



# Did the Government Rise to the Challenge?

## Early Childhood Ireland: Analysis of Budget 2019

# Introduction

In early 2018, Early Childhood Ireland commissioned Red C Research to find out the views of Irish people about childcare<sup>1</sup>. In the first opinion poll of its kind, we garnered invaluable information about what the public want, need and expect from early childhood education and care policy in Ireland.

Our inaugural [Childcare Barometer](#) found that:

- 75% of Irish adults believe the education of babies and children under 5 is as important as the education of children over 5;
- Almost 7 in 10 adults agree that parents should be financially supported to stay at home with their child for the first 12 months of the child's life;
- 72% of 18-44-year olds believe that childcare should be free in Ireland.

There is strong public support for increased government investment in the early years. While Minister Zappone and the Department of Children and Youth Affairs have been successful in securing additional resources, this would need to increase at least ten-fold in 2020 and beyond, for Ireland to catch up with most of our EU neighbours. The right to education and care of under 5s should allow the same certainty for parents and children as is the case for those aged over five. As the leading early years organisation, Early Childhood Ireland will be launching a campaign in 2019 to secure public and political support for major increased investment to bring that certainty and security.

# Budget 2019

The annual Budget announcement is an opportunity to demonstrate government's commitment to address the historical under-investment in this critical period of young children's lives. In our [2019 submission](#) Early Childhood Ireland asked our political leaders to rise to the challenge of delivering world-class early childhood education and care for babies, children and families in Ireland.

The current government has described its overall policy direction as 'progressive universalism'. Early Childhood Ireland believes that the 2019 Budget represents some limited progress in this regard, which builds on other recent investment. Despite this, there are still significant structural and other challenges which impact on our members' capacity to survive and thrive. Central to their concerns is an ongoing staffing - recruitment & retention - crisis. This requires a substantial and sustained focus. If Ireland is to deliver world-class provision, excellent and valued early years educators will need to be at its forefront. Policy makers need to understand the fundamental importance of this for babies and children.

As the sector's leading representative organisation, Early Childhood Ireland is committed to working with government, and other stakeholders, to devise and develop imaginative and workable solutions to this staffing crisis, the greatest challenge to our sector, which continues to undermine our collective effort. Addressing this crisis will be a high-level indicator of government and wider society's success or failure in rising to the challenge for our youngest citizens.

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<sup>1</sup>The term 'childcare' is used to denote the provision of early childhood care and education (ECEC) by registered and regulated early years services including: formal, centre-based pre-school and after-school services run by both community organisations and private providers; and childminders.

Our Recommendations	Budget 2019 Actions	Our Reaction
<p><b>National Early Years Strategy</b></p> <p>The National Early Years Strategy is a unique opportunity to identify the needs, opportunities and best interests of every child in Ireland from birth to 6 years of age, with special focus on early childhood education and care (ECEC). The Strategy must serve as the roadmap for the future direction, development and funding of ECEC in Ireland.</p>	<p><i>Minister Zappone in response to a question at her Department's Budget 2019 press conference, said that the strategy was going to be presented to the wider government next week, and will be published in November.</i></p>	<p>Early Childhood Ireland welcomes this, and we await its publication next month.</p>
<p><b>Well-Paid Family Leave</b></p> <p>As part of the important journey towards well-paid family leave in the first year of a child's life, introduce four weeks paid parental leave, which can be shared by parents following maternity and paternity leave entitlements.</p> <p>Increase all existing and future family leave entitlements to meet the European Commission definition of well-paid leave, which is a minimum of 66% of normal earnings.</p>	<p><i>New Parental Benefit to be paid for 2 weeks for each parent - to commence in Quarter 4, 2019. Both parents will have access to two weeks' each of this benefit which will be paid at the same rate as Maternity Benefit and Paternity Benefit which will be €245 per week.</i></p> <p><i>Some small progress with the additional €5 in Maternity, Paternity and Adoptive Benefits.</i></p>	<p>This is very welcome, and we are pleased that is exactly what Early Childhood Ireland sought. We also welcome Minister Paschal Donohoe's commitment to increasing this to 7 weeks over future Budgets.</p> <p>We will continue to advocate for this as it will support parents to avail of leave.</p>

<p><b>Independent Review of Costs</b></p> <p>Ensure the findings of the independent review of the cost of providing quality childcare, commissioned by the DCYA and available to the Minister in June 2018, informs budgetary allocation for the early years sector in 2019 and, in particular, the funding and continuing development of the Affordable Childcare Scheme.</p>	<p><i>None.</i></p>	<p>We await the publication of this important review.</p>
<p><b>Professionalisation Plan</b></p> <p>The development of a Professionalisation Plan for the Early Years workforce is needed without delay. This should address current challenges and support future proofing the sector. Recruitment and retention are already severe pressure points for services, given the terms and conditions which most of the sector is in a position to offer.</p>	<p><i>No progress.</i></p>	<p>This is an urgent issue for the early years sector in Ireland. Many of Early Childhood Ireland's members are at crisis point. The quality and consistency of early years staff are a critical factor in providing quality experiences to babies and children. This will remain a high priority in our advocacy work with and for our members.</p>
<p><b>Sustainability Funding</b></p> <p>Building on sustainability efforts in the previous two Budgets, an additional <b>€500,000</b> to be made available to support private and community providers whose viability is under threat. Establish a separate, dedicated sustainability fund to support services for whom the continuing provision of childcare for under 3s is at risk. The fund, with an initial budget of <b>€3.5 million</b>, would be designed to support these services to continue providing ECEC services to under 3s.</p>	<p><i>No progress on our proposal for a separate sustainability fund for under 3s.</i></p> <p><i>The capital grant support fund for the sector has been increased from €6.86m to €8.86m.</i></p>	<p>We will continue to advocate for sustainability, particularly for babies and children aged under 3 years.</p> <p>The increase of €2m in capital grant aid is welcome. However, the application criteria must be aligned with a capacity planning strategy.</p> <p>Early Childhood Ireland also acknowledges that the increased funding of €61m in targeted subsidies announced by the government will be paid directly to providers and will aid their sustainability.</p>

<p><b>Continuing Professional Development (CPD) Infrastructure</b></p> <p>Having established Better Start National Early Years Quality Development service as the national lead to plan, coordinate, quality assure and implement the new CPD infrastructure. This needs to include a strategy, costings, and a 3-5-year plan. We also sought exploration of the development of a professional registration system for early years professionals.</p>	<p><i>No progress in this area.</i></p>	<p>This is very concerning. Along with or as part of a professionalisation plan, this will remain a key priority for Early Childhood Ireland. We hope it will form part of the forthcoming Early Years Strategy. All of the actions we sought are critical in ensuring and enhancing the delivery of quality to babies, children and their families. As well as salaries which attract and value early years staff, it is vital that a CPD infrastructure is resourced. This will aid the professionalisation of educators and will also help to offer a clear career path.</p>
<p><b>Early Childhood Care and Education (ECCE) Programme</b></p> <p>Establish, as a matter of urgency, a High-Level Working Group with DCYA, Tusla, and childcare stakeholders, to address the structural and staffing challenges facing service providers in the implementation of the lower age of entry into the ECCE programme.</p> <p>Building on the success of the Access and Inclusion Model (AIM) in the ECCE programme, extend the targeted AIM supports to ECCE children for the duration of their day in services be that sessional, part-time or full-time provision.</p> <p>Publish the cost of introducing AIM to the under 3s and children in school age childcare.</p>	<p><i>No progress.</i></p> <p><i>An additional €10m to restore and increase the original budget for the Access and Inclusion Model (AIM).</i></p> <p><i>No progress.</i></p>	<p>According to the Department, the €10m increase delivers on the Government commitment of €32m to support AIM in 2015 and increases it further to reflect the higher costs associated with a second year of ECCE. This is welcome. We understand it will allow for a significant increase in funding under AIM Level 7 and to provide financial support to pre-school settings employing Inclusion Coordinators. This is also welcome, though there are ongoing challenges for Early Childhood Ireland's members in the delivery of AIM, which we will continue to highlight, along with our other proposals.</p>

<p><b>The Affordable Childcare Scheme (ACS)</b></p> <p>Provide all services participating in the ACS with a dedicated tablet device programmed to give parents direct access to the 'Parents' Portal', which can be wall-mounted with an accompanying 'How To' information poster that guides parents through the application process and facilitates on-site support from the service to parents where needed.</p> <p>Ensure that the 12-month review of the ACS, currently provided for under section 26 of the Childcare Support Bill, undertakes child poverty.</p> <p>Increase the maximum universal subsidy for children before the start of ECCE by €10 per week, i.e. up to €30 per week for a child in full-time care in 2019.</p> <p>If the ACS is implemented in September 2019, a fully resourced Communications Strategy designed to speak to the needs of both providers and parents must be rolled out no later than January 2019.</p>	<p><i>A once off Programme Support Payment (PSP) of €2m will be provided to assist services introduce the new Affordable Childcare Scheme later in 2019.</i></p> <p><i>No announcement.</i></p> <p><i>The universal subsidy will remain in place with no increase. The government announced that the base income threshold for targeted ACS subsidies is being raised from €22,700 to €26,000. The maximum income threshold will go from €47,500 to €60,000. The multiple child deduction will increase from €3,800 to €4,300.</i></p> <p><i>No announcement.</i></p>	<p>Early Childhood Ireland will continue to seek this IT support for members from the Department.</p> <p>This PSP is very welcome and an important acknowledgement by the Department of the need to support members to assist families in accessing the Scheme. We will be seeking clarity from DCYA on how this will be paid to providers.</p> <p>Early Childhood Ireland will continue to seek this review when the Scheme is introduced by the Department.</p> <p>This is welcome investment and will go directly to providers. Early Childhood Ireland welcomes this and recognises it as an important step in increasing subsidies for all families. We will be monitoring its implementation with our members next year.</p> <p>Early Childhood Ireland will continue to seek this action by the Department.</p>
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<b>Programme Support Payments</b>	<i>Early years providers will continue to receive a Programme Support Payment (PSP) in 2019. The amount for the PSP has increased from €18m to €19.4m.</i>	Following advocacy by Early Childhood Ireland, PSPs were introduced in 2017 to acknowledge the administrative burden on early years providers in delivering schemes. According to the Department, ' <i>the additional €1.4m secured in Budget 2019 reflects the higher cost of maintaining the original payment to services because of additional children in the system and other factors.</i> '  This will be welcomed by our members.
<b>Childminding</b> With an initial budget of <b>€2 million</b> , implement the recommendations in the Childminding Working Group Report without delay and ensure funding is ringfenced for inspections.	<i>€500,000 has been allocated to create a team of Childminding Support Officers to support the registration of childminders and upskill to required regulatory standards.</i>  <i>A Childminding Action Plan will be published by the end of 2018, which will include short, medium and long-term actions to move towards the wider regulation and support of childminders.</i>	We welcome this investment and related developments, but the Department faces a huge challenge to bring thousands of unregistered childminders into regulation.  Early Childhood Ireland will carefully analyse the proposed Childminding Action Plan.
<b>School Age Childcare</b> Ensure that only appropriately regulated and inspected school age childcare services are eligible to provide Government funded schemes, such as the Affordable Childcare Scheme.  With an initial budget of <b>€2 million</b> , implement the recommendations in the Action Plan on School Age Childcare without delay and ensure funding is ringfenced for inspections.	<i>As part of a planned phased regulation of after school services an additional €450,000 has been allocated to the Tusla Early Years Inspectorate to enable them to begin to register these services in 2019.</i>	This is welcome, but more resources are needed to implement the recommendations in the Action Plan on School Age Childcare.

<b>Commercial Rates</b> Early childhood education and care services are educational institutions and essential social infrastructure. All settings should be exempt from commercial rates and relieved of an unfair, unequal and inconsistent financial burden.	<i>No progress.</i>	A major disappointment. Early Childhood Ireland will launch a nationwide campaign ahead of the 2019 local elections, so that Councillors can hear first-hand from providers who are subject to a system which is neither transparent or fair.
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## Other Measures

We note that other announcements were made on Budget day, which we have not analysed here, but which will impact on our members, their staff and the families they work with.

These include:

- From March 2019, a €5 increase in the maximum rate of all weekly social welfare payments e.g. pensioners, lone parents, jobseekers, maternity/paternity/adoptive benefits, carers, people with disabilities, widows - including proportionate increases for people on reduced rate payments and for qualified adult dependants.
- Increased weekly payments for each qualified dependent child - €2.20 for children under 12, and €5.20 for children aged 12 and over.
- A 100% Christmas Bonus will be paid in early December 2018 to 1.2 million recipients.
- Daily Expenses Allowance (formerly Direct Provision Allowance) will increase by €17.20 to €38.80 per week for adults and by €8.20 to €29.80 per week for each child - 5,200 adults and children to benefit.
- The earnings disregard for the One-Parent Family Payment or Jobseeker's Transition Payment will increase by €20 to €150 per week.
- Working Family Payment recipients to benefit from a new maintenance disregard of €95 per week in respect of housing costs, with the remainder to be assessed at 50%.
- From last quarter of 2019, social welfare benefits for the self-employed will be extended so they are eligible for Jobseeker's Benefit.
- The National Minimum Wage will increase from €9.55 per hour to €9.80 per hour with effect from 1 January 2019 - 151,800 employees to benefit.
- The weekly income limits for the GP visit card will be increased by 10%.
- The threshold for the employer's rate of PRSI will increase from €376 to €386, from 1 January 2019.
- Funding of €87m in the Communications Programme area, supporting the National Broadband Plan and promoting digital adoption among small businesses and citizens, as well as growth and innovation in digital entrepreneurship.
- New School Meals Pilot Programme.

# Early Childhood Ireland

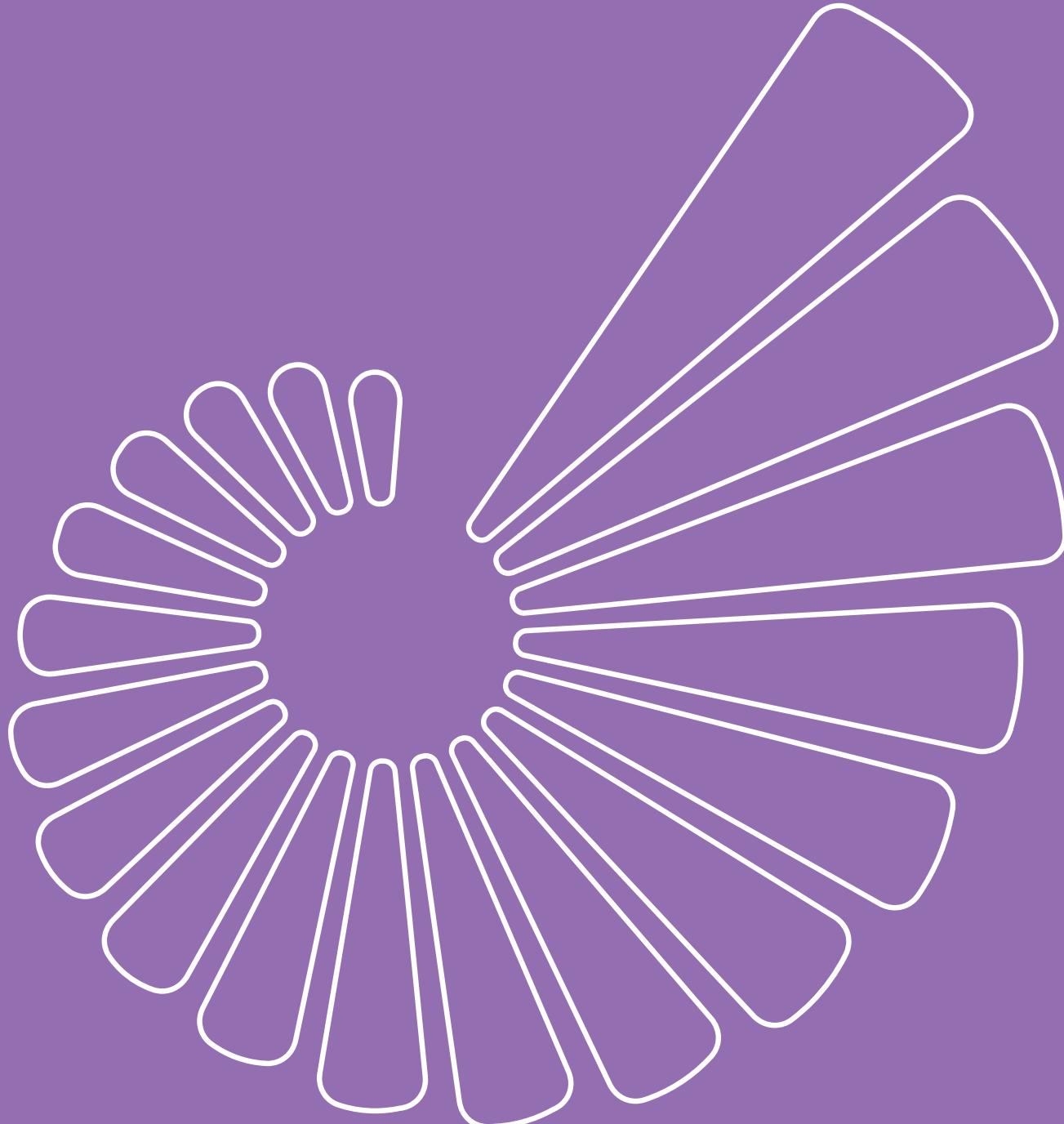
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