

Early Years 2023: Challenges in the Sector from a Service Provider's Perspective

The value of enrolling a child in an early years facility is now widely recognised, with acknowledged gains in social, emotional, and educational development in our youngest cohort of children. The work being carried out by the sector is commendable, underpinned by both *Aistear* and *Síolta*. At the culmination of their time in an early years setting, children progressing to primary school have developed into confident, competent learners ready to step into the formal educational setting.



Paula Donohoe
Early Years Educator

But as we consider the early years sector in 2023, what strikes us immediately is the political unrest in which it is embroiled, especially since June. This seems to fly in the face of the government's largest investment ever into early years, and it raises the question of why there seems to be such a myriad of critical issues, all currently vying for attention.

We have seen a massive problem with recruitment and retention in our sector. Many providers throughout Ireland cite this as the number one issue we face. It is a result of extremely low wages being paid to the highly professional educators who work in our childcare facilities. Last year saw a historic employment regulation order (ERO) being put in place for the men and women in childcare. The rates were set at €13 per hour for educators, up to €15.50 per hour for those with a graduate degree. These rates, while welcome, fall far below a desired wage for such a responsible position. The obvious answer is to pay more to the deserving staff.

This brings us to the second, and in my opinion far more worrying, issue we face: lack of funding. We invest 0.3% of GDP into childcare in Ireland. Compared to the average investment across Europe of 0.8%, one begins to see why our sector is suffering – and will continue to suffer without a far greater investment package.

The value of early years education is now widely recognised. But we also need to recognise how under-resourced the sector is. This under-resourcing makes it very difficult to meet the quality agenda that we all so desire.

In September 2022 we received the first of a brand-new funding stream titled core funding – a very well-conceived, well-balanced, and well-intentioned stream of funding. The early years sector consequently had great hopes for a brighter future, coming off the back of historic underfunding. Sadly the rates for core funding had been set well in advance of the unprecedented inflation hikes that plagued the entire country.

To sign up for this new funding, providers had to agree to a fee freeze, ensuring that the government's policy of affordability to parents was enshrined. The target year for the freeze was 2021. The landscape in childcare in 2021, like the rest of the country, was that we were in receipt of the Employment Wage Subsidy Scheme to support our businesses through the pandemic; we were already in a voluntary fee freeze, leaving many providers with fee structures that dated as far back as 2016–2017.

Now we have the perfect storm for a financial crisis: a new funding stream that had not accounted for the massive inflationary costs and fees, which were simply not at all relevant to operating a business in 2023.

We also have a recruitment issue: it is almost impossible to attract staff into the sector. We have financial pressures that make it impossible to pay staff their true worth, and we have parents who, try as they might, simply cannot find a vacant space in a crèche for their child, especially in the under-two age bracket, within a large radius of their home.

It makes for sad reading when you sum up the sector: providers who are at breaking point with financial viability; educators who are not in receipt of fair remuneration that reflects their true worth, and are thus exiting the sector; and parents who are at their wits' end trying to locate a crèche for their child so they can return to employment.

What can be done? Childcare is accepted to be the cornerstone of a functioning economy and is essential for the workforce of Ireland. So we must look closely at government policy to ensure that it acts immediately to shore up these essential services by, in the first instance, increasing direct investment into childcare, and supporting a new ERO that would enshrine better rates of pay, thus making it a more attractive career path. This would enable more places to be made available to parents who are desperately seeking them.

As a government policy, affordability of childcare has been a major issue that needed addressing. This is being achieved through the introduction of the National Childcare Scheme in 2019, a subsidy directly to parents to offset the high cost of childcare in Ireland. But while investment is directed to affordability, it is very important that we do not lose sight of another policy: to provide the high quality that every child availing of early years deserves. Quality is a must, but it cannot be supplied on a shoestring budget. In my opinion, when

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financial pressure occurs, quality is the first compromise in a service. It is therefore essential that investment in the sector will support the delivery of high-quality services, in accordance with government policy and in line with the desires of childcare providers, the children, and their families.

While this may paint a bleak picture of the early years sector in 2023, I would like to finish on a note of hope. The hope is that the government will deliver a Budget 2023 that genuinely addresses the financial viability of the early years sector for 2024 and for many years to come, ensuring that we can deliver this essential service to all who need it with the highest quality at its heart.



Speaking at Government Buildings on 10 October 2023, Minister Roderic O'Gorman said

“In summer 2022, I set out an ambition to half the cost of childcare for parents in this country recognising it is a major cost for so many families.”

“I was able to take 25% off the cost in the budget in Budget 2023, and in Budget 2024 we have been able to announce that we will take a

further 25% off the cost. It is going to apply from September of next year and it applies through increasing the subsidy we give to parents through the national childcare scheme,” O’Gorman added.

He said that like “every Minister”, he had to work within limits when securing funding under Budget 2024.

He added that it is noteworthy that the National Childcare Scheme will be extended to childminders for the first time in 2024, making subsidies available to thousands of more families.

Teresa Heaney, CEO of Early Childhood Ireland, said that the additional funding announced for childcare provision in Budget 2024 was welcome, but there was “a lot still to be done”.

“Budget 2024 has not provided the radical rethink which was needed to bring Ireland in line with the best countries in the world for young children,” she said.

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