



2025 Early Childhood Education Funding Review Ministerial Advisory Group

**‘Deep Dive’ on Early Childhood Education and Care
Systems in Selected Countries**

Proactively Released

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Introduction

After providing the MAG with a high-level comparison of the ECE funding approaches in six selected countries, additional information on a smaller number of selected countries was requested.

This paper provides a comparative deep dive into ECE systems in Australia, England, Ireland and the Netherlands. These countries were selected in discussion with MAG, as they represent a range of approaches to the funding and provision of ECE, with sufficient information available to provide a comparative analysis. There is a focus on identifying key features and funding mechanisms of each jurisdiction, and how they contribute to child development, education and labour market outcomes. This aims to offer valuable insights in supporting the MAG's consideration of current ECE funding arrangements in New Zealand.

This paper was developed drawing from publicly available data and policy documents that have been identified with the use of Artificial Intelligence and internet search tools. While this paper does not examine funding for special needs or learning support (as this funding is out of scope), it highlights the broader system-level approaches that intersect with ECE, such as parental leave and family benefits.

A comparative table with high-level data for each country and New Zealand is included at the front end of this paper to allow for a quick comparison and support analysis.

Comparison Table

Dimension	Australia	England	Ireland	Netherlands	New Zealand
Contextual information					
Wider family policies that intersect with ECE	<ul style="list-style-type: none"> - Paid Parental Leave: <ul style="list-style-type: none"> o 24 weeks paid parental leave - Family Tax Benefit Parts A & B - Parenting Payment 	<ul style="list-style-type: none"> - Paid Parental Leave: <ul style="list-style-type: none"> o Statutory Maternity Leave (39 weeks paid + 13 weeks unpaid) o Shared Parental Leave (50 weeks of leave and 37 weeks of pay shared) - Universal Credit 	<ul style="list-style-type: none"> - Paid Parental Leave: <ul style="list-style-type: none"> o 26 weeks + 16 weeks unpaid available) o Paternity leave (2 weeks within 6 months of birth) - Child Benefit 	<ul style="list-style-type: none"> - Paid Parental Leave: <ul style="list-style-type: none"> o 10-12 weeks paid maternity leave o 6 weeks paternity leave o 26 weeks parental leave, 9 weeks paid of 70% of daily wage - Child Benefit - Child Budget 	<ul style="list-style-type: none"> - Paid Parental Leave: <ul style="list-style-type: none"> o 26 weeks primary carer leave o 2 weeks unpaid partner's leave o Extended leave (unpaid, maximum of 1 year including primary carer leave) o Negotiated carer leave - Working for families o Best Start o Family tax credit o Minimum family tax credit o In-work tax credit
Female labour market participation (FLMP)	<ul style="list-style-type: none"> - Maternal employment rates in 2021 were 72%. - General female employment rates (age 15 to 64) were 71.4% in December 2021 (OECD)¹. - No data available for maternal employment rates by youngest child or number of children aged 0-14. - 37.1% of mothers worked part-time and 35.1% worked full-time (2021). 	<ul style="list-style-type: none"> - Maternal employment rates (UK) in 2021 were 74.2%. - General female employment rates were 75.9% in December 2021. - Maternal employment rates were 66.5% for youngest child aged 0-2 and 71.5% for youngest child aged 3-5 (OECD, 2021). - Rate with one child aged 0-14 was 79%, two children aged 0-14 was 75.6% and three or more children aged 0-14 as 55.4% in 2021. - 34% of UK single parents with at least one child aged 0-14 working full time (OECD, 2021). - 33.6% of UK mothers worked part-time and 40.2% worked full-time (2021). 	<ul style="list-style-type: none"> - Maternal employment rates in 2021 were 71.3%. - General female employment rates were 68.4% in December 2021. - Maternal employment rates were 71.2% for youngest child aged 0-2 and 66.9% for youngest child aged 3-5 (OECD, 2021). - Rate with one child aged 0-14 was 73.2%, two children aged 0-14 was 73.4% and three or more children aged 0-14 as 63.7% in 2021. - In Q4 2024, females accounted for 41% of persons in full-time employment. - 24.5% of mothers worked in full-time work in comparison to 46.4% working full-time. 	<ul style="list-style-type: none"> - Maternal employment rates in 2021 were 81.8%. - General female employment rates were 77.3% in 2021. - Maternal employment rates were 81% for youngest child aged 0-2 and 80.9% for youngest child aged 3-5 (OECD, 2021). - Rate with one child aged 0-14 was 80.5%, two children aged 0-14 was 85.3% and three or more children aged 0-14 as 74.7% in 2021. - 48.3% of mothers worked part-time and 33.5% worked full-time. 	<ul style="list-style-type: none"> - Maternal employment rates in 2021 were 71.7%. - General female employment rates were 75.5% in 2021. - Maternal employment rates were 58.7% for youngest child aged 0-2 and 69.9% for youngest child aged 3-5 (OECD, 2021). - Rate with one child aged 0-14 was 69.5%, two children aged 0-14 was 70.2% and three or more children aged 0-14 as 55.8% in 2021. - 29.74% of sole parents with 0-4-year-olds were in full time work, 16.82% in part-time work, and 53.44% not in work (Census, 2018)². - 25.3% of mothers worked part-time and 46.4% worked full-time.
ECE participation rates	<p>2022 OECD data:</p> <ul style="list-style-type: none"> - 36% for under age 2 - 65% for age 2 - 71% for age 3 - 87% for age 4 - 99% for age 5 	<p>2022 OECD data:</p> <ul style="list-style-type: none"> - 1% for under age 2³ - 55% for age 2 - 100% for 3-5-year-olds 	<p>2022 OECD data:</p> <ul style="list-style-type: none"> - 10% for under age 2 - 27% for age 2 - 88% for age 3 - 93% for age 4 - 99% for age 5 	<p>2022 OECD data:</p> <ul style="list-style-type: none"> - 66% for under 2s - 87% for age 2 - 88% for age 3 - 89% for age 4 - 99% for age 5 	<p>2022 OECD data:</p> <ul style="list-style-type: none"> - 30% for under age 2 - 63% for age 2 - 76% for age 3 - 81% for age 4 - 96% for age 5

¹ [https://data-explorer.oecd.org/vis?lc=en&df\[ds\]=dsDisseminateFinalDMZ&df\[id\]=DSD_LFS%40DF_IALFS_EMP_WAP_Q&df\[ag\]=OECD.SDD.TPS&df\[vs\]=1.0&dq=AUS%2BIRL%2BNLD%2BNZL%2BGBR.EMP_WAP..Z.Y.F.Y15T64..Q&pd=2021-Q4%2C2021-Q4&to\[TIME_PERIOD\]=false&vw=br](https://data-explorer.oecd.org/vis?lc=en&df[ds]=dsDisseminateFinalDMZ&df[id]=DSD_LFS%40DF_IALFS_EMP_WAP_Q&df[ag]=OECD.SDD.TPS&df[vs]=1.0&dq=AUS%2BIRL%2BNLD%2BNZL%2BGBR.EMP_WAP..Z.Y.F.Y15T64..Q&pd=2021-Q4%2C2021-Q4&to[TIME_PERIOD]=false&vw=br)

² Note: This draws on 2018 census data, from a specific request from the Ministry of Social Development to Stats NZ.

³ Note: OECD data is inconsistent across charts and data tables – we draw on the data table here (see country profile for further information). Data source: https://www.oecd.org/en/publications/education-at-a-glance-2025_1c0d9c79-en-full-report/how-does-the-provision-of-and-participation-in-early-childhood-education-and-care-vary-across-countries_86b8275d.html#title-b923c28161.

	<ul style="list-style-type: none"> - 86% of Indigenous children were enrolled in ECE in 2018 (the year before full-time school). 				<ul style="list-style-type: none"> - 94.9% of Māori children had participated in ECE prior to starting school in 2024⁴. - The percentage of Māori aged 0 to 4 attending ECE was 54 percent in 2021⁵.
Ratios	<p>Centre-based services:</p> <ul style="list-style-type: none"> - 1:4 for 0-2 years old - 1:5 for 2-to-3 years old (1:4 in the state of Victoria) - 1:11 or 1:10 (different ratios within the states and territories) for 3 years and over. <p>Family day care:</p> <ul style="list-style-type: none"> - 1:7 educator to child ratio - Maximum of four children preschool age or under - Ratio includes the educator's own children younger than 13 years of age if there is no other adult to care for them. 	<ul style="list-style-type: none"> - 1:3 for children under 2 years of age - 1:5 for children aged 2 years of age - 1:8 for 3 years and over - The ratio can be 1:13 for 3 years and over at independent schools when a person with an EYTS, QTS or EYPS is working directly with the children. 	<ul style="list-style-type: none"> - 1:3 for 0-1 year of age - 1:5 for 1-2 years of age - 1:6 for 2-3 years of age - 1:8 for 3-6 years of age 	<p>Daycares:</p> <ul style="list-style-type: none"> - 1:3 for 0-1 year - 1:5 for 1-2 years - 1:6 for 2-3 years - 1:8 for 3-4 years - 1:10 for 4-7 years - Groups with children aged 0-4 years have a maximum of sixteen children. 	<p>Centre-based services⁶</p> <ul style="list-style-type: none"> - (under 2 years old) <ul style="list-style-type: none"> o 1:5 - (2 years and over) <ul style="list-style-type: none"> o 1 adult for the first 1-6 children o 2 adults for between 7-20 children o 1:10 ratio applies for 20+ children <p>Home-based services</p> <ul style="list-style-type: none"> o 1:1-2 (under 2 years old) o 1:1-4 (2 years and over)
Qualifications	<ul style="list-style-type: none"> - A degree qualification (Level 7) is required for ECE teachers. All centre-based services must have access to or attendance of an ECE teacher. - At least 50% of educators must be diploma level (Level 5) qualified or higher. - All other educators must hold or be working towards a certificate III (Level 3) ECE qualification. 	<ul style="list-style-type: none"> - Early Years Teachers required to achieve a Level 6 qualification. This can be achieved through an undergraduate degree or apprenticeship. - A Level 2 qualification (e.g. diploma or certification) alongside some other non-directly relevant qualifications are the minimum requirements to be included in the staff-to-child ratios. - There must be least one staff with a Level 3 qualification (certificate or diploma) within all ratios. 	<ul style="list-style-type: none"> - Minimum qualifications requirements for all staff are set at Level 5 on the National Framework of Qualifications (a post-secondary non-tertiary education). - 70% of ECE staff held a Level 6 qualification (sub-degree) in 2020/2021. - There are no top-level regulations on minimum qualification levels to become a head of a centre-based Early Years setting. 	<ul style="list-style-type: none"> - The minimum qualification to work in childcare is vocational training in pedagogy/childcare at ISCED 3 (diploma). - More advanced roles may require a Level 4 vocational qualification (diploma). - All childcare centres must have a pedagogical policy officer with at least tertiary level 6 training in pedagogy (bachelor's degree). - From January 2025: <ul style="list-style-type: none"> o All staff working with babies must complete baby-specific training. o All childcare workers must meet a minimum Dutch language requirement. - Staff in daycare or childcare centres need specific training, especially if working with children who have an educational disadvantage. 	<ul style="list-style-type: none"> - Teacher-led, centre-based services must have a person responsible, who holds a recognised early learning teaching qualification. - At least 50% of required staff must have a recognised early learning teacher qualification. This can be a subject or specialist qualification at Level 7 of the NZ Qualifications Framework, such as a bachelor's degree or graduate diploma⁷. - All teachers must hold a current practicing certificate issued by the Teaching Council of Aotearoa New Zealand. - Between 2023 and 2024, 71% of teaching staff were qualified (23,699). - Home-based educators must hold a recognised home-based early learning qualification (at either Levels 3-7), or be enrolled in study to complete one within 4 years (Level 7) or 2 years (other levels).
ECE quality (framework / requirements)	<p>Teacher Qualifications – Yes</p> <p>Ratios – Yes</p> <p>Curriculum – Yes</p> <p>Regulator – Yes</p>	<p>Teacher Qualifications – Yes</p> <p>Ratios – Yes</p> <p>Curriculum – Yes</p> <p>Regulator – Yes</p>	<p>Teacher Qualifications – Yes</p> <p>Ratios – Yes</p> <p>Curriculum – Yes</p> <p>Regulator – Yes</p> <p>Physical space regulations - yes</p>	<p>Teacher Qualifications – Yes</p> <p>Ratios – Yes</p> <p>Curriculum – No</p> <p>Regulator – Yes</p>	<p>Teacher Qualifications – Yes</p> <p>Ratios – Yes</p> <p>Curriculum – Yes</p> <p>Regulator – Yes</p> <p>Licensing Criteria – Yes</p>

⁴ [Prior participation rate in early childhood education - Figure.NZ](#)

⁵ [2.-SIGNED-BN-1275043-Maori-participation-in-early-learning.pdf](#)

⁶ Note: These ratios are for all-day licences, different ratios apply for sessional licences. In practice, however, there are very few teacher-led sessional services remaining.

⁷ Note: It may be possible to provide data on the number of teachers in each qualification category in the future.

Outcome measures	The PISA ⁸ assessment results for 15-year-old students (mean performance) in 2022: - 498 points in reading - 487 points in mathematics - 507 points in science	The PISA assessment results for 15-year-old students (mean performance) in 2022 (UK results): - 494 points in reading - 489 points in mathematics - 500 points in science	The PISA assessment results for 15-year-old students (mean performance) in 2022: - 516 points in reading - 492 points in mathematics - 504 points in science	The PISA assessment results for 15-year-old students (mean performance) in 2022: - 459 points in reading - 493 points in mathematics - 488 points in science	The PISA assessment results for 15-year-old students (mean performance) in 2022: - 501 points in reading - 479 points in mathematics - 504 points in science
ECE Funding system features					
Key funding mechanisms used	- Child Care Subsidy (CCS) - Additional CCS - First Nations Activity Test Exemption - Worker Retention Payment - Building Early Education Fund - Hourly rate caps for the maximum amount of CCS the government will subsidise. - Three-Day Guarantee (2026) - Preschool Reform Agreement	- Tax-Free Childcare Scheme - Early Years Entitlement - Early Years Pupil Premium	- Access and Inclusion Model - The ECCE programme - National Childcare Scheme - Core Funding – max fee cap of €295 per week - Equal Start	- Early Childhood Education (VVE) - Childcare Benefit/Allowance	- 20 Hours ECE - ECE Funding Subsidy - Childcare Allowance - FamilyBoost - Targeted funding (as listed below)
Parental fee arrangements	- Average hourly fee in March quarter 2025 was \$13.20 - Hourly rate caps that the government will subsidise ⁹ : o \$14.64 for Centre Bases Day Care o \$13.56 for Family Day Care o \$39.80 for In Home Care (per family). - Net childcare costs for a two-earner two-child couple family with full-time earnings at 100+67% of average earnings, was 20% of family net income in 2021. - Net childcare costs for a two-child single-parent family with full-time earnings at 67% of average earnings, was 12% of family net income in 2021 (OECD).	- In 2024, the mean hourly fee charged by providers were: o under 2 was £6.60 for under-2s o £6.56 for 2-year-olds o £6.30 for 3-4-year-olds ¹⁰ - Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 100+67% of average earnings, was 22% of family net income in 2022. This percentage factors in childcare benefits/rebates (OECD). - Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, was 14% of family net income in 2022. This percentage factors in childcare benefits/rebates (OECD).	- In 2022, monthly full time childcare fees averaged almost €800 per child ¹¹ . - New maximum fee caps of €295 per week for a full day place for providers receiving Core Funding payments. - Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 100+67% of average earnings, was 22% of family net income (as a percentage of average earnings) in 2022 (OECD). - Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, was 7% of family net income in 2022 (OECD).	- The maximum hours the childcare allowance can be received is for 230 hours a month. - Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 100+67% of average earnings, was 28% of family net income in 2018 (OECD). - Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, was 15% of family net income in 2022 (OECD). - Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, was 7% of family net income in 2022 (OECD).	- Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 100+67% of average earnings, was 28% of family net income in 2018 (OECD). - Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, was 13% of family net income in 2018 (OECD).
Targeted funding to support participation	Funding: - Additional CCS - First Nations Activity Test - Building Early Education Fund Non-funding: - Online CCS estimator to help families understand entitlements.	- Early Years Pupil Premium - 15 hours of free childcare for two-year-olds from low-income families - Disability Access Fund	- AIM - Income-assessed NCS - Equal Start	- Early Childhood Education (VVE) - Municipal funding based on deprivation scores	- Equity Funding - ATIS (relatively smaller amount of funding) - Childcare Allowance - Guaranteed Childcare Assistance Payment - Early Learning Payment
Funding conditionality	- Must meet quality standards outlined in the National Quality	- Providers must meet Early Years Foundation Stage (EYFS) standards, including staff qualifications and ratios.	- Compliance with Aistear and Síolta frameworks; staff must meet minimum qualification levels.	- Childcare centres must meet legal standards under the Childcare Act; municipalities enforce compliance.	- Services must meet licensing criteria including staff qualifications, ratios, and curriculum (Te Whāriki).

⁸ Programme for International Student Assessment⁹ If a provider charges more than the cap, families must pay the difference out-of-pocket.¹⁰ <https://explore-education-statistics.service.gov.uk/find-statistics/childcare-and-early-years-provider-survey/2024>¹¹ [Affordability - Sinn Féin](#)

/ Accountability	Framework, including ratios and qualifications.	<ul style="list-style-type: none"> - Providers must be registered with Ofsted and comply with funding conditions. - Ofsted undertake inspections. 	<ul style="list-style-type: none"> - Providers receiving Core Funding must submit financial and operational data. - Tusla oversees registration and compliance. 	<ul style="list-style-type: none"> - Municipal Health Services (GGD) conduct inspections and assessments. - Providers must have pedagogical plans aligned with national quality frameworks. 	<ul style="list-style-type: none"> - ERO conducts regular reviews. - Providers submit data for funding claims and quality assurance.
Relevant recent developments	<ul style="list-style-type: none"> - 2023 Australian competition and Consumer Child Care Price Inquiry - 2024 Australian Productivity Commission Inquiry: A path to universal early childhood education and care. - Subsequent changes to funding: <ul style="list-style-type: none"> o Three-Day Guarantee subsidy o Worker Retention Payment o Building Early Education fund 	<ul style="list-style-type: none"> - 2023 Free Childcare for Working Parents Childcare Reforms <ul style="list-style-type: none"> o All working parents of children aged 9 months to 4-years-old can access 30 hours free childcare per week. o Local authorities will receive an average of £11 per hour for under-2s. o Increased funding paid to nurseries for existing free hours offer. From £6 to £8 for 2-year-olds (30% increase) and a small inflation adjustment to the funding rate for 3- and 4-year-olds. 	<ul style="list-style-type: none"> - 2019 First 5 strategy - 2021 Partnership for the Public Good: A New Funding Model for Early Learning and Care and School-Age Children review and report. <ul style="list-style-type: none"> o Core Funding Payment o ECCE Programme o Amended NCS 		<ul style="list-style-type: none"> - 2024 – 2026 ECE Funding Review - Additional funding for Pay Parity
All ECE 2020 annual expenditure per child ¹² in \$USD, converted using PPP (OECD EAG, 2023)	- 8,983	- Missing	- 4,790	- 8,901	- Missing from EAG. MoE estimate: \$8,238 ¹³

¹² Expenditure per child is based on headcounts rather than full-time equivalent students. OECD data includes both public and private expenditure.

¹³ While steps have been taken to get as close as possible to OECD methods for this estimate, using available data, it should be treated as indicative and comparisons with other jurisdictions treated with caution. Note this estimate includes only public (not private) expenditure on ECE. While public ECE investment comparisons are not included in the OECD's 2023 'Education at a Glance', in previous years New Zealand's investment per child in ECE has been shown to be high. When New Zealand's public-only expenditure per child is compared alongside total public and private expenditure per child in other countries, New Zealand sits around the OECD average.

Australia

Key Features of the ECE System

ECE services in Australia are diverse and include¹⁴:

- Centre-Based Day Care (CBDC): typically provided in centres approved by regulators.
- Family Day Care (FDC): Home-based care provided by registered educators.
- In-Home Care (IHC): Where an educator provides care in the child's home. This is restricted to families who can't access other forms of ECE.

The Australian Government supports states and territories to ensure a consistent quality preschool programme is available for all children before they start school. Play-based preschools are funded under the Preschool Reform Agreement, where the Government provides a per-child contribution to states and territories until the end of 2025. This funding supports the delivery of 15 hours of preschool a week, 600 hours a year, for all children in the year before they start school. States and territories must pass on the Government's per-child contribution to benefit children in the setting in which they attend.

In the December 2019 quarter, there were 8,605 services providing ECE. 8,104 (94.18%) CBDC services, 461 (5.36%) FDC services and 40 (0.46%) IHC services. 63% of childcare services operated for-profit, varying from 50% for IHC to 69% for CBDC.

Governance and funding arrangements vary by states and territories making it difficult to provide a singular overview of how the ECE system operates. The interface between federal and state policies and funding arrangements for ECE adds to this complexity.

Quality in Australia is established through the National Quality Framework (NQF) which sets standards for service quality, staffing and curriculum, centralising regulation. The NQF requirements relating to:

- Qualifications: Australia distinguishes between ECE teachers and ECE educators, with different qualification requirements for each. ECE teachers must hold a degree (Level 7) qualification. ECE teachers have a leadership role in curriculum planning and implementation, and are responsible for providing educational programmes in accordance with the Early Years Learning Framework. Long day centre-based ECE services over a certain size (this varies by state) must have an ECE teacher. ECE educators work under the guidance of early childhood teachers, provide direct care of children and implement ECE programmes and activities. At least 50% of educators must be diploma level

¹⁴ [Service types - Department of Education, Australian Government](#)

(Level 5) qualified or higher. All other educators must hold or be working towards a certificate III (Level 3) ECE qualification¹⁵.

- Adult:Child Ratios and group sizes: these vary by age group, with lower ratios for younger children (see below).
- Curriculum: The Early Years Learning Framework (EYLF) supports the learning of children from birth to 5 years and through the transition to school. The vision for the EYF is that children's lives are characterised by belonging, being and becoming.

Different ratios apply for centre-based and home-based (family day care) services.

Ratios¹⁶ in centre-based services are:

- 1:4 for 0-24 months old
- 1:5 for over 24 months and under 36 months (1:4 in the state of Victoria)
- 1:11 or 1:10 (different ratios within the states and territories) for over 36 months and preschool age

Ratios in family day care are:

- 1:7 educator to child ratio
- Maximum of four children preschool age or under
- Ratio includes the educator's own children younger than 13 years of age if there is no other adult to care for them.

Australia's strategic framework for ECE is outlined in the Early Years Strategy (2024-2034), setting out a national vision for improving child wellbeing. The focus of this strategy is on valuing the early years, empowering families and supporting communities. Measurements of outcomes related to the strategy objectives are supported by the Australian Early Development Census (AEDC), which tracks development outcomes across many domains.

ECE Funding

Several approaches are used to fund ECE in Australia.

The Child Care Subsidy (CCS) is the main mechanism. It currently covers up to 90% of childcare fees for up to 100 hours each fortnight, depending on family income and parental activity levels¹⁷. Families can determine their CCS entitlement using the online CCS estimator provided by Services Australia, which calculates eligibility based on submitted income and activity levels. Providers also assist families in understanding their entitlements.

¹⁵ [Qualification requirements | ACECQA](#)

¹⁶ [Educator to child ratios in early childhood services | vic.gov.au](#)

¹⁷ [Child Care Subsidy hourly rate caps are changing soon - Department of Education, Australian Government](#)

The hourly rate cap sets the maximum hourly fee that the government will subsidise and is a key feature of CCS. If a provider charges more than the cap, families must pay the difference out-of-pocket. The cap varies by service type (e.g. centre based day care and family day care) and is indexed annually.

While intended to constrain fee inflation, reviews (e.g. the ACCC Child Care Price Inquiry) have found that providers often set fees based on market demand rather than the cap, limiting its effectiveness.

2025-26 hourly rate cap that the government will subsidise for each type of care¹⁸:

Care type	Hourly rate cap for children below school age (AUD)
Centre Based Day Care	\$14.63
Family Day Care	\$13.56
In Home Care (per family)	\$39.80

Activity levels and hours of subsidised childcare each fortnight:

Activity level each fortnight	Hours of subsidised childcare each fortnight
Less than 8 hours	0 hours if income is above \$85,279, 24 hours if income is \$85,279 or below
More than 8 to 16 hours	36 hours
More than 16 to 48 hours	72 hours
More than 48 hours	100 hours

Family Income Thresholds:

Family Income	Subsidy rate
Up to \$85,279	90%
More than \$85,279 to below \$535,279	Between 90% and 0% The percent decreases by 1% for every \$5,000 of income a family earns.
\$535,279 or more	0%

Rate for second and younger children:

Family Income	Second and younger children subsidy rate
\$0 to \$143,273	95%
More than \$143,273 to below \$188,273	Decreasing from 95% The percentage decreases by 1% for every \$3,000 of income a family earns
\$188,273 to below \$267,563	80%

¹⁸ [Child Care Subsidy hourly rate caps are changing soon - Department of Education, Australian Government](#)

\$267,563 to below \$357,563	Decreasing from 80% The percentage decreases by 1% for every \$3,000 of income a family earns
\$357,563 to below \$367,563	50%
\$367,563 or more	Higher CCS rates no longer apply, all children in the family receive the standard CCS rate.

Currently eligibility for the CCS for most people also depends on whether parents are in employment, training or education. Following recent reforms (discussed further below), from 2026, a ‘Three-Day Guarantee’ will provide 72 hours of subsidised care per fortnight to all families, removing the activity test and simplifying access. Targeted additional fees subsidy support is also provided and includes:

- Additional Child Care Subsidy (ACCS): Extra support for families facing hardship or complex circumstances
- First Nations Activity Test Exemption: Ensures at least 36 hours of CCS per fortnight for Aboriginal and Torres Strait Islander children, regardless of parental activity level.
- The Three-Day Guarantee: When introduced in 2026, Aboriginal and Torres Strait Islander children can get 100 hours of subsidised childcare per fortnight.

The worker retention payment is an investment that supports a 15% wage increase for ECE workers over two years from December 2024¹⁹. Providers opt-in by applying for the payment, is issued to eligible providers through a grant agreement and delivered via the Child Care Subsidy System. Providers must pass the payment onto eligible ECE workers.

As previously mentioned, the Preschool Reform Agreement provides 15 hours of preschool a week, 600 hours a year, for all children in the year before they start school.

Wider Settings that Support Parents with Young Children

Australia provides up to 24 weeks of government-funded paid parental leave for eligible primary carers. Many employers offer additional paid leave. The rate of payment in the 2025-26 financial year is AUD\$948.10 per five-day week²⁰.

The Family Tax Benefit Parts A and B help eligible families with the cost of raising children. Part A is a payment made to families that care for a dependent child aged 0-15 years and meet an income test. The amount depends on income, the ages of the children and the number of children in the family. Part B is a payment made to provide

¹⁹ [Early childhood wages - Department of Education, Australian Government](#)

²⁰ [How much Parental Leave Pay you can get - Parental Leave Pay - Services Australia](#)

extra help to single-parent families and non-parent carers with a child aged under 18 years. It also helps some families that only have one main income and a child aged under 13 years. The Part B amount that is received is dependent on the age of the youngest child and the family's income.

The Parenting Payment is also available another income support payment for being the main carer of a young child. Parents are eligible for the payment if they have a child younger than 14-years-old if they are single or 6-years-old if they have a partner. The parent must have income of less than \$2,745.67 and are under an asset test limit. The payment rates for the Parenting Payment are:

Circumstance	Maximum fortnightly payment from March 2025 (AUD)
Single	\$982.50 Parenting Payment plus a pension supplement of \$29.00
Partnered	\$715.10
Partnered, separated due to illness, respite care or prison	\$836.50

Recent ECE Reforms

The 2024 Productivity Commission Inquiry built on insights from the 2023 Australian Competition and Consumer Commission (ACCC) Child Care Price Inquiry, and sought to identify solutions that would increase parental workforce participation, improve ECE affordability, and support children's learning and development.

The inquiry found that market forces alone were insufficient to meet the diverse needs of children and families, particularly in underserved areas. While earlier increases to the CCS initially reduced out-of-pocket costs for families, these benefits were often offset over time by provider fee increases.

The inquiry also highlighted that the CCS is a demand-side subsidy, and that the Australian framework had limited direct support through supply-side subsidies that cover the costs of service provision. Using demand-side subsidies like the CCS to intervene in the childcare sector resulted in the market being further incentivised to supply to the areas with greatest demand.

Increases to the CCS were found to reduce the incentive that households may have to choose a service based on price. This reduces the extent to which competition can provide downward pressure on gross fees, impacting government expenditure. This led to the ACCC report recommending further consideration of supply-side subsidies and direct price controls.

The inquiry also found that the CCS's hourly rate cap was also not functioning effectively. The Regulation Impact Statement for the Jobs for Families Child Care Package (2015) stated that the hourly rate cap was anticipated to "send a strong message about what a 'high fee' service is and place downward pressure on fee increases as families are will not be subsidised for the gap between the hourly fee cap and higher fees". However, it was found that many providers set fees based on local market conditions, including competitor pricing and families' willingness to pay, rather than the cap itself. The inquiry highlighted that a more coordinated and publicly supported system was needed to address persistent gaps in access and quality.

In response, the government introduced several key reforms; The Building Early Education Fund, the Three-Day Guarantee that is set to begin in 2026 and the Worker Retention Payment. The Australian Department of Education is undertaking further work to inform potential further changes to the ECE funding.

There is mismatch between supply and demand in Australia, especially in rural and remote areas. Workforce shortages are a persistent issue, particularly for shortages of qualified educators. The federal government has responded with initiatives such as the Building Early Education Fund, which allocated \$1 billion to expand services in underserved communities, including First Nations areas²¹. The State Government of Victoria also offered relocation incentives worth \$9000, plus relocation support to qualified ECE teachers moving from New Zealand to Victoria²².

Outcomes

Participation in Australian's ECE system is high, with participation rates of 36% for under age 2, 65% for age 2, 71% for age 3, 87% for age 4, and 99% for age 5 (OECD, 2023). However, Indigenous Australians have lower rates of ECE participation, with only 86% enrolled in ECE in the year before full-time school (2018 data).

Maternal employment rates are in 2021 were 72% (OECD, 2023)²³ and slightly lower than general female employment rates from age 15 to 64 of 71.4% in December 2021 (OECD). 37.1% of mothers worked part-time in comparison to 35.1% working full-time. No data is available for maternal employment rates by youngest child or number of dependent children aged 0-14.

Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 100+67% of average earnings, was 20% of family net income (including

²¹ [Fact Sheet - Building Early Education Fund - Department of Education, Australian Government](#)

²² [NZ – VIC Opportunity - Imagine Childcare](#)

²³ https://www.oecd.org/content/dam/oecd/en/data/datasets/family-database/lmf_1_2_maternal_employment.xlsx

childcare benefits / rebates) in 2021²⁴. This percentage factors in childcare benefits/rebates (OECD)²⁵. This compares against 28% in New Zealand, 22% in the United Kingdom and Ireland and 15% for the Netherlands.

Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, was 12% of family net income (including childcare benefits / rebates) in 2021 (OECD). This compares against 13% in New Zealand, 14% in the United Kingdom, 3% in Ireland and 7% in the Netherlands.

Key Takeaways

The funding model for Australia's ECE system is a predominantly demand-sided, with the CCS being the primary mechanism of funding. The CCS is mean-tested and activity-based with eligibility and subsidy levels depending on parental income and work or study hours. This model has supported affordability for many families, but it has also been shown to contribute to fee inflation, and uneven ECE supply, particularly in less populated areas. The ACCC's Child Care Price Inquiry highlighted there are limitations of relying solely on demand-side subsidies and incorporating supply-side funding and direct price controls should be considered.

Australia's regulated adult-child ratios are generally lower than New Zealand's up to the age of three, where the ratios then become comparatively higher (1:11 or 1:10 for 3 years and over). Workforce qualification requirements appear to be less demanding than in New Zealand, and distinctions are made between ECE teachers (who play a leadership role in service provision) and ECE educators. ECE teachers must hold a Level 7 qualification, only 50% of educators are required to hold a diploma-level qualification. Australia also has a well-established quality assurance framework (NQF) and national curriculum (EYLF) that support child safety and child development outcomes.

²⁴ Note: The OECD's Net Childcare Cost (NCC) indicator measures the net reduction in family income resulting from the use of full-time centre-based care. It is calculated by comparing net income of a family that uses childcare and an otherwise identical family where no childcare services are used (for example, if the family can use unpaid informal care).

²⁵ <https://www.oecd.org/content/dam/oecd/en/data/datasets/family-database/pf3-4-childcare-support.xlsx>

England

Key Features of the ECE System

England's ECEC sector is diverse and includes:

- Group-base providers: Private companies operating on non-domestic premises
 - o Private group-based providers: including employer-run childcare for employees.
 - o Voluntary group-based providers: including community groups, charities, churches or religious groups.
- School-based providers:
 - o Maintained Nursery schools: maintained schools specifically built for children in their early years and with a qualified teacher present.
 - o School-based providers offering nursery: (local authority) maintained schools, and non-maintained schools, offering nursery provision.

In 2024, there was an estimated 1,602,500 registered childcare places. 1,100,100 group-based providers (68.65%), 359,200 school-based providers (22.41%) and 143,200 child minders (8.94%). The system has a clear distinction between care for younger children (ages 0–2) and early education for 3–4-year-olds. Group-based providers like day nurseries often serve younger children, while school based or nursery school focus more on education for 3–4-year-olds.

To support quality ECE, England mandates that lead ECE educators (known as Early Years Teachers) hold a Level 6 qualification. This qualification may be an Early Year's Teacher Status (EYTS), Qualified Teachers Status (QTS) or an Early Years Professional Status (EYPS), which can be achieved through a 3–4-year undergraduate degree or a 3-year apprenticeship. Not all ECE staff need to have a qualification but to be included in the child ratios, they must hold a Level 2 ECE Qualification (e.g. a diploma or certification) and some other non-directly relevant ECE qualifications.

With each staff-to-child ratio grouping, there must be at least one staff member with a Level 3 Qualification (the rest of the staff members can be Level 2 qualified). Standard staff-to-child ratios are 1:3 for children under 2, 1:5 for children aged 2 and 1:8 for 3 years and over. In independent/private schools (including nursery classes in free schools), the ratio can be 1:13 for 3 years when a qualified teacher with an EYTS, QTS or EYPS is working directly with the children²⁶.

The Early Years Foundation Stage (EYFS) framework sets curriculum standards focused on learning, development, and safeguarding. Oversight of ECE is provided by the Department for Education and quality assurance by Ofsted (Office for Standards in

²⁶ [Early Years Ratios - Understanding the Staff to Child Ratio in Early Years](#)

Education, Children’s Services and Skills). To receive government funding, providers in England must be registered with Ofsted (Office for Standards in Education, Children’s Services and Skills), comply with EYFS standards, and submit regular data on attendance, staffing, and outcomes. Funding is conditional on maintaining quality, staff qualifications, and adherence to curriculum and safety regulations.

In July 2025, England’s government published the ‘Giving Every Child the Best Start in Life’ strategy, outlining how the government will improve child development and support all children to achieve and thrive²⁷. It identified the follow areas of focus:

- improving family services, providing high quality support to parents and children from pregnancy to age 5
- making it easier and cheaper for families to access early education and care
- improving the quality of education and care that children receive in early years settings, childminders, and reception classes.

Data on participation, quality, and outcomes is collected through national surveys and administrative systems, such as the Childcare and Early Years Survey of Parents and Early Years Provider Survey from GOV.UK.

ECE Funding

Parents in England typically pay fees to private providers, but government subsidies are available to reduce costs.

Through the Free Childcare for Working Parents Scheme, working families with children aged 9 months to 4 years old can get 30 hours of free childcare per week for 38 weeks per year. The family must also have an adjusted net income below £100,000.

There is also a universal early years entitlement (EYE) that all 3–4-year-olds are entitled to 15 hours of free early education per week for 38 weeks of the year, regardless of parental income or employment. Eligible working parents of 3–4-year-olds may also receive the additional 15 hours per week from the Free Childcare for Working Parents scheme, bringing their total entitlement to 30 hours. The maximum entitlement per child is 30 hours per week. Local authorities receive the government funding for EYE and are responsible for distributing it to ECE services in their localities.

The Tax-Free Childcare Scheme (introduced in 2017 to replace a previous ‘childcare voucher’ scheme) is available to working parents with children under 11, providing up to £500 quarterly per child (£1,000 per quarter for disabled children) to help meet the cost of approved childcare (this includes au pairs, childminders, nannies, playgroups, and before- and after-school care). It operates via an online government account (administered by His Majesty’s Revenue and Customs Department) into which the

²⁷ [Giving every child the best start in life - GOV.UK](#)

government adds £2 for every £8 paid in by parents, friends or family members. Employers do not have a direct role in the Tax-Free Childcare Scheme (parents apply to join, are responsible for managing their account and for making childcare payments from it) but can choose to pay into an employee's account.

The Universal Credit can provide further support through covering up to 85% of childcare costs for low-income families while they work²⁸. The most a family can get back each month is £1,031.88 for one child and £1,768.94 for 2 or more children. The parent and their partner (if they live with them) will have to be working or have a job offer.

England also provides targeted support for disadvantaged groups. Two-year-olds from low-income families are eligible for 15 hours of free childcare per week through the EYE, providing approximately 40% of most disadvantaged children with a part-time ECE place. If these families also meet the criteria for the Free Childcare for Working Parents Scheme, they may be eligible for an additional 15 hours per week, bringing the total to 30 hours of free childcare per week for 38 weeks per year.

The Early Years Pupil Premium offers additional funding of up to £570 per year to providers to support children from disadvantaged backgrounds²⁹. While these measures have improved access, gaps in participation and outcomes remain, particularly among ethnic minority and low-income families.

Recent ECE Reforms

The 2023 Spring Budget Childcare Reform aimed to support parents, particularly mothers, to return to or progress in the workforce by expanding access to affordable childcare from as early as nine months of age. The reform also sought to promote gender equity and improve child development outcomes through high-quality early education.

A phased expansion of the Free Childcare for Working Parents Entitlement is currently underway, as follows:

- From April 2024: 15 hours of free childcare per week for working parents of 2-year-olds.
- In September 2024: this entitlement was extended to all working parents of children aged 9 months to 3 years
- From September 2025, it was doubled to 30 hours per week.

To support this expansion, the government has significantly increased funding rates, with local authorities receiving an average of £11 per hour for under-2s from 2024–25. Nurseries also saw a 30% increase in funding for 2-year-olds and inflation adjustments

²⁸ [Universal Credit childcare costs - GOV.UK](#)

²⁹ [Get extra funding for your early years provider - GOV.UK](#)

for 3- and 4-year-olds. Overall, the reform commits an additional £4.1 billion by 2027–28, bringing total annual investment in free hours and early education to over £8 billion. At the 2025 Spending Review, a further £1.6 billion per year was agreed for 2028–29 to continue the expansion.

Wider Support Settings for Parents

Parents are entitled to 52 weeks of Statutory Maternity Leave (26 weeks Ordinary Maternity Leave and 26 weeks Additional Maternity Leave)³⁰. Statutory Maternity Pay is available for 39 weeks, with the first 6 weeks being 90% of the mother's average weekly earnings (AWE) before tax and the remaining 33 weeks at £187.18 or 90% of their AWE (whichever is lower). In addition, Shared Parental Leave allows parents to share up to 50 weeks of leave and 37 weeks of pay, offering flexibility in caregiving arrangements.

Outcomes of ECE

Participation in early education is high among 3–5-year-olds in England, with 2022 rates of around 100% (OECD, 2023). Participation appears to be lower among 2-year-olds (55%) and particularly low for under 2s (1%). However, the OECD data for under 2s appears inconsistent, with their graph indicating participation rates of approximately 20% but the accompanying data table reports just 1%. As 52 weeks Statutory Maternity Leave is available and used by parents, it's possible that this has the effect of limiting ECE participation amongst 0–12-month-olds.

The maternal employment rate in the United Kingdom (data for England not readily available) was 74.2% in 2021 (OECD, 2023). 33.6% of mothers worked part-time in comparison to 40.2% working full-time. Sole parent employment rates are lower, with only 34% of UK single parents with at least one child aged 0–14 working full-time (OECD, 2021)³¹. Lack of access to affordable childcare is identified as a key barrier to workforce participation³².

Maternal employment rates were 66.5% mothers with their youngest child being age 0–2 and 71.5% for their youngest child being age 3–5 (OECD, 2021)³³. Maternal rates for mothers with one child aged 0–14 was 79%, two children aged 0–14 was 75.6% and three or more children aged 0–14 as 55.4% in 2021³⁴.

³⁰ [Statutory Maternity Pay and Leave: employer guide: Entitlement - GOV.UK](https://www.gov.uk/government/publications/statutory-maternity-pay-and-leave/employer-guide-to-statutory-maternity-pay-and-leave)

³¹ <https://www.oecd.org/content/dam/oecd/en/data/datasets/family-database/lmf-2-3-distribution-working-hours-sole-parent-households.xlsx>

³² <https://committees.parliament.uk/writtenevidence/116606/pdf>

³³ https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwebfs.oecd.org%2FEIs-com%2FFamily_Database%2FLMF_1_2_Maternal_Employment.xlsx&wdOrigin=BROWSELINK

³⁴ Note: The schooling system might affect these rates as it includes primary school age kids.

Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 100+67% of average earnings, was 22% of family net income in 2022. This percentage factors in childcare benefits/rebates (OECD).

Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, was 14% of family net income in 2022. This percentage factors in childcare benefits/rebates (OECD).

Key Takeaways

ECE provision in England's ECE system is split between care for children under 2 (nurseries) and pre-school education (nursery schools or classes) for 3-4-year-olds. The funding model combines universal and means-tested components, including the Early Years Entitlement, Tax-Free Childcare, and the Universal Credit support. Staff-to-child ratios are similar to the other comparative countries; however, they are comparatively lower for 1-2-year-olds. (1:3 for under 2s) and vary depending on staff qualifications. The EYTS qualifications pathway is unique for England's ECE sector, differing significantly from primary school teacher training with a separate qualification framework and employment-based training.

Recent reforms, like the 2023 Spring Budget expansion of free childcare for working parents, highlight a government focus on increasing maternal employment. The introduction of the 'Giving Every Child the Best Start in Life' strategy signals shift toward a more strategic and coordinated approach to ECE. This move brings England more in line with countries like Ireland and Australia, which already have long-term strategies.

Ireland

Key Features of the ECE System

ECE in Ireland is primarily offered by private providers, with community-based and voluntary providers operating too. Childcare options including full-day care (including nurseries and crèches) and part-time day care (including Montessori groups, pre-schools, crèches and playgroups), sessional services, childminders, baby and toddler groups, drop-in centres and school-age childcare³⁵.

Provision is split between care for children under three (typically in crèches or daycare settings) and early education for children aged three to five, primarily delivered through the Early Childhood Care and Education (ECCE) programme.

Services are regulated by Tusla – Child and Family Agency, and overseen by the Department of Children, Equality, Disability, Integration and Youth.

Quality is guided by two national frameworks: Aistear, the early childhood curriculum; and Síolta, the National Quality Framework for Early Childhood Education.

Minimum staff qualifications requirements are set at Level 5 (a post-secondary non-tertiary education) on the National Framework of Qualifications³⁶. 70% of ECE staff held a Level 6 qualification (sub-degree) in 2020/2021³⁷. Ireland has no top-level regulations on minimum qualification levels to become a head of a centre-based ECE setting.

Child-to-staff ratios are regulated, with a 1:3 ratio for 0-1 year of age, 1:5 for 1-2 years of age, 1:6 for 2-3 years of age, and 1:8 for 3-6 years of age³⁸. Group sizes and physical space requirements are also specified in national regulations.

Ireland's strategic framework for ECEC is outlined in First 5: A Whole-of-Government Strategy for Babies, Young Children and their Families (2019–2028)³⁹. This strategy aims to improve affordability, accessibility, and equity ECE for families and children in Ireland, and better integration across health, education, and social services. The Department of Children collects data and publishes regular monitoring reports on participation, quality, and outcomes.

ECE Funding

Ireland's ECEC funding system is anchored by two main mechanisms:

- the Early Childhood Care and Education (ECCE) programme, which provides universal free preschool education; and

³⁵ [Your childcare options](#)

³⁶ [Recognition of an Early Years Qualification](#)

³⁷ [Explainers_TheWorkforce.pdf](#)

³⁸ [Are you maintaining the correct ratios in your service? - Early Childhood Ireland](#)

³⁹ [first-5-a-whole-of-government-strategy-for-babies-young-children-and-their-families-20.pdf](#)

- the National Childcare Scheme (NCS), which offers income-based subsidies for childcare costs.

The ECCE programme is available for up to 15 hours per week, 38 weeks per year, for two years before school entry, for all children aged over 2 years and 8 months.

The NCS provides financial support toward the cost of childcare for hours not funded through the ECCE. It includes two types of subsidies for children aged between 6 months and 15 years⁴⁰:

- A universal subsidy is available to parents of any income level and has a subsidy rate of €2.14 for a maximum of 45 hours a week. The subsidy rate is dependent on the number of hours the child attends childcare.
- An income-assessed subsidy, available to families with an annual income under €60,000. Other factors that determine the level of subsidy include the number of children in the family, the age of the child, hours the parent/s work or study for, and hours of care needed.

Both subsidies are paid directly to providers, reducing the fees charged to families. Providers must be registered with Tusla and meet quality and reporting requirements to receive funding.

More recently, the Irish government introduced Core Funding⁴¹, a supply-side payment made directly to ECE providers. Its purpose is to: support quality (e.g. better staff pay and qualifications); control fees for families; and promote inclusion and equity. Funding is calculated according to the number of staff and the capacity of the service.

Providers receiving Core Funding must adhere to maximum fee caps. From September 2025, the highest allowable fee for a full-day place (40–50 hours/week) will be €295/week. Families paying the maximum fee will still receive the universal NCS subsidy (e.g. €96.30), reducing their out-of-pocket cost to a maximum of €198.70/week. Providers must meet conditions around cost transparency and financial reporting. Funding includes provisions to support the employment of graduate-level staff. Core Funding rates and how they are calculated can be found here:

<https://first5fundingmodel.gov.ie/core-funding/>

Specific measures to support disadvantaged groups includes targeted support for children with disabilities, including the Access and Inclusion Model (AIM)⁴². This is an initiative that provides a range of universal supports to create inclusive ECE environments and targeted supports, based on individual child needs.

⁴⁰ [National Childcare Scheme \(NCS\)](#)

⁴¹ [Minister Foley announces new maximum fee cap for early learning and childcare services alongside €390 million in State funding this year through the Core Funding Scheme](#)

⁴² [Explainers AIM.pdf](#)

Equal Start is another funding model that has a set of universal and targeted measures to support access and participation in ECE. This is a tiered approach, incorporating universal supports, child-targeted supports and setting-targeted supports⁴³.

Recent Reforms⁴⁴

Following on from the First 5 strategy in 2019, an Expert Group was established to undertake a two-year review to develop a new funding model for the ECE sector. Their report: [Partnership for the Public Good: A New Funding Model for Early Learning and Care and School-Age Children](#) was released in December 2021 and the Irish Government accepted its 25 recommendations.

The new funding model that was recommended included two new elements (Core Funding and Tackling Disadvantage funding) and two elements which are developments on the existing funding approaches of the ECCE programme and the NCS:

1. Core Funding (as outlined above).
2. Funding for new universal and targeted measures to address socio-economic disadvantage. The universal strand was to be informed by the universal elements of AIM, and the targeted strand informed by the Delivering Equality of Opportunity in Schools model (not ECE specific).
3. Continued provision of the ECCE programme and AIM extended beyond the ECCE programme.
4. An amended NCS to provide enhanced universal support to all families, tailor additional supports to high-volume users of services, and resolve certain issues arising from work/study or wraparound policy.

Wider Support for Parents

Parents in Ireland are entitled to 26 weeks of paid maternity leave, with additional 16 weeks unpaid leave options. Paternity leave provisions have also expanded in recent years to 2 weeks leave in the first 6 months after the baby is born or adopted.

Financial support is also available through Child Benefit, a universal monthly payment for all children under 16. The family is eligible for the Child Benefit if their child is aged 16, 17 or 18 and is in full time study or training, or has a disability and are unable to support themselves.

Outcomes of ECE

Ireland's ECE system delivers participation rates in 2022 of 10% for under age 2, 27% for age 2, 88% for age 3, 93% for age 4, and 99% for age 5 (OECD, 2024). There were relatively lower enrolment rates for Travelers and Roma children in 2020/21, with 4002

⁴³ [Equal Start](#)

⁴⁴ [National reforms in early childhood education and care](#)

traveller children enrolled and 507 Roma children enrolled⁴⁵. Participation in the ECCE programme exceeds 96% with over one million children enrolled in the programme⁴⁶. Uptake of NCS subsidies is growing with 150,000 children availing of NCS subsidies in May 2024⁴⁷.

Maternal labour market participation has increased in recent years, supported by improved access to affordable childcare. Maternal employment rates in 2021 were 71.3% (OECD, 2023), and 24.5% of mothers worked in full-time work in comparison to 46.4% working full-time. General female employment rates were 68.4% in December 2021 and in 2024, females accounted for 41% of persons in full-time employment (Central Statistics Office, 2024)⁴⁸. More females (32.8%) than males (5.3%) stated that caring for children or adults was the main reason for working part-time. In contrast, more males (38.3%) than females (21.6%) stated their main reason for working part-time was due to education or training (Central Statistics Office, 2024)⁴⁹.

Maternal employment rates were 71.2% for with their youngest child being age 0-2 and 66.9% for their youngest child being age 3-5 (OECD, 2021). Maternal rates for mothers with one child aged 0-14 was 73.2%, two children aged 0-14 was 73.4% and three or more children aged 0-14 as 63.7% in 2021⁵⁰.

Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 100+67% of average earnings, was 22% of family net income in 2022. This percentage factors in childcare benefits/rebates (OECD).

Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, was 3% of family net income in 2022. This percentage factors in childcare benefits/rebates (OECD).

Key Takeaways

Ireland's funding model combines universal and targeted demand-side subsidies (ECCE and NCS) with supply-side Core Funding. This combination supports both affordability for parents, and the quality and sustainability of services. Core Funding is tied to fee caps and financial transparency, and also includes provisions to support the employment of graduate-level staff, thereby helping contain costs and support workforce development. This is something few countries have achieved

⁴⁵ [Pavee-Pt.-Travellers-Roma-Education-Training-MK-FINAL-Wed-6-March-2024-1-1-3.pdf](https://www.cso.ie/en/releasesandpublications/ep/p-wlm/travellers-roma-education-training-mk-final-wed-6-march-2024-1-1-3.pdf)

⁴⁶ [Government's free pre-school programme ECCE reaches the one million milestone as results of independent review is published](https://www.cso.ie/en/releasesandpublications/ep/p-wlm/travellers-roma-education-training-mk-final-wed-6-march-2024-1-1-3.pdf)

⁴⁷ [Record 150,000 children now availing of National Childcare Scheme subsidies](https://www.cso.ie/en/releasesandpublications/ep/p-wlm/travellers-roma-education-training-mk-final-wed-6-march-2024-1-1-3.pdf)

⁴⁸ <https://www.cso.ie/en/releasesandpublications/ep/p-wlm/womeninthelabourmarket2023-2024/keyfindings/>

⁴⁹ <https://www.cso.ie/en/releasesandpublications/ep/p-wlm/womeninthelabourmarket2023-2024/keyfindings/>

⁵⁰ Note: The schooling system might affect these rates as it includes primary school age kids.

simultaneously. However, Ireland's Level 5 staff qualification requirement is not as stringent as New Zealand's Level 7 requirement.

Equal Start and AIM provide support that is tailored to individual children, settings and communities, indicating a nuanced approach to addressing disadvantage. This is relatively more structured and targeted than the broader equity funding in New Zealand.

Ireland has the lowest net childcare costs for single-parent families among the comparative countries (3% of net income for a two-child household earning 67% of average wages). This may be a strong reflection of the effectiveness of their targeted subsidies in reducing financial barriers.

Netherlands

Key Features of the ECE System

ECEC services in the Netherlands include⁵¹:

- Daycare centres (Kinderdagverblijf) for children aged 0–4
- Preschool playgroups (Peuterspeelzalen) for 2–4-year-olds
- Registered childminders (Gastouderopvang)

Provision is mixed, with both private and municipal providers operating under national regulations.

The minimum qualification to work in childcare is vocational training in pedagogy/childcare at ISCED 3 (diploma). More advanced roles may require a level 4 vocational qualification (diploma). Since January 2019, all childcare centres must have a pedagogical policy officer with at least tertiary level 6 training in pedagogy (bachelor's degree). From January 2025:

- All staff working with babies must complete baby-specific training.
- All childcare workers must meet a minimum Dutch language requirement.
- Staff in early childhood education (daycare or childcare centres) need specific training, especially if working with children who have an educational disadvantage.

The ratio varies depending on the group's age range and the type of childcare provided. In daycares, the ratios are 1:3 for 0-1 years, 1:5 for 1-2 years, 1:6 for 2-3 years, 1:8 for 2-4 years and 1:10 for 4-7 years. Groups with children aged 0-4 years have a maximum of sixteen children. A ratio calculator tool is available to services to easily calculate the number of professionals needed⁵².

There is no national curriculum in the Netherlands. There is a Dutch quality framework for childcare (Kwaliteitskader Kinderopvang), which sets standards for the quality of care and education provided in childcare settings. It emphasises language development, social-emotional skills, and school readiness. ECEC providers are also expected to have their own pedagogical plans or programs that align with national standards and quality guidelines⁵³.

Municipalities are responsible for the quality of childcare and that all centres and facilities meet the requirements of the Childcare Act (wet kinderopvang). They outsource supervision to the Municipal Health Services (GGD), who check if childcare organisations meet the legal quality requirements against the assessment quality day

⁵¹ [Early childhood education and care](#)

⁵² [Professional childcarer-child ratio | Business.gov.nl](#)

⁵³ [Microsoft Word - ECEC Curriculum factsheet 11_2023 long.doc](#)

care model report (modelrapportage dagopvang). Municipalities must take enforcement action if quality requirements are not met.

ECE Funding

The Childcare Benefit/Allowance (Kinderopvangtoeslag)⁵⁴ is available to assist with the cost of childcare for working parents and is calculated on an hourly basis. The benefit is paid directly to the family monthly. Eligibility is activity tested, and the amount of benefit a family can receive is dependent on level of income, childcare expenses and the type of childcare. However, the maximum hourly rate for daycare is €10.71 and the maximum entitlement of 230 hours per month per child. In 2022 (and prior) the number of hours for which you could receive the childcare benefit, depended on the number of hours worked by the parent with the fewest working hours. Calculators are available to estimate how much a family might receive. Families do not automatically receive the benefit; they must apply. All employers are required to pay a collective childcare contribution of 0.5% of the organisation's total wage bill to help fund the Childcare Benefit.

Municipalities play a key role in addressing equitable access issues through targeted outreach and funding. Each child in the Netherlands is given an 'education score' by the Central Bureau of Statistics, estimating their risk of falling behind in education.

Background factors like the parents' education levels, average education level of mothers at the service and whether parents receive dept support are considered. These 'education scores' help to determine the municipality's overall 'deprivation score' and funding amount received from the Government. Municipalities then deliver special educational programmes (e.g. Early Childhood Education (VVE)) in ECE services to reduce or prevent educational disadvantages in children between the ages of two and six.

Recent Reforms

Recent reforms were made in 2018 and 2019 to improve the quality and accessibility of childcare. On 1 January 2018, the Innovation and Quality of Childcare Act (wet IKK) entered into force and the Harmonization of Childcare and Playgroup Work Act (Wet harmonisatie kinderopvang peuterspeelzaakwerk) came into effect.

Wider Support Settings for Parents

Parents are entitled to 10-12 weeks (with child hospitalisation up to 10 weeks extra) of paid maternity leave, 6 weeks of paternity leave, and 26 weeks of parental leave⁵⁵. In 2022, the Netherlands introduced 9 of the 26 parental leave weeks can be paid at 70% of the daily wage if they are taken within 1 year of birth.

⁵⁴ [Child benefits in the Netherlands](#)

⁵⁵ [What types of leave are there? | Government.nl](#)

The child benefit, Kinderbijslag, is a universal allowance that aims to help parents cover the cost of raising children such as children's clothing, food and school expenses. It is available to receive until the child turns 18 and is paid directly to parents through the tax system⁵⁶. As of 1 January 2025, the child benefit rate per quarter (3 months) is €286,45 for 0–5-year-olds (there are different rates for parents with disabled children).

The child budget (kindgebonden budget) can be received in addition to the child benefit by families with children below 18 and below a certain income. This is a contribution towards the costs of children and the amount received is dependent on income, number of children in the family and how old they are⁵⁷. The maximum annual amounts of the allowance per child are (2024)⁵⁸:

- EUR 2436,00 for the first child.
- EUR 2436,00 for the second and subsequent children.

Outcomes of ECE

The Netherlands has high participation rates in ECEC, with 66% for under 2s, 87% for age 2, 88% for age 3, 89% for age 4 and 99% for age 5 in 2022. (OECD, 2024).

Maternal labour market participation in the Netherlands is among the highest in Europe, at 81.8% in 2021 (OECD, 2023), supported by flexible work arrangements and subsidised childcare. However, many mothers work part-time (48.3% work part-time in comparison to 33.5% working full-time), and access to affordable care remains a factor in employment decisions. General female employment rates were 77.3% in 2021.

Maternal employment rates were 81% for mothers with their youngest child being age 0-2 and 80.9% for their youngest child being age 3-5 (OECD, 2021). Maternal rates for mother with one child aged 0-14 was 80.5%, two children aged 0-14 was 85.3% and three or more children aged 0-14 as 74.7% in 2021⁵⁹. Net childcare costs for a two-earner two-child (aged 2 and 3) couple family with full-time earnings at 67% of average earnings, were 15% of family net income in 2022. This percentage factors in childcare benefits/rebates (OECD).

Net childcare costs for a two-child (aged 2 and 3) single-parent family with full-time earnings at 67% of average earnings, were 7% of family net income in 2022. This percentage factors in childcare benefits/rebates (OECD).

Key Takeaways

The Netherland's ECE system has strong municipal involvement and data-driven targeting. This is highlighted through the use of individual 'education scores' to allocate

⁵⁶ [Child benefits in the Netherlands](#)

⁵⁷ [Applying for kindgebonden budget \(child budget\) | Kindgebonden budget \(child budget\) | Government.nl](#)

⁵⁸ [Tax and benefit policy descriptions for the Netherlands 2024](#)

⁵⁹ Note: The schooling system might affect these rates as it includes primary school age kids.

funding to municipalities, which then deliver tailored Early Childhood Education Programmes (VVE) to reduce disadvantage. The system is primarily funded through demand-side subsidies like the Childcare Benefit which is paid directly to the families. Employers also contribute to the Childcare Benefit via a 0.5% payroll levy, forming a joint investment model.

Participation rates are high among all age groups, including 66% for children aged under 2. This is likely influenced by shorter paid maternity leave (10-12 weeks) and strong maternal employment (81.8%). However, it is important to note that while employment rates are high, the Netherlands also have the highest rates of mothers working part-time (48.3% compared to 33.5% working full time), and this flows through to shorter hours of ECE attendance by young children. This may reflect flexible work conditions in the Netherlands, where employees can request to work fewer or different hours under the Dutch Flexible Work Act.

ECE workforce qualifications are vocationally focused, with mandatory baby-specific training and Dutch language proficiency from 2025. Each centre must have a pedagogical policy officer (person-in-charge) with at least tertiary level 6 training in pedagogy, a comparatively lower requirement than in New Zealand, where teachers in centre-based services must hold a Level 7 qualification and a current practising certificate. Although there is no national curriculum, providers must align with the national quality framework and develop pedagogical plans.

Overall Key Themes and Insights

Affordability and Parental Costs

Despite subsidies, out-of-pocket costs remain high in most countries.

- New Zealand had the highest net childcare cost for a two earner two-child couple family with full time earnings at 100+67% of earnings. This was 28% of family net income in 2018.
- Ireland and England had the second highest net childcare cost for a two earner two-child couple family with full time earnings at 100+67% of earnings, at 22% in 2018. However, fee caps have recently been introduced in Ireland that are tied to funding agreements, offering a model to control costs (Core Funding).
- These percentages are approximately in line with the maternal labour market participation percentages, with New Zealand and Ireland having the lowest percentages.

Caps on fee subsidy rates are sometimes used to control price inflation, but they are not always effective. This was found in Australia's ACCC inquiry, which identified that there are limits of demand-side funding when market forces dominate.

More countries are expanding access to free ECE, including to children at younger ages and/or with fewer conditions (e.g. not requiring parents to be working). This includes Australia introducing the Three-Day Guarantee and England's expansion of their universal entitlements. This may be reflective of a shift in social norms where more families expect and accept that young children will be participating in ECE at an earlier age.

Equity and Inclusion

All countries have targeted funding for disadvantaged children. The Netherlands uses data-driven approaches (deprivation scores and education risk indicators) to allocate funding and support inclusion. Ireland has the most individualised mechanisms of targeted support, and England and Australia integrate their targeted support into their broader subsidy systems (e.g. through variable entitlements and subsidy rates). New Zealand appears to have the largest number of targeted funding streams aimed at supporting equitable ECE access and outcomes.

Strategic Direction

Other countries have clear, long-term strategies that have guided recent ECE reforms, something that New Zealand lacks⁶⁰. Although the Early Learning Action Plan is still present in NZ, it does not function as a comprehensive, whole-of-government strategy in the way that Ireland's 'First 5' or Australia's Early Years Strategy do. These strategies integrate broader child wellbeing goals and encourage cross-sector collaboration in the early years. There are potential costs to developing integrated long-term strategies such as these, including the time involved and potential for reduced flexibility if long-term commitments limit the ability to respond to changing priorities.

A key structural difference between New Zealand and the comparator countries considered in this paper is that most (Ireland being the exception) have a two-tiered governance structure. There is national / federal government oversight alongside a lower layer of state or municipal government with their own funding, support and regulatory functions. In those jurisdictions, national strategies support coordination and alignment of policies and activities at state and municipal level.

Interactions Between ECE and Wider Support

The duration and pay of parental leave can influence decisions about ECE participation:

- Countries with longer paid leave like England's 39 weeks and Ireland's 26 weeks, tend to delay ECE entry for children under 2.
- Shorter leave durations like 10–12 weeks maternity leave offered in the Netherlands can result in higher ECE participation under age 2 (66% participation rates for children aged 0-2 in the Netherlands), bearing in mind the points raised above regarding the Netherlands high part-time employment rates amongst mothers (48.3%), and lower average hours of ECE attendance by 0-2 year olds.
- The duration of New Zealand's extended parental leave is up to 1 year unpaid, with up to 26 weeks paid.

Some countries like Australia and England link ECE subsidies to parental work or study activity, reinforcing labour market participation. New Zealand's ECE subsidies are not linked to parental activity levels, however, the Childcare Subsidy does have a work/study test, with only 9 hours of subsidised ECE per week available otherwise.

Structural Quality Requirements Across Jurisdictions

All comparator countries had regulatory requirements for teacher qualifications (the level of qualification and/or the proportion of educators who are required to hold a

⁶⁰ New Zealand has a high-level Child and Youth Strategy 2024-2027, covering a wide age range (0-24). 'Supporting children and their families in the first 2000 days' is one of the three priorities in the Strategy, and the ECE funding review is identified as an action under this priority.

qualification). New Zealand has some of the highest teacher qualification requirements, in terms of the level of qualification required (a level 7 bachelor's qualification for teachers in teacher-led centre-based settings). We also appear to have a high percentage of qualified teachers compared to other countries, and no other country appears to link funding directly to the percentage of qualified staff (although Ireland has recently introduced funding to services to support the employment of graduate-level staff). While New Zealand's ECE regulations set a requirement for 50% of teachers to be qualified, the most recent data shows that 71.18% of teachers were qualified (ECE Census, 2024).

New Zealand has relatively low adult-to-child ratio requirements for children aged 3 years and over when compared to England, Ireland and the Netherlands.

Funding Models

Across the comparator countries, ECE funding models vary in the ways in which they apply demand-side and supply-side approaches, and the mix of universal versus targeted funding. The countries discussed in this paper illustrate that 'simple' ECE funding systems are uncommon, with all having multi-layered funding arrangements. Simplicity may be desirable but a funding system that is both equitable and effective will involve trade-offs and a degree of complexity.

Australia and the Netherlands rely heavily on demand-side subsidies that are means-tested and linked to parental activity levels. However, these models have been critiqued (e.g. by Australia's ACCC inquiry) for contributing to fee inflation and concentrating service provision in areas with higher demand, often leaving rural and disadvantaged communities underserved. This highlights the importance of finding the right balance between supply-side and demand-side subsidies. In contrast, New Zealand and Ireland have increasingly adopted supply-side subsidies, providing direct support to services through the Core Funding scheme in Ireland and New Zealand's supply-side (but demand-driven) ECE subsidy and 20 hours ECE scheme.

Universal funding is common for children in the one to two years immediately prior to school entry. The Netherlands is the only comparator country that does not provide some form of entitlement to 'free' ECE in the year or two before school entry (e.g. 15 hours per week for all Australian 4 year olds; 15 hours per week for 3 and 4 year olds in England; 15 hours in the two years prior to school entry in Ireland). As discussed above under the 'equity and inclusion' heading) the design and application of targeted funding mechanisms varies widely, but these are present in all the countries considered.