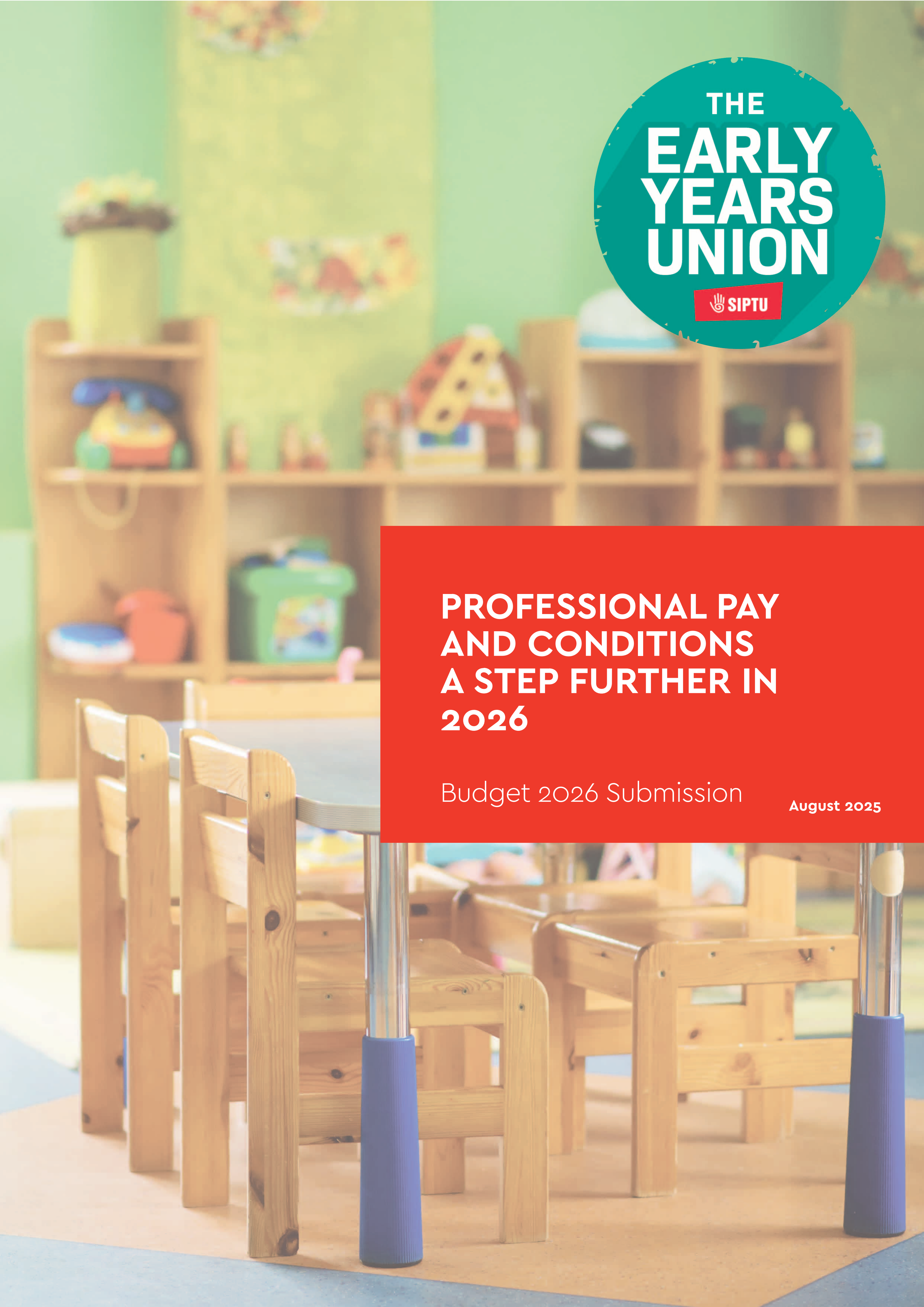

THE EARLY YEARS UNION
SIPTU

PROFESSIONAL PAY AND CONDITIONS A STEP FURTHER IN 2026

Budget 2026 Submission

August 2025

Organising for Fairness at Work and Justice in Society

PROFESSIONAL PAY AND CONDITIONS
A STEP FURTHER IN 2026

BUDGET 2026

Ring-fenced funding to support a pay deal in September 2026

A 10% increase to MINIMUM ERO rates

Higher rates for experience and qualifications

Estimated Cost: €130 Million

PUBLIC DELIVERY OF EARLY CHILDHOOD EDUCATION AND CARE

Open the first State-run service in 2026

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, where services are sustainable and operate alongside State-run services.

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 with a third deal going through due process ahead of an expected September application date and the draw down of the €45 million in new ring-fenced funding.

These pay deals resulted in pay increases for thousands of Educators and Managers and are a step in the right direction.

However, the rates of pay do not go far enough to effectively address the staffing crisis or recognise and reward these vital roles.

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.

Parental fees have reduced as Government increase subsidies under the National Childcare Scheme creating increased demand for childcare, however, services are struggling to secure sufficient staff numbers to keep rooms open or to open new rooms.

SIPTU's 2024 Early Years Professional Survey shows, 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.

Early Years Professionals need an incentive to work in this Sector. They need to see annual improvements to their pay and conditions of employment every September, at the start of the programme year.

A Qualified and Experienced Early Childhood Workforce

A broad range of skills and competencies are required of Educators in the modern Early Childhood Education and Care setting and within the pedagogical context Educators devise and implement curriculum, assess learning and support transitions.

Under the "Child Care Act 1991 (Early Years Services) Regulation (2016)", all staff working directly with children of pre-school age and employed by services must hold a minimum qualification to practice, i.e. a major award in Early Learning and Care at Level 5 on the NFQ or equivalent as approved by DCEDIY. It is proposed that over the next number of years, regulation will be introduced for staff working in School Age Childcare which will make a Level 5 qualification a requirement.

A Level 6 award is required for the Lead Educator role in ECCE Rooms and Government policy is to have a graduate-led workforce by 2028.

However, inadequate pay rates, the cost-of-living, inferior conditions of employment and precarious work contracts all contribute to high staff turnover levels, stress and burnout, and the recruitment challenges of today.

It is accepted the best outcomes for children are achieved when early education and care is delivered by qualified and 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 experience.

A Competitive Wage

The 2024 Early Years Professional 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.

Currently, minimum rates of pay[1] are fixed for the entire sector via the JLC/ERO system, and the latest deal proposes to increase the hourly rates to **€15.00 for an Educator, €16.00 for a Lead Educator, €17.50 for a Graduate Lead Educator, €18.00 for a Deputy Manager, €19.00 for a Manager and €20.25 for a Graduate Manager.**

These new pay proposals have been adopted by Union and Employer Representatives at the JLC and are with the Labour Court for approval before going to the Minister at the Department of Enterprise, Tourism and Employment for signing into legal effect.

While the improvements in pay will benefit 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 when compared to other workers carrying out similar work, such as Special Needs Assistants, Social Care Leaders and Teachers all of which have increment pay scales to recognise experience.

The starting rate for a Special Needs Assistant is €16.83 per hour, €27.69 for a Social Care Leader while the hourly qualified rate for a Primary School Teacher is €44.67.[2]

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.

[1] Minimum rates of pay and conditions are negotiated between SIPTU and employer representative groups Childhood Services Ireland of IBEC and Federation of Childhood Providers at the Early Years Joint Labour Committee (JLC) and set out in a legally binding Employment Regulation Order (ERO)

[2] Hourly qualified rate

Wages in the Early Years sector must increase substantially to stem the exodus to better paid jobs in other sectors.

Under Investment

SIPTU acknowledges the Government's €1.37 billion allocations to the Sector in Budget 2025. However, Ireland is still playing catch-up with the rest of Europe due to years of chronic underinvestment in the Sector.

First 5; the Whole of Government Strategy for Babies Young Children and their Families, a ten-year strategy was published in 2018. The implementation plan (2023-2025) set **an investment target that between 2023 and 2028, Ireland will work to close the existing gap in public investment against the EU average.**

We estimate Ireland would need to **double its 2025 expenditure level** to reach the EU average. Government must frontload this investment and pay and conditions of employment must be a priority.

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, an initial amount of **€207 million** supported an historic pay deal in September 2022 followed by a second deal in June 2024. According to the Department of Children, Disability and Equality the estimated cost to employers of implementing these two pay deals was €75 million.

The Government increased Core Funding for employers in 2023 and 2024, and a further €20 million increase is budgeted for September 2025, raising the full year Core Funding allocation for year 4 to a minimum of €350 million. Conditional on a third pay deal this September, the **€45 million ring-fenced for pay** will be released to employers to support them with the cost.

Levelling the Playing Field

In addition, new targeted measures introduced through the Core Funding scheme helps level the playing field when it comes to employer incomes.

Such measures include fee increases for Services charging below the county average and fee caps for those charging the highest fees. In addition, a minimum Core Funding base for small services was introduced and is set to increase to €14,400 per annum from September 2025 while reducing the maximum base rate amount to €450,000.

These targeted measures help improve the financial situation for employers making them less reliant on the 2022 funding allocated for pay to operate their businesses, and going forward it is vital that more of that available funding is absorbed into the minimum ERO rates.

However, it is only the Government that has the resources to pay this workforce pay rates and conditions of employment commensurate with their roles, skills, qualification and experience, and on a par with workers in similar employments.

Programme for Government

This Government has committed '**to continue to implement Employment Regulation Orders to attract and retain early years educators.**'

Government must support increases to the minimum ERO pay rates through ring-fenced funding.

To attract and retain enough Educators, **Government must support a new pay deal every September**. Educators need to see a sustainable future for themselves and their families to stay working in this Sector.

THE EARLY YEARS UNION
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IN BUDGET 2026 SIPTU IS CALLING FOR:

1 **1. State investment in pay and conditions to deliver:**
a. 10% increase to ERO rates.[3]
b. Introduce higher rates[4] of pay to recognise experience and qualifications.

2 **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.

3 **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 financial reviews must be published, by service type.
b. accurate data from employers to inform the JLC negotiations, e.g. rates of pay actually paid, breakdown of costs and income, and numbers employed, core funding allocations, etc.

4 **Level playing field -** Government must continue to intervene to create the right environment to allow for constructive and effective negotiations at the JLC. This includes:
a. anomalies around parent fees.
b. targeted funding where evidence of a need is demonstrated.

THE EARLY YEARS UNION SIPTU

SIPTU EYU IS CALLING FOR:
€130 MILLION RING FENCED FOR PAY AND CONDITIONS OF EMPLOYMENT

[3]Increase 2025 ERO rates by 10%: Educator €16.50, Lead Educator €17.60, Graduate Lead Educator €19.25, Deputy Manager €19.80, Manager €20.90, Graduate Manager €22.27.
[4]€1.00 on top of base rate for 5 or more years' service with employer and/or for Educator role attainment of a Level 7 qualification.

PUBLIC DELIVERY OF EARLY CHILDHOOD EDUCATION AND CARE

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

There is an insufficient supply of places in certain geographic areas and the demand for child places is increasing, especially since the National Childcare Scheme has increased.

Parents using services that have withdrawn from Core Funding are hit with substantial price increases, leaving them to face tough choices about whether to pay the fees or leave work to take on childcare, because there are no other available child places in the area. State-run facilities would provide options and certainty for families.

The Programme for Government sets out measures to address access to child places, including to "**deliver public supply** within the childcare sector where required", "provide **capital investment to build or purchase state-owned childcare facilities** to create additional capacity in areas where unmet needs exists" and "to **plan the development of State-led facilities** in tandem with school building programmes, including Irish-medium naíonraí".

In addition, the Partnership for Public Good report recommends public provision[5] is examined.

Public p–rovision 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 would 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[6] 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.

THE EARLY YEARS UNION SIPTU

SIPTU EYU IS CALLING ON THE MINISTER:
TO MANDATE THE DEPARTMENT TO START THE DELIVERY OF PUBLIC EARLY CHILDHOOD EDUCATION AND CARE. OPEN THE FIRST STATE RUN SERVICE IN 2026.

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

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