



IMPACT Trade Union
Submission on the
Single Affordable Childcare Scheme.

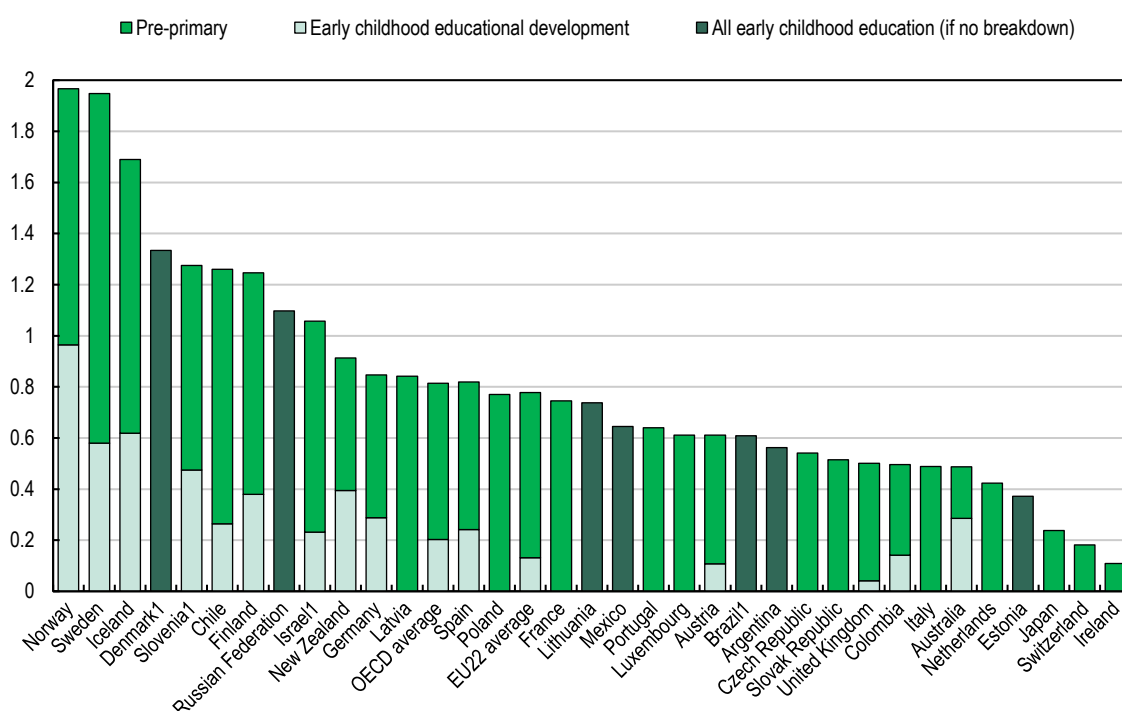
November 2016

IMPACT welcomes the opportunity to make a submission to the Department of Children and Youth Affairs in relation to the Single Affordable Childcare Scheme. IMPACT is currently establishing an early education branch and recently joined forces with the Association of Childhood Professionals. Our goal is to see increased public investment in early education, together with the professionalisation of the early education workforce in Ireland. Our advocacy work 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.

While we welcome aspects of the Single Affordable Childcare Scheme such as the progressive universalism built into the scheme, as well as the supply-side funding approach, we have a number of significant concerns about the proposed scheme structure. The scheme continues our existing market model of early education built on poor wages and working conditions. It is unsustainable for those working in early education to continue to strive to provide a quality early education experience within an underfunded system that is predicated on poor pay and poor conditions

Ireland invests far too little in early education. Most of our European neighbours spend vastly more on early education than we do – across both the EU22 and OECD countries the average expenditure on 'early childhood educational institutions' in 2013 was 0.8% of GDP. Ireland spent just 0.1% of GDP, significantly below the 0.8% OECD average and further again below the 1% GDP target of UNICEF.

Expenditure on early childhood educational institutions (2013)



Source: Education at a Glance 2016: OECD Indicators (2013 data)

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 proposed increased investment in the Single Affordable Childcare Scheme is welcome.

However it is crucial the increased expenditure is targeted at addressing affordability and quality - achieving the 'double-dividend' of high-quality, affordable childcare. It is questionable whether the Single Affordable Childcare Scheme will achieve either.

Our submission follows the overall structure of the online consultation carried out by the Department of Children and Youth Affairs, with sections on Income Assessment, Rates of subsidy, Hours of subsidy per week, and age of children and Future options.

We would welcome the opportunity to meet with Minister for Children and Youth Affairs and members of the Design Team to discuss the development of the Single Affordable Childcare Scheme.

Summary and Recommendations:

Increase investment in early education and childcare to OECD average levels within 5 years, and meeting the UNICEF 1% target within 10 years. In doing so, **increase income thresholds** to ensure higher subsidies are available to more families.

Subsidies should be based on parental income and **linked to quality**. Higher funding should be available for higher quality services. To achieve quality, a qualified professional workforce is crucial. Agreed **salary scales** should form part of the **conditions of public funding**.

The Government should immediately develop the long awaited **National Early Years Strategy** as a matter of urgency. Within such a strategy, the Single Affordable Childcare Scheme should drive **increased investment**, tackling the **quality** and **affordability** of early education and school-aged childcare in Ireland.

The National Early Years Strategy and the Single Affordable Childcare Scheme should be developed within a **children's rights framework** placing the best interests of the child at the centre of government policy.

As part of such an approach, the government should:

Introduce **paid parental leave**, to allow babies be cared for at home by a parent until their 1st birthday.

Extend the **Access and Inclusion Model** (AIM Programme) to all subsidised childcare.

Introduce a **cap on parental fees**.

The Single Affordable Childcare Scheme should be open to **childminders** who meet quality requirements – the current regulatory framework will need to be amended to ensure childminders are subject to appropriate regulation.

We need a baseline assessment of quality of early years services in Ireland. The Budget 2016 commitment to a **National Quality Audit** should be implemented immediately.

Income Assessment

IMPACT welcomes the progressive universal approach embedded in the Single Affordable Childcare Scheme. Such an approach, as well as endorsing that every child has a right to early education, allows for a degree of 'quality control' and should enable the state to, at the very least, withdraw public funding where a service does not meet quality standards (as is committed to in the Programme for Government).

The income thresholds, as outlined in the Department of Children & Youth Affairs' 'Policy Paper on the Development of a new Single Affordable Childcare Scheme' are extremely low. While the money available to the Single Affordable Childcare Scheme is insufficient, the income thresholds will (by necessity) remain low. IMPACT urges the government to significantly increase investment in early education, and increase the thresholds to meet the needs of a greater number of families.

It is, however, important to note that almost all early education professionals would qualify for the proposed maximum subsidy rates, by virtue of the poor wages within early education in Ireland.

Recommendation:

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

*In doing so, **increase income thresholds** to ensure higher subsidies are available to more families.*

Rates of Subsidy

While there is clear evidence of the importance and impact of early education, that impact is contingent on quality. Simply providing access to early education, without focusing on quality, will not bring government investment returns or better outcomes for children, their parents or society. Not only are the economic and social benefits of early education conditional on the high-quality of the education, but poor quality education can harm children (OECD, 2012, Start Strong, 2014 and many others).

Quality in Ireland

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 the practice within services. A recent research study in 26 randomly settings found worrying results. Across the 4 dimensions of curriculum quality in the ECERS/E rating scale, the average ratings for the 26 services (on a scale from 1 to 7) were 3.79 for literacy, 3.23 for maths, 1.54 for science and environment, and 2.35 for diversity meaning practice in relation to literacy and maths was “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 one quarter were compliant with all the regulations assessed (Hanafin, 2014).

The rates of subsidy being proposed are on the basis of the current cost of childcare (notwithstanding the planned ‘independent review of the cost of providing quality childcare’) – which is reliant on a market model of childcare built on low-wages and a downward pressure on costs. Furthermore quality in Ireland is very variable. Unlike other countries 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. However, what evidence there is, points to very variable quality. This commitment to a National Quality Audit should be implemented immediately providing a baseline measure of quality in Ireland – including a systemic review and audit of support services as well as practice within early years settings.

The Department’s own policy paper recognises that supply-side approaches “offer Government several policy levers (e.g. subsidy levels linked to quality...)” (p. 22), yet doesn’t include any such levers within the scheme design.

Qualifications and salaries – levers for quality

“The evidence is very clear that in order to achieve quality ECEC provision, the initial and continuous training, pay and conditions of the workforce are a crucial factor.” (Start Strong, 2014) Yet, despite this clear evidence, there is nothing in the structure of the proposed Single Affordable Childcare Scheme to improve or incentivise quality in early education.

In 2010 Bennett and Moss highlighted that a poorly educated, poorly paid workforce diminishes the quality of early education as well as being unsustainable. They referenced research that showed, amongst other things, “...working conditions which ensure low turn-over rates (ideally the same status and pay as compulsory school teachers)” were needed to ensure quality services (Children in Scotland, 2010). Two years later the OECD stated that “Working conditions can also improve the quality of ECEC services. Research has indicated that staff job satisfaction and retention – and therefore the quality of ECEC – can be improved by: i) high staff-child ratios and low group size; ii) competitive wages and other

benefits; iii) reasonable schedule/workload; iv) low staff turnover; v) good physical environment; and vi) a competent and supportive centre manager.” (OECD, 2012 – emphasis added)

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). Similarly a report from an international network of experts, submitted to the EU, found that good training, pay and working conditions of staff are key factors for ensuring quality (Penn, 2012).

While the vast majority (87%) of early education staff are qualified to at least NFQ Level 5, it is worrying that only 15% are qualified graduates, a far cry from the 60% CoRe recommendation. Reflecting the anecdotal evidence of high turnover, 16% of staff have been recruited into their current service over the preceding year and only just over half (53%) had worked in the same place for more than 4 years. (Pobal, 2014)

Workers’ salaries in Ireland are extremely low, regardless of qualification. Recent research by Early Childhood Ireland shows hourly wages ranging from €9.28 for relief staff in rural community services to €19.15 for the manager in an urban community service (Early Childhood Ireland, 2016a). A different survey from Early Childhood Ireland earlier in the year found that staff are paid an average of €10.27 an hour, with a €1 euro 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. The Single Affordable Childcare Scheme, as currently proposed, does nothing to change that.

In line with the recommendations of the Expert Advisory Group Report *Right from the Start* the Single Affordable Childcare Scheme should be redesigned to support a 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 is not enough – 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).

Recommendations:

*Subsidies should be based on parental income and **linked to quality**. Higher funding should be available for higher quality services.*

*To achieve quality, a qualified professional workforce is crucial. Agreed **salary scales** should form part of the **conditions of public funding**.*

*Budget 2016 commitment to a **National Quality Audit** should be implemented immediately.*

Hours of subsidy per week, and age of children

IMPACT welcomes that the age eligibility criteria of the Single Affordable Childcare Scheme are aligned with paid leave available to parents. However, public policy should support children to be cared for at home until their 1st birthday. Paid parental leave should be available to either parent, from when their child reaches 6 months until their first birthday. In order to promote gender equality, a portion of that leave should be reserved for fathers. As paid parental leave is introduced and extended, the age criteria of the Single Affordable Childcare Scheme should change to align with the availability of paid parental leave.

IMPACT welcomes the 'standard hours' subsidy being available, regardless of the employment status of parents, to children in low income families – such an approach reflects the benefits of early education for all young children, particularly those from disadvantaged backgrounds. IMPACT also welcomes that the 'enhanced hours' subsidy is limited to 40 hours a week – again, this is in line with research showing very long hours in childcare is not of benefit to children and may cause harm, particularly to very young children.

Recommendation:

*Introduce **paid parental leave**, to allow babies be cared for at home by a parent until their 1st birthday.*

Childcare fees

IMPACT welcomes the fully subsidised payment proposed for children referred by TUSLA on child welfare or family support grounds. This approach is in line with recommendations of children's rights organisations (Start Strong, 2014) and provides additional support for our most vulnerable children. It is crucial that any children with additional needs, have additional supports made available. To that end, the Access and Inclusion Model (AIM Programme) should be extended to ensure all young children can access quality early education.

IMPACT is concerned that there is currently no cap on fees to parents within the Single Affordable Childcare Scheme – while the obligation to publish fees will bring some transparency, it will not prevent additional costs being passed on to parents. Given that a fee cap formed part of the CETS scheme and is effectively part of the free pre-school scheme, a cap on parental contributions imposed by the state is possible. Without such a cap, the Single Affordable Childcare Scheme simply subsidises service incomes and could drive up prices to parents, who already pay some of the highest costs in the world.

Recommendations:

*Extend the **Access and Inclusion Model** (AIM Programme) to all subsidised childcare.*

*Introduce a **cap on parental fees**.*

Future Options

At an overarching level, IMPACT welcomes that the Departmental statement that “*in line with the vision set out in BOBF, children’s developmental outcomes should be first among equals when considering policy objectives and that a child-centred approach should be adopted when designing the scheme*” (Policy Paper, p. 14) – however, this welcome statement is not reflected in the structure of the scheme, or even in the online consultation (which does not include ‘improving child outcomes’ amongst its stated objectives). The scheme should be redeveloped to greater reflect children’s rights, a child centred approach and children’s outcomes reflecting *Better Outcomes, Brighter Futures*.

It is also disappointing that childminders are effectively excluded from the scheme. Childminding remains a popular choice for many parents and can benefit children. Most childminders will be excluded from the scheme, as they are not subject to regulation. Childminders need significantly greater support, and should be subject to appropriate regulation (Start Strong, 2012) – a move which would be supported by Childminding Ireland. Childminders who meet quality requirements should then be able to access publically funded schemes such as the Single Affordable Childcare Scheme.

The Single Affordable Childcare Scheme is the opportunity to address the crises of affordability, quality and investment in early education in Ireland. In its initial format it won’t do so. It is imperative that in its future development that the scheme drives increased investment, tackling both the quality and affordability of early education and school-aged childcare in Ireland.

The Minister for Children and Youth Affairs 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.

Recommendations:

*Develop a **National Early Years Strategy** as a matter of urgency.*

*Within such a strategy, the Single Affordable Childcare Scheme should drive **increased investment**, tackling the **quality** and **affordability** of early education and school-aged childcare in Ireland.*

*The National Early Years Strategy and the Single Affordable Childcare Scheme should be developed within a **children’s rights framework** placing the best interests of the child at the centre of government policy.*

*The Single Affordable Childcare Scheme should be open to **childminders** who meet quality requirements – the current regulatory framework will need to be amended to ensure childminders are subject to appropriate regulation.*

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