

Proposal to freeze childcare fees faces pushback from creche owners ^[1]

Owners tell Minister for Children they have concerns over €200m budget intervention

Author: Horgan-Jones, Jack

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EXCERPTS

A proposal to freeze childcare fees is facing pushback from a group representing owners, who told the Minister for Children on Wednesday that they had concerns over the €200 million budget intervention.

It is understood that at a meeting between the Minister, officials and stakeholders on Wednesday evening, Childhood Services Ireland – the Ibec group representing childcare service owners – was among those to raise issues, as was the Federation of Early Childhood Providers (FECF).

Under the terms of a budget-day scheme announced by Roderic O’Gorman, childcare providers will be asked to freeze the fees charged to parents in exchange for a new funding scheme designed to improve terms and conditions for the sector. The fees approach and the budgetary allocation received broad support at the meeting of the Early Years Forum on Wednesday.

However, sources at the meeting said the Ibec representative indicated that the speed at which the freeze was to be implemented, and a lack of flexibility, were concerns for members, as was the fact that services are being asked to stop increasing fees immediately, rather than when it kicks in next September.

The group also suggested that fees should be permitted to increase between now and when the cap is introduced, if only to a certain level. Earlier on Wednesday, Darragh Whelan, the director of Childhood Services Ireland, said while they welcomed parts of the deal, they were against the measure that freezes fees.

He said the budget overall didn’t go far enough to address affordability for parents, threatened sustainability of services and would ensure only minimal raises for workers. He said that childcare operators would need a mechanism to recover costs as inflation grows.

Key instrument

However, Mr O’Gorman indicated on Wednesday that the fee freeze would be a key instrument for ensuring future increased subsidies weren’t eaten up by higher fees. “The key thing we’ve done in this budget is by achieving that additional investment into childcare services in exchange for that commitment not to increase fees,” he said.

The Minister said the majority of childcare services recognised the direction of travel, and that “the State needs to put in greater investment, more public investment, but the quid pro quo for that is greater public management as well”. Accepting that the changes introduced this year would only mean “modest” reductions for most parents, he said he was committed to looking to reduce the cost of childcare and that the freezing tool meant “we have a clear mechanism and an effective mechanism to do that”.

Workers representative groups have welcomed the development, pointing out that the new scheme will not proceed unless an employment regulation order (ERO) was put in place setting a new legally binding wage in the sector. Guidelines issued by the department on Tuesday state that if an ERO is not agreed “a significant proportion of the funding allocation will not be made available”.

Darragh O’Connor, head of organising at Siptu, said Tuesday had been a “breakthrough budget” for the sector.

“The crisis of poverty pay is undermining quality and sustainability and forcing workers out of their profession. Government recognise this and they are making the investment need to address the crisis,” he said. “The new funding scheme will allow government to increase investment in the future with the confidence that it will bring down fees for parents, improve pay for workers, which improves quality for children.”

Elaine Dunne, chairperson of the FECF, said: “I would be against the fees being frozen at this time, until we know exactly what’s coming at us. We have no idea how much funding is going to be given, how it’s going to be given. It’s all up in the air and we don’t know where it’s going.”

Region: Europe ^[3]

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