



Affordable Childcare- Budget 2018

Current Scenario

The high cost of childcare often means that for parents, particularly lone parents, it is not cost effective to both work and pay for childcare. Retaining women in the workforce has also been highlighted as a concern for employers, and was attributed, in part, to the difficulty for employees in accessing affordable childcare. Further, the reality of women's default role as care-givers is that these interrupted career trajectories can often result in a gender pay gap, gender pension gap and an absence from positions associated with power and decision making. While these consequences (pay, pension and leadership inequality) are often examined separately, all of these gaps extend from the same root cause; being that women for the most part assume the care-giving roles in society, particularly when it comes to raising families. In some cases this is a choice, but for many, it is often justified for economic reasons because women are either earning less than their male counterparts or the option to take parental leave is not as accessible for partners.

In our submission last year on Budget 2017, we recommended that Government should make childcare affordable by introducing direct public subvention in the long-term and reforming the ECCE scheme in the short-term. We welcomed Government's commitment to extending the ECCE model to cover a second year. We also welcomed the pledges in the Programme for Government 2016 to review and assess both the cost and quality of the childcare sector. However, we are of the view that a more detailed plan will need to be put in place to ensure that childcare is properly financed in the long-term.

What do we propose?

As part of past recommendations Chambers Ireland called for the provision of direct subsidies in the form of means-tested capital grants, with childcare subsidies conditional on educational quality standards being met.

- Government has since committed to increasing investment in childcare and recently published the heads of legislation for the Single Affordable Childcare Scheme, committing to means-tested subsidies based on parental income for children up to 15 years. This is a welcome first step towards increasing investment in childcare services making it more affordable for parents. We recommend that Governments continues to invest in child-care services in the long-term and that funding secured in last year's budget (€19 million) be

matched in Budget 2018. Government support for childcare services that is accessible, affordable and of a high quality requires sustained and ongoing investment.

- We welcome commitments within the National Women's Strategy 2017-2020 to implement, on a phased basis, a new national scheme of financial support for parents towards the cost of quality childcare, particularly with regard to proposals to maximise use of schools and existing community facilities which have suitable environments available for school-age childcare where demand exists and where it can be facilitated by the school patron/trustees. We also welcome commitments to promote initiatives to support women returning to work from maternity leave. We call on Government to ensure that these commitments are adequately resourced as part of Budget 2018 with measureable and achievable outputs.
- In September 2016, Government introduced two weeks paid paternity leave for fathers. Indications given in the Programme for Government suggest that Government plans to expand this entitlement over the coming five years. We call on Government to work with employer's groups to examine how increasing parental leave provisions can be introduced and managed with minimal burden to employers.

How will this benefit the economy?

Improving and retaining our competitiveness as an economy must be a central part of how Ireland prepares for the impact on our economy of Brexit. It is our view that that Budget 2018 provides us with an opportunity to address gaps that may be impacting Ireland's economic performance. Ireland is competing against the top performing countries in the OECD for investment and for access to markets, and if we are to position ourselves as a knowledge-economy with a highly skilled workforce, our human capital must be developed to its fullest. Therefore, ensuring that Ireland is a more equal society, where men and women are supported to reach their full potential, as citizens, employees, leaders and entrepreneurs, should be a crucial part of future policy planning. Further, by ensuring access to affordable childcare services, there are knock-on has positive implications for female labour market participation, the well-being of children, the gender-pay gap, and for Government revenues (due to higher rate of labour force participation).

Summary- What we're asking for

- Government must continue to invest in child-care services in the long-term and that funding secured in last year's budget (€19 million) be matched in Budget 2018.
- Government must ensure that the commitments made in the National Women's Strategy are introduced and adequately resourced, including: maximising use of schools and existing facilities to support school age childcare, and initiatives to support women returning to work from maternity leave.
- Government must work with employers' groups to examine how increasing parental leave provisions can be introduced and managed with minimal burden to employers