

# A Year of Significant and Progressive Change

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In this article, Minister O’Gorman describes the significant developments that took place in early childhood education and care in Ireland in 2022 from the government’s perspective, including major programmes and a new funding model. The article also outlines the reforms taking place that will continue in the years ahead.

In future years, I believe that 2022 will be recognised as a year of significant and progressive change in the area of early learning and childcare.

From low pay and issues with staff recruitment and retention, and the implications of this for children’s experiences, to high out-of-pocket costs for families and historical levels of underinvestment by the State, there has been long-standing recognition of the challenges in early learning and childcare. That is why the government has committed to addressing each of these challenges, and 2022 was a year when we delivered real, substantive, and sustained change.

In early September, the Labour Court and the Minister of State for Business, Employment and Retail signed off on two Employment Regulation Orders (EROs) for the early learning and childcare sector. Negotiated by employers and unions, these EROs set out – for the first time – minimum hourly rates of pay for various roles in the sector, including higher minimum rates for lead educators and managers who are graduates.

Later that month, I launched Together for Better, a new funding model for early learning and childcare. Together for Better brings together three major programmes, the Early Childhood Care and Education (ECCE) programme, including the Access and Inclusion Model (AIM), the National Childcare Scheme (NCS), and the new Core Funding scheme. A fourth programme, Tackling Disadvantage, is in development.

Importantly, this funding model recognises early learning and childcare as a public good, one which demands more investment and involvement by the State and a closer working partnership between the State and providers – with new responsibilities on both sides. This recognition of early learning and childcare as a public good is central to these reforms.

Core Funding, which has since delivered significant increases in funding to services around the country and supported pay increases



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for more than 70% of staff as well as a fee freeze for families, received the strong backing of the sector, with more than 94% of eligible services signing up.

Shortly after the launch of Together for Better, the government announced that as part of Budget 2023, State investment in early learning and childcare would exceed €1 billion. This is five years ahead of the target date set out in 2018 by the *First 5* strategy.

This includes a €346 million increase in 2022 investment levels alone, a substantial increase which will bring real benefits for children and their families. We are increasing investment into the National Childcare Scheme by €121 million, so all families accessing registered early learning and childcare will receive a minimum hourly NCS subsidy of €1.40 off the cost of early learning and childcare. With the current minimum hourly NCS subsidy set at €0.50 per hour, this represents an additional €0.90 per hour off the cost of early learning and childcare.

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From 2 January 2023, any family who is not already at the maximum hourly subsidy under NCS will see an increase in their subsidy. For those who receive a subsidy based on an income-assessed subsidy, the amount of the increase will taper down as they approach the maximum hourly subsidy rate. This means that parents will see their fees reduce by an average of €1,200 per child per year, up to a maximum of €2,100 per child per year. In the context of a fee freeze in place across 94% of services – secured through Core Funding – this means real reductions to families' out-of-pocket costs.

I recognise that there are various arrangements for early learning and childcare happening across the country, with many families opting for childminding services instead of centre-based provision. That is why, under the National Action Plan for Childminding, which I launched in 2021, I plan to expand supports further for families by bringing childminders into the scope of regulation and the National Childcare Scheme. This major reform will help support childminders, safeguard children, and ensure that families using childminders can also benefit from the government's efforts to reduce the cost of early learning and childcare.

We also need to make sure that every child who needs an early learning and childcare place can get one. I know that parents, particularly new parents, in some parts of the country have found it challenging to find available places for their children. This is something that, as Minister, I am determined to address.

In 2022, we ensured that the new funding stream for early learning and childcare providers, Core Funding, incentivised services to expand. We are already seeing the benefits of this, with the number of child place hours available increasing, particularly in areas and for cohorts where they were an undersupply. Core Funding of €259m is a significant new injection of

funding into the sector, and there is an 11% increase of €28m in the budget for year two of the scheme. Next year the increased Core Funding will allow for further developments and enhancements to the scheme to support services.

For the next year, we intend to continue with reform. January 2023 will see the increase in the NCS come into effect. It will also see the first full year of Core Funding, and I am hopeful that we will continue to see services expand. We also plan to roll out a significant programme of capital investment to support service expansion.

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In addition to this, we committed to enhancing and expanding the Access and Inclusion Model, which currently supports more than 5,000 children with a disability to access the ECCE programme each year, and to developing a new Tackling Disadvantage fund, whereby services will be provided with a proportionate mix of universal and targeted supports to support children and families accessing their services who are experiencing disadvantage. The provision of hot meals in early learning and childcare is currently being piloted as one potential support.

We are undertaking wide-ranging reform which will benefit children and families, early years educators and school-age childcare practitioners, and service providers.

We are substantially reducing out-of-pocket costs of early learning and childcare for families; we are ensuring that the supply of early learning and childcare places is meeting demand; we are increasing the pay of early years educators and school-age childcare practitioners; and we are placing early learning and childcare providers on a solid, sustainable footing.

I look forward to continuing these reforms next year.

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