

Childcare tax relief will not improve care quality, says lobby ^[1]

Author: O'Brian, Carl

Source: The Irish Times

Format: Article

Publication Date: 31 Mar 2015

AVAILABILITY

Read Online ^[2]

EXCERPTS

Parents should not be given tax relief for childcare on the basis that this would do little to improve quality or assist less well-off families, a high-level Government group will be told on Tuesday.

Instead, childcare groups will urge policymakers to subsidise places directly in creches, as now happens under the free preschool year programme.

This, they argue, will result in a "double dividend" of making places affordable while improving quality to support children's development.

An inter-departmental group which is drawing up a blueprint for investment in childcare services is due to meet groups including Early Childhood Ireland, Start Strong and Barnardos on Tuesday.

The group was established this year by Minister for Children Dr James Reilly following recommendations from the European Commission that the State do more to improve access to the labour market for women by improving access to affordable childcare.

The State has some of the highest childcare costs in Europe.

Latest figures indicate a typical dual-earner family with two young children is paying more than one-third of their income on childcare. The average cost across the EU is between a quarter and a half of the Irish average.

Blueprint

Dr Reilly has been careful not to rule out tax credits as part of a new blueprint for childcare services.

But Teresa Heeney of Early Childhood Ireland said any move in this direction would do little to reduce costs or help creches which are struggling to make ends meet.

She said there was a significant oversupply of childcare places because parents were increasingly relying on childminders or family members for care.

"Sustainability is a major problem. Creches are increasingly offering parents anything they want, be it a few hours a week or a month," she said.

"It's at the stage where a high number of places are now in danger of trading recklessly and don't have any wriggle room left."

Operators

Early Childhood Ireland supports directly subsidising more childcare places and wants to place a limit on the number of operators which provide places under the free preschool year.

Latest official figures indicate there are about 31,000 vacant childcare places in the State. The proportion of creches with vacant places has increased by more than 20 per cent since 2006.

Start Strong, which campaigns for high-quality early years care and education, says average investment in early years among OECD countries is 0.8 per cent of GDP. The equivalent figure for here, however, is about 0.2 per cent.

It also supports reducing costs to parents by extending subsidised places in childcare services and making public funding conditional on quality.

This could involve keeping the existing free preschool year and putting in the building blocks for a second free year.

Ciairín de Buis, director of Start Strong, said there was no evidence that tax credits would improve the quality of services or reduce costs.

"They don't work for parents in that it doesn't address affordability and can unfairly benefit higher earners.

There's some evidence it can push up the cost of care after a while," she said.

"They don't work for children because they do nothing to ensure there are quality services, unlike direct investment."

She said an in-depth study by the Organisation for Economic Co-operation and Development recently concluded that the most effective way to make early care and education services more affordable, while raising the quality of services, was through "supply-side" subsidies.

The group also supports providing a year of paid leave so a parent can remain at home with a child for the first 12 months of their life.

Region: Europe ^[3]

Tags: subsidy ^[4]

affordability ^[5]

quality ^[6]

accessibility ^[7]

maternal and parental leave ^[8]

Source URL (modified on 27 Jan 2022): <https://childcarecanada.org/documents/15/04/childcare-tax-relief-will-not-improve-care-quality-says-lobby>
Links

[1] <https://childcarecanada.org/documents/15/04/childcare-tax-relief-will-not-improve-care-quality-says-lobby> [2] <https://www.irishtimes.com/news/social-affairs/childcare-tax-relief-will-not-improve-care-quality-says-lobby-1.2159230> [3] <https://childcarecanada.org/category/region/europe> [4] <https://childcarecanada.org/category/tags/subsidy> [5] <https://childcarecanada.org/category/tags/affordability> [6] <https://childcarecanada.org/category/tags/quality> [7] <https://childcarecanada.org/category/tags/accessibility> [8] <https://childcarecanada.org/category/tags/maternal-and-parental-leave>