THE EARLY YEARS UNION
SIPTU

TOWARDS A PROFESSIONAL WAGE FOR EARLY YEARS

Budget 2025 Submission/
General Election Manifesto

July 2024

Organising for Fairness at Work and Justice in Society

PATH TOWARDS A PROFESSIONAL WAGE FOR EARLY YEARS

BUDGET 2025

Ring-fenced funding to achieve a minimum hourly Educator rate of €15

A 10% increase to all ERO rates

Higher rates for experience and qualifications

In place by 1st September 2025

Estimated Cost: €111.5 Million

CALL ON THE NEXT GOVERNMENT

Concrete commitment to:

1. **Provide annual ringfenced investment in Early Years to move progressively towards a professional wage, one that makes the Sector an attractive employment option.**
2. **Immediately examine the introduction of public provision in the form of a public enterprise body.**

Our Vision

SIPTU's vison for the Early Years and School Age sector is high quality education and care for children, affordability for parents, accessibility for all children, where Educators and Managers are paid professional wages and conditions of employment, and where services are sustainable.

After years of campaigning by SIPTU and other organisations, the Government increased funding to the Sector through the new 'Core Funding' scheme and the National Childcare Scheme. The investment delivered through Core Funding underpinned two national pay deals which resulted in pay increases for thousands of Educators and Managers.

However, the pay rates do not go far enough, greater investment is needed to pay our professionals properly.

Staffing Crisis

The staff turnover rate now stands at 25% per year.

Not only does this undermine quality for children, but it also undermines the viability of services because they cannot recruit nor retain staff.

Parental fees are reduced as the Government increases subsidies under the national childcare scheme creating increased demand for childcare, however, services are struggling to secure sufficient staff numbers to open rooms.

As this year's Early Years Professionals (EYP)[1] Survey shows, the Sector is struggling to retain staff and recruitment challenges are resulting in more and more room closures and an inability to respond to an increased demand for services.

An overwhelming number of managers are concerned that "problems recruiting and retaining staff will negatively impact service provision" (95%). 30% of managers reported that problems recruiting and retaining staff will result in service closure, an increase of 6% since the last Early Years Professionals' Survey in 2022.

Once again, the impact of the staffing crisis on quality for children was identified as the greatest concern by managers, followed by additional work for remaining staff (66%), and difficultly in maintaining staff ratios (49%).

Only 9% of Early Years Educators agreed that "if things stay the same, I will still be working in the Early Years Sector in 12 months time".

The Sector is caught in a vicious cycle of low pay, a staffing crisis and increased stress and burnout

[1]SIPTU's Early Years Professional Survey 2024

A Qualified and Experienced Early Childhood Workforce

A broad range of skills and competencies are required of educators in the modern ECEC setting and within the pedagogical context educators devise and implement curriculum, assess learning and support transitions.

It is accepted that the best outcomes for children are achieved when early education and care is delivered by experienced staff consistently working with the same children.

To achieve this, Early Years Professionals must be rewarded with competitive rates of pay that recognise both graduate qualifications and years of service.

A key Government policy objective is to have a graduate-led workforce, however, the cost-of-living crisis on top of inadequate pay rates, inferior conditions of employment and precarious work contracts all contribute to high staff turnover levels, stress and burnout, and the recruitment challenges of today.

A Competitive Wage

The 2024 Early Years Professionals survey finds that a staggering 86% of Early Years Educators identified low pay as their biggest work issue, this group make up almost half of those employed in the sector. The survey shows that 69% of managers experienced staff leaving their service in the past 12 months and when asked, 42% stated the reason was to improve pay and conditions in another sector.

Wages in the Early Years sector must increase substantially to stem the exodus to better paid jobs in other sectors. For example, many Educators leave to take up positions as Special Needs Assistants where they are paid a starting rate of €16.00 per hour while most graduates of Early Childhood Education and Care programmes enter other professions where they can earn significantly more.

Mercer consultants made recommendations on the appropriate remuneration[2] for Early Years Professionals, benchmarking these with comparable roles.

Beyond a Living Wage Sector

If Early Years is to be really valued and recognised, the Government and Employers must ensure that the wages in the Early Years sector are increased well above the Living Wage rate.

The Living Wage rate is evidence based and is currently set at €14.80 per hour[3].

Earning below the Living Wage suggest employees are forced to do without certain essentials so they can make ends-meet.

Educators cannot afford to stay in our profession. The Early Years Professionals survey finds 95% of Early Years Educators are only able to 'make ends meet' with 'difficulty' or 'great difficulty'

[2]Mercer: Point 1 of pay scale. Educator €17.53, Lead Educator €20.78, Deputy Manager €22.07, Manager €25.96 (adjusted in line with Public Service Agreement 2024 – 2026)
[3]https://www.livingwage.ie/download/pdf/living_wage_2023-24.pdf

The new ERO minimum rates came into effect on the 24th June, 2024[4], fixing the Educator rate at €13.65, this is €1.15 below the current Living Wage rate of €14.80. Much more needs to be done.

Early Years Premium above National Minimum Wage (NMW)

The Government has set a target of increasing the National Minimum Wage (NMW) to 60 percent of the median wage by January 2026. This is less than eighteen months' time.

Wages in the Early Years Sector must increase sufficiently to ensure there is an adequate premium above the national minimum wage rate, otherwise the Sector will lose competitive advantage over other sectors of the economy, and risk a mass exodus of staff.

Under Investment

SIPTU acknowledges the Government's €1.1 billion allocation to the Sector in Budget 2024. However, Ireland is still playing catch up with the rest of Europe. There has been chronic underinvestment in the Sector over previous decades and Ireland would need to double its 2024 expenditure level to reach the EU average.

FOR EVERY €1 INVESTED IN HIGH QUALITY PROVISION, A STATE CAN EXPECT A RETURN OF €7 TO €12 OVER TIME.

Core Funding

State investment made available through the Core Funding Scheme for pay and conditions of employment, **a total amount of €207 million,** supported an historic pay deal in September 2022 followed by a second deal in June 2024.

The pay deals set negotiated **minimum rates of pay**[5] via the JLC/ERO system for the entire Sector.

There was no pay deal in 2023.

The Government increased core funding for employers in 2023, and new measures including changes to fee management, and increased funding worth €44 million will be introduced for employers from September 2024.

No funding for pay was included in last year's budget, however, the Minister stated in July 2024 that *"I am hopeful that these enhancements combined will pave the way for further negotiations to improve pay by the independent Joint Labour Committee[6]".*

While the improvements in pay have benefited thousands of workers, the rates do not go far enough. **The cost of living has eroded pay increases and fundamentally the rates do not adequately recognise the roles, qualifications and experience of this Professional Group of Workers.**

SIPTU notes the Expert Group statement in their report Partnership for Public Good, "it will take more than one ERO to achieve the desired impact on quality for the Sector" and they saw the JLC system as being an incremental process that would be built upon progressively in future years, supported by public funding.

The foundations for the transformation of the Sector are now in place. However, Government must intervene to ensure the model works with the JLC system to deliver real improvements to pay and conditions of employment and together make the Sector an attractive employment option, one that

[4]Minimum ERO rates effective from 24th June, 24: Educator €13.65, Lead Educator €14.70, Graduate Lead Educator €16.28, Deputy Manager €16.49, Manager €17.33, Graduate Manager €18.11
[5]Minimum rates of pay and conditions are negotiated between SIPTU and Employer representative groups at the Early Years Joint Labour Committee (JLC) and set out in a legally binding Employment Regulation Order (ERO)
[6]https://www.gov.ie/en/press-release/f7a77-minister-ogorman-announces-details-of-331-million-in-funding-for-early-learning-and-childcare services/#:~:text=Minister%20for%20Children%2C%20Equality%2C%20Disability,on%20the%20current%20programme%20year.

recognises and values the contribution Early Years Professionals make to children, families and wider society.

Inaugural Early Years Conference

SIPTU Early Years Union (EYU) was launched at our inaugural conference held in April this year. The motions debated and passed by over 100 delegates at the Conference set out the priorities ahead of Budget 2025 and the upcoming general election, including:

€15.00 MINIMUM HOURLY RATE FOR EDUCATORS

A 10% INCREASE TO ALL ERO RATES

BY 1ST SEPTEMBER 2025

5 KEY DEMANDS

TO MAKE CORE FUNDING AND THE JLC SYSTEM WORK EFFECTIVELY

1. **Transparency:** What is the true state of play of the sector?
   a. Unprecedented levels of public funds are paid to Service Providers, (Private and Community), therefore the outcome of the financial review across each service type must be made public.
   b. Secure concrete data from Employers to inform the JLC negotiations, e.g. rates of pay actually paid, breakdown of costs and income, and numbers employed, etc.

2. **Level playing field** - Government must intervene to create the right environment to allow for constructive and effective negotiations at the JLC. This includes:
   a. A resolution to any anomalies around parent fees.
   b. Targeted funding: Service Providers that have demonstrated a clear need for additional funding should be supported.

3. **Ring-fenced funding for pay:** State Funding must be ring-fenced for pay and conditions of employment and returned to the exchequer if not passed on to workers through the EROs.

4. **Annual pay deals from September each year:** To eliminate delay tactics by JLC employer representative groups, future increases to Core Funding for Employers must be conditional on pay deals becoming effective each September.

5. **State investment in pay and conditions to deliver**
   a. Minimum €15 per hour rate for Educators and a 10% increase for all other grades[7].
   b. Higher rates of pay to recognise experience and qualifications.
   The estimated cost of raising the hourly Educator rate to €15.00 and of raising all ERO rates by 10% is €61.5 million on a full year basis.[8] A higher rate of pay in recognition of length of service[9] and Level 7 qualification for all grades is estimated to cost up to €50[10] million.

THE EARLY YEARS UNION SIPTU

SIPTU CALLS FOR:
€111.5 MILLION RING-FENCED FOR PAY AND CONDITIONS OF EMPLOYMENT

[7] 10% increase to all ERO rates: Educator €15.00, Lead Educator €16.17, Graduate Lead Educator €17.90, Deputy Manager €18.14, Manager €19.06, Graduate Manager €19.92
[8] Calculated based on the Minister's response to PQ https://www.oireachtas.ie/en/debates/question/2024-04-09/1076/
[9] A higher rate of €1.50 above the minimum rate based on 5 years' service with Employer
[10] Calculated in 2023 using the most recent data available to us at that time. No updated data available since.

PUBLIC PROVISION - A PUBLIC ENTERPRISE BODY

All parents should have access to affordable Early Years education and care in their local community.

There is an insufficient supply of childcare places in certain geographic areas and the demand is increasing, especially since the national childcare scheme has increased.

The Partnership for Public Good report recommends that public provision[11] of childcare is examined.

Public Provision could take the form of a public enterprise body, a public company tasked with rolling out publicly owned and managed early education and care and school age childcare.

This public enterprise body could operate commercially and could build or purchase premises, hire staff, appoint management, and fund the services. It could be eligible for the current subsidies and supports that are provided to community and private sector companies. Fees could be regulated in a similar manner. It could operate alongside community and private providers.

It could set the standard for the Sector in terms of service quality, negotiated wages and conditions of employment, and re-investment.

In the first instance, it could target areas where there is full capacity or under-supply, and it could have first-refusal rights to take over[12] a service whenever a current Service provider decides to exit the Sector.

The National Development Plan's allocation for childcare could be re-directed into an initial capital injection for this public company.

SIPTU CALLS ON THE NEXT GOVERNMENT:
TO IMMEDIATELY EXAMINE THE INTRODUCTION OF PUBLIC PROVISION IN THE FORM OF A PUBLIC ENTERPRISE BODY.

[11]Recommendation number 25. Partnership for Public Good Report, A New Funding Model for Early Learning and Care (ELC) and School Age Childcare (SAC) 2021
[12]Protection of Employees on Transfer of Undertakings Regulations 2003 to apply

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