

# Tax breaks and subsidies to help fund childcare cost <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

Working parents are in line for tax breaks and subsidies to support childcare costs under a new Government plan to ease the burden on hard-pressed families.

A major new "affordability of childcare" scheme is being brought to Cabinet tomorrow, amid growing concern about the barriers to mothers getting back to work.

Ireland is now the most expensive country in the world for childcare, along with the United States.

The Irish Independent last week revealed how parents are forced to earn up to \$30,000 a year just to fund creche places for two children.

It costs up to \$2,035 per month to keep a baby and toddler in childcare.

Senior Government sources are determined to tackle "affordability" issues with a number of measures aimed at working parents.

Tax reliefs and subsidies are on the table for discussion, in the plan to be rolled out over several Budgets.

The new plan also aims to deliver on the Government's promise of a second free pre-school year, but according to sources, its purpose is "much wider than that".

The Coalition is also keen to address the "latch-key" child phenomenon by rolling out a range of after school activities that will either be paid for directly by the State or heavily subsidised.

The Government is seeking to identify a range of measures to best utilise the \$260m a year spent on childcare.

Included in this is the free pre-school year which benefits more than 100,000 children every year.

"We are spending a lot of money in this area, but what we want is to have a fully informed basis upon which to make policy decisions," said one source.

It is understood that Children's Minister Dr James Reilly will establish a seven-department committee which will report by the summer.

It is expected that a range of proposals could be included as early as the Budget this October.

The new "high-level" group will be asked to identify four main policy objectives, including:

- Supporting parents to care for their children
- Improving children's outcomes
- Addressing issues of disadvantage and poverty
- Improving access to work for parents.

The group is tasked with identifying key ways of helping parents in terms of child support, looking at how best to target State spending.

The plan will "identify and assess options for investment" for pre-school and school age children and will "specify the costs and benefits of each option".

But while much of the focus has to date been on pre-school children, this policy is also likely to see a radical expansion of initiatives like study clubs, after-school clubs and sports clubs.

A major study conducted by the Organisation for Economic Co-operation and Development (OECD) last year showed that a family in Ireland with two children spends 40pc of the average wage just to meet their childcare costs.

This compares with the OECD average of only 12pc and represents the highest cost of any of the OECD's 34 members.

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**Region:** Europe <sup>[3]</sup>

**Tags:** subsidy <sup>[4]</sup>

affordability <sup>[5]</sup>

funding <sup>[6]</sup>

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