored. The Government is not the employer in the child care sector. However, to me, it is unacceptable that as a Government we would be oblivious to the needs of people who provide such a vital service to children, parents and families."

"As the main funder of child care, my Department together with the Department of Public Expenditure and Reform would have a significant interest."

Minister for Children and Youth Affairs, Dáil Debates, 05/07/2017

In line with the recommendations of the Expert Advisory Group Report *Right from the Start* Budget 2018 should move to a graduate led workforce, and support professionalisation through higher wages and an agreed salary scale as a condition of public funding.

Simply providing higher capitation for higher qualifications doesn't work – Early Childhood Ireland, who represent early years services, have themselves recognised that increased capitation is not the solution to low pay as there is no guarantee it would be passed on in wages (Early Childhood Ireland, undated).

International research has shown the clear link between salary and working conditions of early years teachers, and the quality of early education experienced by children (Children in Scotland, 2010; Penn, 2012 amongst others). Indeed, the OECD have gone so far as saying "*In order to enhance the status and quality of early childhood work, governments may wish to consider introducing equal working conditions (salaries, benefits and professional development opportunities) for equivalent qualifications across the early childhood and primary education fields.*" (OECD, 2012a).

The Minister herself has recognised that a new approach is needed. EarlyImpact very much welcome her commitment to make a submission, in the event of a sectoral employment order being sought (Dáil debates, 05/07/2017) as well as her recognition that the government have a significant interest in the salaries and working conditions of early years teachers.

However, it is not necessary for the Minister to await the State's industrial relations mechanism – she could pre-empt this process and engage in negotiations with unions and employer representatives now, and seek to achieve agreed salary scales.

This could be done, in conjunction with the review of the cost of quality childcare and the national quality audit. Once agreed salary scales are in place; public funding should then be conditional on, and linked to, agreed salary scales for early years teachers.

Recommendation 4:

Develop and implement agreed pay scales for early years teachers.

Agreed pay scales should be reached following engagement and negotiations with union and employer representatives – pay scales should be related to qualifications, experience and expertise.

Public funding should be conditional on, and linked to, agreed salary scales.

As part of a condition of funding, parental fees should be capped, ensuring increased affordability for parents.

As government investment increases, parental contribution should decrease and become an income related contribution.

Estimated cost: **Unknown**

Costs involved would be dependent on the agreed salary scales.

The Inter-Departmental Group consultation document, based on costings completed by Start Strong, estimated the cost of professional salaries at **€274m**. This was based on parity with primary teachers for graduate early years teachers.

However, the increased investment over 10 years, as per Recommendation 1, would include the costs of professional salaries.

Babies at home – paid parental leave.

While international research is clear about the benefits of quality early education, it is also clear that very young children do better when cared for at home.

Government policy commitments (Programme for Government, InterDepartmental Group Report) are in line with significant research that shows babies do best when cared for at home, until their 1st birthday. And yet, despite a Programme for Government commitment, paid parental leave has not been extended beyond existing maternity and paternity leave provision.

Budget 2018 should see the introduction of paid parental leave – to be taken by either parent – with a view to moving towards paid parental leave enabling parents to remain at home for the first year of their life. While parental leave should be available to either parent, a portion should be reserved for both parents, to ensure both mothers and fathers can spend some of those critical early months with their babies.

Recommendation 5:

Introduce 2 months paid parental leave

Full year cost: **€84m**

Source: Inter-Departmental Working Group Report.

Future Options

The then Minister for Children and Youth Affairs Frances Fitzgerald TD, announced in January 2012 that Ireland would have its first National Early Years Strategy by the end of the year. Almost 5 years later, it has not yet happened.

Much of the recent policy developments have happened on an ad-hoc basis, without an underpinning vision or strategy. A National Early Years Strategy should be developed, as a matter of urgency.

Recommendation 6: Develop a National Early Years Strategy.

Cost: **€0**

Costings

A note on our costings:

All proposed costs for improved quality in early years education services are within Recommendation 1: Increase investment in early care and education to OECD average levels within 5 years, meeting the UNICEF 1% target within 10 years.

This would entail an increase of approximately €125m each year, over the next 5 years (if GDP increases over the next 5 years, the net amount will increase).

Full year cost 2018: c. €125m

Full year cost 2022 (at current GDP level): €625m

Costing is based on the following data:

GDP in 2016 amounted to €275,567m (Source: CSO)

Current expenditure on early years €466m (Source: Department of Children and Youth Affairs)

OECD average investment in early education: 0.8%

Paid parental leave would be a further additional cost of €84m.

References

- Children in Scotland, (2010) *Working for inclusion: an overview of European early years services and their workforce*, Children in Scotland, Edinburgh
- Department of Children and Youth Affairs, (2013) *Right from the Start – Report of the Expert Advisory Group on the Early Years Strategy* Minister for Children and Youth Affairs, Dublin.
- Department of Children and Youth Affairs, (2015) *Future Investment in Early Years and School Age Care and Education Report on Open Policy Debate*
- Department of Children and Youth Affairs, (2015) *Report of Inter-Departmental Working Group: Future Investment in Childcare in Ireland* Government of Ireland, Dublin.
- Early Childhood Ireland, (2016) *Pay Rates in the Irish Early Childhood Care and Education Sector* Early Childhood Ireland, Dublin.
- Early Childhood Ireland, (Undated) *Early Childhood Ireland Low Pay Commission Submission* Early Childhood Ireland, Dublin.
- Government of Ireland, (2016) *Programme for a Partnership Government* Department of An Taoiseach, Dublin.
- Hanafin, S., (2014) *Report on the Quality of Pre-School Services: Analysis of Pre-School Inspection Reports*, TUSLA, Dublin.
- Neylon, G. (2014) 'An analysis of Irish pre-school practice and pedagogy using the early childhood environmental four curricular subscales', in *Irish Educational Studies*, vol.33, issue 1.
- OECD (2012) *Starting Strong III - A Quality Toolbox for Early Childhood Education and Care*, OECD, Paris.
- OECD (2012a) *Research Brief: Working Conditions Matter – Starting Strong III*, OECD, Paris
- OECD (2013) *Education Indicators Focus*, OECD, Paris
- OECD (2016) *Education at a Glance 2016: OECD Indicators* OECD, Paris
- OECD (2017) *Starting Strong 2017: Key OECD Indicators on Early Childhood Education and Care*, OECD Publishing, Paris
- Penn, H. (2009) *EARLY CHILDHOOD EDUCATION AND CARE key lessons from research for policy makers, An independent report submitted to the European Commission by the NESSE networks of experts* European Commission, Brussels
- Pobal (2016) *Early Years Sector Profile 2015 - 2016*
- Start Strong (2014) '*Childcare*' – *Business or Profession?* Start Strong, Dublin.
- University of East London, Cass School of Education and University of Ghent, Department for Social Welfare Studies (2011) *CoRe Competence Requirements in Early Childhood Education and Care* London: University of East London and Ghent: University of Ghent